

## Medium Term Revenue Budget Forecast NOTES

1. The base budget is updated each year to take account of inflation and growth factors in the previous year. The budget for 2013/14 includes a pay award provision of 1%. An increase of 1% has also been used for the following three years. A provision is included for annual increments to cover the progress up the salary grade of new starters. General Inflation of 3% is included for increases of expenditure for 2013/14 and 3% for subsequent years. It is netted off with anticipated increases in income at the inflation level.
2. Provision is included for the likelihood of additional spending pressures. In 2013/2014 there will be the triennial North Yorkshire Pension Fund revaluation and it is anticipated that rises of over 2% in contributions will be required.
3. Members have agreed that borrowing is required to finance the A64 upgrade at the Brambling Fields junction.
4. The Round 3 programme has delivered significant savings for the 2013/14 budget, however, it is anticipated that new budget pressures and likely reductions in the government grant settlement will mean further efficiency and other savings will be required in future years. The lower estimates for efficiency savings reflects the fact that completing Round 3 has seen the entire organisation reviewed.
5. Service cuts have not been required in the 2013/2014 budget. Further cuts will be required in future years, the level required subject to decisions around the New Homes Bonus.
6. The plan as presented assumes the use of New Homes Bonus funding to meet the predicted cut in Revenue Support Grant.
7. The Revenue Support Grant has been announced for 2013/2014 with a provisional figure for 2014/2015. The remaining two years are estimates based on existing announcement. The spending review starting in 2013 will provide the detail, however the possibility of a late announcement in December 2014 of the figures for 2015/16 and 2016/2017 should not be ruled out.
8. The Business Rates figure is the expected retained element for RDC under the Business Rate Retention Scheme. The figures in the projection assume no growth in business rates, the increases reflecting indexation of the retained element and tariff.
9. The RDC Council Tax is assumed not to increase for 2013/14, whilst increases in future years are predicted at 2%.
10. An adjustment has been made for a small increase in the council tax base.