

## Appendix B

### Assumptions used in preparing the draft 2014-15 Revenue and Capital Estimates

- (a) Staffing establishment as at October 2013, plus allowance for known changes and restructures;
- (b) Employer pension costs of 25% with effect from 1 April 2014 (the provision takes account of pensions increases linked to the consumer price index (CPI));
- (c) Travelling costs: allowance for inflation of 2.5%, slightly higher than the Office of Budget Responsibility (OBR)'s forecast of 2.4%;
- (d) Other provisions for inflation have been applied only in cases where price increases can be justified; although the MTFS includes a general provision for inflation in line with the OBR's forecast, this has not been applied automatically in preparing the estimates.
- (e) General Fund Summary:
  - (i) Reduction for vacancies for the General Fund of £450k (the figure for the Housing Revenue Account (HRA) is £50k), in line with previous experience; however, there is a risk that the same level might not apply in 2014-15;
  - (ii) New Homes Bonus used to meet non-recurring expenditure on infrastructure etc (£1.398m, in line with the Local Government Finance Settlement figure);
  - (iii) In accordance with Cabinet's decision in September 2013, no provision has been made for payment of Local Council Tax Support funding to parish councils;
- (f) Capital Programme:
  - (i) In line with Government guidance, HRA capital receipts have been applied for HRA housing purposes only;
  - (ii) The Finance & Staffing Portfolio capital programme includes £7m advance funding for the housing company pilot scheme, to be financed by borrowing [note: expenditure on pilot scheme projects will be subject to the development of appropriate business cases; it is possible that some of the expenditure may fall into 2015/16];
  - (iii) The Finance & Staffing Portfolio capital programme also includes an indicative contribution of £5m towards the cost of upgrading the A14. It is expected that the Council will meet this from the New Homes Bonus infrastructure reserve; however, no final decision has yet been made on the amount of the contribution or the means of funding it;
  - (iv) The Housing General Fund capital programme budget includes the cost of refurbishing the County Council owned Travellers site at Whaddon managed by this Council and the addition of two new pitches by more efficient use of the land. The Council has secured Homes & Communities Agency (HCA) funding of around £1.1m will invest £300k towards the required works, which will be recouped by the Council from the rents charged to the residents of the site.
  - (v) The Planning & Economic Development Portfolio and Planning Policy & Localism Portfolio capital programme budgets now reflect the changes resulting from the grants review.