

APPENDIX 4

KEY ASSUMPTIONS USED IN PROJECTED RESOURCES, EXPENDITURE AND INCOME 2018-22

| Factor | Assumption |
|---|---|
| Resources | |
| Council Tax base | Variable depending on projected additional properties. |
| Council Tax | 5.99% increase in 2018/19 year (including a 3% levy for Adult Social Care) and then a 2.99% increase in 2019/20 and a 3.99% increase in 2020/21 & 2021/22 (including a 2% increase for Adult Social Care levy). |
| Council Tax collection | 99% collected |
| Government Grants | Government grants for 2018-19 as indicated in settlement and indicative figures for 2019/20 – 2021/22. |
| | Increase in Business Rates Scheme and Top Up Grant of 3.2% 2018/19, 3.6% 2019/20, 3.0% 2020/21 & 2.5% 2021/22 (projected RPI). |
| | Reduction in Revenue Support Grant of 30% in 2018/19, 44% in 2019/20 & 13% in 2020/21. |
| Expenditure | |
| Pay inflation | 2018-19 2% and thereafter 2% with varying adjustments to the lower scp's as per national scheme. |
| Price inflation | Only contractual inflation on running costs |
| Local Government Pension Scheme | Stepped Employers contributions of 15.8% in 2018/19, 16.8% in 2019/20 and thereafter plus a lump sum payment to pension fund for Past Service Deficit for 2017/18 – 2019/20. |
| Financing Costs | |
| Interest rates payable | Average rate on existing debt 2017-18, 4.23%; 2018-19, 4.09%; 2019-20, 4.01%; 2020-21, 3.98%. |
| Interest rates payable on new debt – 10 year rate | 2017-18, 1.58%; 2018-19, 1.68%; & 2019/20, 1.75%; 2020/21 2.00%. |
| Interest rates receivable | 2017-18, 0.10%; 2018-19 0.25% & 2019-20 0.50%; 2020/21 0.75%. |
| Income | |
| Inflationary increases | Various based on individual service considerations |