

APPENDIX 4

**KEY ASSUMPTIONS USED IN PROJECTED
RESOURCES, EXPENDITURE AND INCOME 2025/26-2028/29**

Factor	Assumption
Resources	
Council Tax Base	Variable depending on projected additional properties.
Council Tax	2.99% increase in 2025/26 and then 1.99% to 2028/29
Adult Social Care Precept	2% increase in 2025/26 and then 1% to 2028/29
Council Tax collection	99% collected
Government Grants	Government grants, as indicated in the Provisional Local Government Finance Settlement 2025/26 and indicative figures for 2026/27 – 2028/29.
	Increase in Business Rates Scheme Top Up Grant of 1.1% in 2025/26. Future years business rates estimated in line with Government review.
	Additional Local Government Funding announced in the Budget split into Social Care Grant and new Recovery Grant as below.
	Revenue Support Grant per provisional financial settlement 2025/26, 2.6% uplift in 2026/27, 2.2% 2027/28 & 2% 2028/29.
	Continuation of Improved Better Care Fund (iBCF) at 2025/26 provisional financial settlement rate across the MTFP.
	New Homes Bonus per provisional settlement 2025/26, no future year's allocations.
	New, Children's Social Care Prevention grant as per provisional financial settlement 2025/26, flatlined and assumed to continue to 2028/29.
	Children & Families Grant as per provisional financial settlement 2025/26, assumed to be one year only.
	Social Care Grant, (merged with Adult Social Care Grant) per 2025/26 provisional financial settlement, flatlined and assumed to continue to 2028/29.
	New, Recovery Grant as per provisional financial settlement 2025/26, flatlined and assumed to continue to 2028/29.
	New, Extended Producer Responsibility Grant as per 2025/26 allocation. Assumed to reduce in future years as industry reduces packaging.
	Additional Homeless Grant, estimated per provisional financial settlement 2025/26, assumed to be one year only.
	Estimated National Insurance Offset grant for directly employed staff, based on formula in provisional financial settlement 2025/26.
Expenditure	
Pay inflation	2025/26 3% 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 2025/26 and until next triennial revaluation in 2028/29.

Financing Costs	
Interest rates payable	Average rate on existing debt, 2025/26 of 4.07%, 2026/27 of 3.38%, 2027/28 of 3.23% and 2028/29 of 2.34%
Interest rates payable on new debt – 10 year rate	2025/26 of 4.23%, 2026/27 of 4.03%, 2027/28 of 3.90% and 2028/29 3.90%.
Interest rates receivable	3.35% in 2025/26, 3.10% in 2026/27, 3.25% in 2027/28 and 3.25% in 2028/29.
Income	
Inflationary increases	Various based on individual service considerations