

## ESSENTIAL REFERENCE PAPER B

### Planning assumptions for August 2012MTFP update

Factor	Note	2013/14	2014/15	2015/16	2016/17
<b>Council tax increase</b>		<b>Nil</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.5%</b>
Pay settlement	1	1%	1%	2.5%	2.5%
Pay allowance for "drift" arising from regradings, increments and local award	2	0.75%	0.75	0.75%	0.75%
Members allowances	3	IRP	IRP	IRP	IRP
Return on investments	4	0.8%	1.0%	1.7%	2.3%%
Price inflation	5	2.0 %	3.2%	2.7%	2.7%
Economic growth	6	2.3%	2.8%	3.1%	3.0%
Council tax base	7	0.25%	0.25%	0.30%	0.30%
Pension Contributions	8	nil	+1%	+1% (2% compound)	(2% compound)
Council tax collection rate	9	98.65%	98.65%	98.75%	98.75%
Vacancy rate	10	3%	3%	3%	3%

#### Notes

1. Based pay restraint ceilings to 201/15; then OBR March 2012 table 1.1 Average earnings 2015/16 4.5% and 2015/16 4.5% minus 2%.
2. Based on historical trend
3. Subject to IRP recommendations and Council decisions.
4. As OBR table 4.3 (March 2012) – "Market short term interest rates". This rate will be applied to funds other than fixed term deposits as August 2012.
5. As OBR table 4.3 (March 2012) "GDP deflator"
6. As OBR table 4.3 (March 2012) – "Real GDP"
7. At trend rate and excludes impact of council tax support scheme and policy changes in respect of empty property discounts.
8. Pending triennial review results November 2013;

9. Assumes continued collection rate fall off to 2013/14. Rate for 2012/13 set at 98.75%.
10. Pay bill to be calculated at 97% of full establishment.