

ESSENTIAL REFERENCE PAPER 'E'

Pay and Price assumptions used in the MTFP

Factor	Note	2015/16	2016/17	2017/18	2018/19
Council Tax Increase		0%	1.00%	1.00%	1.00%
National Pay award	1	2.20%	1.50%	1.50%	1.50%
Increments and Local award	2	0.75%	0.75%	0.75%	0.75%
Members allowances	3	2.00%	1.50%	1.50%	1.50%
Price Inflation	4	2.30%	2.10%	2.00%	2.00%
Contract Inflation (general)	5	2.30%	2.10%	2.00%	2.00%
Council Tax Base	6	1.72%	1.00%	1.00%	1.00%
Fees and Charges (general)	7	2.50%	2.50%	2.50%	2.50%

Notes

1. Based on a continued pay restraint ceiling through the life of the MTFP.
2. Annual 0.75% increase to take account of increments and local award.
3. Members' allowances are set by Independent remuneration Panel but for planning purposes only, have included up rating in line with current assumptions around pay.
4. Price inflation is based upon OBR (Office for Budget Responsibility) predictions around inflation in future years.
5. Contract inflation is based upon OBR predictions around inflation in future years in line with the indices specified in the relevant contract.
6. Council Tax base increases have been calculated using trend information. Further revisions may apply once more data on the impact of Council Tax support has been analysed.
7. Fees and Charges income levels assumed to increase by 2.5%. This may be through generation of additional income or where appropriate price increases.