

## BUDGET AND PRECEPT 2019/20 AND MEDIUM TERM FINANCIAL FORECASTS 2019/20 TO 2022/23

### SCHEDULE OF KEY BUDGET ASSUMPTIONS

This schedule identifies the key assumptions used in the ongoing calculation of the 2019/20 budget.

- Government Police Grant funding for 2019/20 will reflect the funding settlement announced 13<sup>th</sup> December 2018. It is assumed that Police Grant funding will then remain static in cash terms in 20/21 and thereafter
- Capital grant will remain static in cash terms in 2020/21 and thereafter at £421k
- Counter Terrorism specific grant will remain at the same level as received in 2018/19 for future years
- Police Pensions specific grant is assumed to continue at the same cash level as expected in 2019/20
- Council Tax will increase by £24 in 2018/19 and 2019/20, and 1.99% for each year thereafter
- A 1.48% increase in tax base is assumed for 2019/20, followed by 1.0% increases annually
- A £952k surplus is anticipated in 2019/20. For 2020/21 and beyond, £100k surplus on the Council Tax collection fund has been assumed.
- Turnover on police officers takes into account officers leaving at their 30 year service date, plus an estimate for ill health retirements, transfers out and resignation
- The base budget requirement assumes that a 2.0% pay award will be applied on 1 September 2019 and in each subsequent year for police officers and police staff. A 2% Pay Award was agreed for September 2018.
- The employer's current contribution to the police staff pension scheme, plus agreed contributions to the prior year deficit, will be as set out below:

	18/19	19/20	20/21	21/22
LGPS Base Contribution	14.35%	15.50%	16.10%	16.10%
Plus Repayment of LGPS Deficit (cash lump sum)	£0.35m	£0.55m	£0.58m	£0.58m
<b>Estimated Total Cash Contribution</b>	<b>£5.6m</b>	<b>£6.4m</b>	<b>£6.9m</b>	<b>£7.0m</b>
% of Staff Pay Budgets	15.3%	17.0%	17.6%	17.6%

- Police Officer employer pension contributions have been assumed to be paid at 31.0% throughout MTFs period in line with the guidance following the recent actuarial valuation.
- Inflation has been applied only to budgets that are subject to inflationary pressures at a notional rate of 2.0%, except where individual rates are known, or can be separately estimated due to particular inflationary pressures. Actual CPI for October 2018, published on 14 November 2018, was 2.4%
- Future investment income assumes an average interest rate of 0.90%. The current actual bank base rate is 0.75%.
- The capital programme will be financed by capital grant, capital receipts and revenue financing through direct contributions, use of reserves and borrowing.