

Assumptions in the 2011/12 – 2014/15 Medium Term Financial Plan (MTFP)

Inflation

1. The table below sets out the inflation assumptions built into the current MTFP. These will need to be reviewed in agreeing the MTFP for 2012/13 to 2016/17.

Year	Pay	Non Pay & Income	Contracts
2012/13	0%	2.0%	3.0%
2013/14	2.5%	2.0%	3.0%
2014/15	2.5%	2.0%	3.0%
2015/16	2.5%	2.0%	3.0%

Previously Agreed Funding

2. A total of £28.517m of pressures and funding are built into the MTFP from 2012/13. This includes £27.221m from the 2010/11 MTFP and £1.296m of new pressures agreed in 2011/12. The table at Annex 2a shows the detail behind the amount of previously agreed funding for each Scrutiny Committee. The totals are summarised below.

	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Children's Services	-0.460	-0.693	0.210	-0.943
Adult Services	6.338	4.089	5.504	15.931
Growth & Infrastructure	6.141	5.213	1.518	12.872
Safer & Stronger Communities	0.177	0.361	0.055	0.593
Strategy & Partnerships	0.486	-0.599	0.177	0.064
TOTAL	12.682	8.371	7.464	28.517

Previously Agreed Savings

3. The table at Annex 2b shows the savings that were agreed by Council on 15 February 2011 that were planned to be achieved in 2012/13, 2013/14 and 2014/15. The totals are summarised below.

	2012/13 £m	2013/14 £m	2014/15 £m	Total £m
Children's Services	-6.432	-0.719	-1.197	-8.348
Adult Services	-10.346	-4.128	-6.667	-21.141
Growth & Infrastructure	-6.700	-6.003	-3.010	-15.713
Safer & Stronger Communities	-2.261	-0.832	-0.132	-3.225
Strategy & Partnerships	-3.481	-0.174	-0.339	-3.994
TOTAL	-29.220	-11.856	-11.345	-52.421

The previously agreed savings of £52.4m set out above, less the new pressures agreed in 2011/12 of £1.3m (these are included in the table at paragraph 2 along with the ongoing pressures and new funding from 2010/11), corporate variations of £13.1m and savings planned savings of £54.6m in 2011/12 total the savings target agreed in 2011/12 of £118.8m.

Funding

4. The following table shows the expected amount and decreases of formula grant, Council Tax and the associated tax base (the number of properties that council tax can be collected from) included in the existing MTFP.

	2012/13	2013/14	2014/15	2015/16
Estimated Formula Grant	£108.2m	£98.5m	£89.6m	£89.6m
Council Tax Increase (Band D) (1% = £2.9m)	2.5%	3.75%	3.75%	3.75%
Council Tax Base (+/-0.25% results in a gain/loss of £0.725m)	0.75%	0.75%	0.75%	0.75%