

APPENDIX 4

**KEY ASSUMPTIONS USED IN PROJECTED
RESOURCES, EXPENDITURE AND INCOME 2020-24**

Factor	Assumption
Resources	
Council Tax base	Variable depending on projected additional properties.
Council Tax	3.99% increase in 2020/21 year (including a 2% precept for Adult Social Care) and then a 1.99% increase in 2021/22, 2022/23 & 2023/24.
Council Tax collection	99% collected
Government Grants	Government grants for 2020/21 as indicated in 2019 spending review and indicative figures for 2021/22 – 2023/24.
	Increase in Business Rates Scheme Top Up Grant of 2% in 2020/21 to 2023/24 (projected CPI).
	Revenue Support Grant 2020/21 increased by CPI and then flat lined to 2023/24.
	Continuation of Improved Better Care Fund (iBCF) at 2019/20 rates.
	Continuation of 2019/20 Social Care Support Grant + a new Social Care Support Grant = £2.952m in total and assumed to continue to 2023/24.
	New Homes Bonus (NHB) legacy payments will continue but no new ones assumed after 2020/21, any funding beyond this subject to 2020 Spending Review so assumed to discontinue in 2023/24.
Expenditure	
Pay inflation	2020-21 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 2020/21 – 2023/24 plus past service deficit contributions of £0.263m in 2020/21, £0.271m in 2021/22, £0.280m in 2022/23 & £0.288m in 2023/24
Financing Costs	
Interest rates payable	Average rate on existing debt 2020/21 of 2.95%; 2021/22 of 2.94%; 2022/23 of 3.02% & 2023/24 of 3.09%.
Interest rates payable on new debt – 10 year rate	2020/21 of 2.00%; 2021/22 of 2.33%; 2022/23 of 2.50% & 2023/24 of 2.65%.
Interest rates receivable	1.00% in 2020/21 & 2021/22; 1.50% in 2022/23 & 2023/24.
Income	
Inflationary increases	Various based on individual service considerations