

APPENDIX 4

**KEY ASSUMPTIONS USED IN PROJECTED
RESOURCES, EXPENDITURE AND INCOME 2021/22-2024/25**

| Factor | Assumption |
|---|--|
| Resources | |
| Council Tax base | Variable depending on projected additional properties. |
| Council Tax | 4.99% increase in 2021/22 year (including 3% for the Adult Social Care precepts) and then a 1.99% increase in 2022/23, 2023/24 & 2024/25. |
| Council Tax collection | 99% collected |
| Government Grants | Government grants for 2021/22 as indicated in 2020 spending review and indicative figures for 2022/23 – 2024/25. |
| | Increase in Business Rates Scheme Top Up Grant of 0.5% in 2021/22, 1.59% in 2022/23, 1.96% in 2023/24 & 1.92% in 2024/25 (projected CPI). |
| | Revenue Support Grant 2021/22 flat lined to 2024/25. |
| | Continuation of Improved Better Care Fund (iBCF) at 2020/21 rates. |
| | Continuation of 2020/21 Social Care Support Grant of £2.952m in total and assumed to continue to 2024/25. And a further £0.550m in additional grant for 2021/22 as per the spending review. |
| | New Homes Bonus (NHB) legacy payments will continue but no new ones assumed after 2021/22, any funding beyond this subject to 2020 Spending Review so assumed to discontinue in 2023/24. |
| Expenditure | |
| Pay inflation | 2021-22 1% and thereafter 2% in line with national scheme. |
| Price inflation | Only contractual inflation on running costs |
| Local Government Pension Scheme | Contribution rate of 18.4% for 2021/22 – 2023/24 plus past service deficit contributions of £0.271m in 2021/22, £0.280m in 2022/23, amounts set aside in Contingencies for potential increase post 2022/23 Triennial review. |
| Financing Costs | |
| Interest rates payable | Average rate on existing debt 2021/22 of 2.48%; 2022/23 of 2.39%; 2023/24 of 2.35% & 2024/25 of 2.35%. |
| Interest rates payable on new debt – 10 year rate | 2021/22 of 2.15%; 2022/23 of 2.28%; 2023/24 of 2.35% & 2024/25 of 2.40%. |
| Interest rates receivable | 0.10% in 2021/22 & 2022/23; 0.25% in 2023/24 & 0.75% in 2024/25. |
| Income | |
| Inflationary increases | Various based on individual service considerations |