

APPENDIX 4

**KEY ASSUMPTIONS USED IN PROJECTED
RESOURCES, EXPENDITURE AND INCOME 2026/27-2029/30**

Factor	Assumption
Resources	
Council Tax Base	Variable depending on projected additional properties.
Council Tax	2.99% increase in 2026/27 and future years in line with Government Core Spending Power.
Adult Social Care Precept	2% increase in 2026/27 and future years in line with Government Core Spending Power.
Council Tax collection	99% collected
Business Rates	Business Rates as per estimates from the Council's specialist advisors of the Government's Fair Funding review.
Government Grants	Provisional awaiting draft Local Government Finance Settlement.
	Revenue Support Grant increased to include Fair Funding reforms and consolidation of grant streams, as per estimates from the Council's specialist advisors of the Government's Fair Funding review.
	Better Care Grant (previously BCF) consolidated with Delayed Discharge Grant (previously shown in Departmental net expenditure) at 2025/26 financial settlement flatlined to 2029/30.
	Social Care Grant, assumed consolidated into Revenue Support Grant as per Fair Funding consultation.
	Homeless Prevention Grant, Temporary Accommodation element assumed consolidated into Revenue Support Grant as per Fair Funding consultation. Balance of grant in Department net expenditure flatlined at 2025/26 allocation.
	National Insurance Offset Grant, assumed consolidated into Revenue Support Grant as per Fair Funding consultation.
	Children's Social Care Prevention Grant, in Departmental net expenditure flatlined at 2025/26 allocation.
	Recovery Grant, assumed rolled into Revenue Support Grant as per Fair Funding consultation.
	Children & Families Grant as per financial settlement 2025/26, flatlined and assumed to continue to 2029/30.
	New Homes Bonus Grant ended as per 2025/26 final settlement
	Extended Producer Responsibility Grant as per 2026/27 provisional allocation. Assumed to reduce in future years as industry reduces packaging.

Expenditure	
Pay inflation	2026/27 3% and thereafter 2% in line with national scheme.
Price inflation	Only contractual inflation on running costs.
Local Government Pension Scheme	Contribution rate of 14.5% for 2026/27 and all years to 2029/30.
Financing Costs	
Interest rates payable	Average rate on existing debt, 2026/27 of 3.59%, 2027/28 of 3.29%, 2028/29 of 3.15% and 2029/30 of 2.97%
Interest rates payable on new debt – 10 year rate	2026/27 of 4.83%, 2027/28 of 4.70%, 2028/29 of 4.60% and 2029/30 4.60%.
Interest rates receivable	3.50% in 2026/27, 3.50% in 2027/28, 3.50% in 2028/29 and 3.50% in 2029/30
Income	
Inflationary increases	Various based on individual service considerations.