

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 £0.641m 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 2% 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