

APPENDIX 4

**KEY ASSUMPTIONS USED IN PROJECTED
RESOURCES, EXPENDITURE AND INCOME 2024/25-2027/28**

Factor	Assumption
Resources	
Council Tax base	Variable depending on projected additional properties.
Council Tax	2.99% increase in 2024/25 and then 1.99% to 2027/28
Adult Social Care Precept	2% increase in 2024/25 and then 1% to 2027/28
Council Tax collection	99% collected
Government Grants	Government grants, as indicated in the Final Local Government Finance Settlement 2024/25 and indicative figures for 2025/26 – 2027/28.
	Increase in Business Rates Scheme Top Up Grant of 2.9% in 2024/25, 3.0% in 2025/26, reset in 2026/27 & 1.9% 2027/28.
	Revenue Support Grant per final settlement 2024/25, 2% uplift in 2025/26 and then 1.16% to 2027/28.
	Continuation of Improved Better Care Fund (iBCF) at 2024/25 rates.
	Continuation of Adult Social Care Support Grant of £3.753m as per 2024/25 final settlement, flatlined and assumed to continue to 2027/28.
	Services Grant 2024/25 as per final settlement, flatlined and assumed to continue until 2027/28
	Social Care Grant, per 2024/25 final settlement at £7.153m (inclusive of additional £500m announced 24/1/24), flatlined and assumed to continue to 2027/28.
	New Homes Bonus (NHB) per 2024/25 final settlement and then assumed nil from 2025/26
	Strengthening Families Grant estimated at 2023/24 rate for 2024/25, then ceases.
Expenditure	
Pay inflation	2024/25 4% and thereafter 2% in line with national scheme.
Price inflation	Only contractual inflation on running costs
Local Government Pension Scheme	Contribution rate of 18.3% for 2024/25 until next triennial revaluation in 2025/26.
Financing Costs	
Interest rates payable	Average rate on existing debt 2024/25 of 3.87%; 2025/26 of 3.64%, 2026/27 of 3.45% & 2027/28 of 3.45%.
Interest rates payable on new debt – 10 year rate	2024/25 of 4.50%; 2025/26 of 3.78%, 2026/27 of 3.53% & 2027/28 of 3.50%.
Interest rates receivable	4.70% in 2024/25, 3.00% in 2025/26, 2.80% in 2026/27 & 3.05% in 2027/28.
Income	
Inflationary increases	Various based on individual service considerations