

Potential Additional Savings Needed for Various Council Tax & Government Support Scenarios

For Consideration by Cabinet 10 November 2009

Note : The Additional Savings Requirements shown below are over and above those included in the current MTFS which are £1.053M for 2010/11 and £1.302M for 2011/12 (giving a total of £2.3M over the two year period).

		2010/11				
		£'000	£'000	£'000	£'000	£'000
Council Tax Increase for 2010/11 ⇨		0%	+1%	+2%	+3%	+4%
Additional Savings Requirement		321	240	160	80	0
Change in Government Support		-5%	-2%	0%	+1%	+2.4%
Additional Savings Requirement		1,183	703	383	223	0
<i>Current projections based on provisional increase of 2.4%</i>						

		2011/12				
		£'000	£'000	£'000	£'000	£'000
Council Tax Increase for 2011/12 ⇨		0%	+1%	+2%	+3%	+4%
2010/11 Increase ↓						
Additional Savings Requirement		0%	655	574	494	414
<i>For example, a 0% increase for 2010/11 and a 2% increase for 2011/12 will require additional savings of £494K to be made.</i>		1%	574	493	412	331
		2%	494	412	330	249
		3%	414	331	249	166
		4%	334	250	167	83
					83	0
Change in Government Support		-5%	-2%	0%	+1%	+2%
Additional Savings Requirement		1,147	656	328	164	0
<i>Current projections based on an increase of 2%</i>						

		2012/13				
		£'000	£'000	£'000	£'000	£'000
Council Tax Increase for 2011/12 & 2012/13 ⇨		0%	+1%	+2%	+3%	+4%
2010/11 Increase ↓						
Additional Savings Requirement		0%	1,003	841	678	514
<i>For example, a 0% increase for 2010/11 and a 2% increase for 2011/12 and 2012/13 will require additional savings of £678K to be made.</i>		1%	923	760	595	428
		2%	842	678	511	343
		3%	762	596	428	258
		4%	682	514	344	173
					173	0
Change in Government Support		-5%	-2%	0%	+1%	+2%
Additional Savings Requirement		1,169	668	334	167	0
<i>Current projections based on an increase of 2%</i>						

Best case scenario from above:

Council Tax increase of 4% per annum and Government Support is circa 2% per annum resulting in **NIL** additional savings requirement over the 3 year period (over & above existing approved projections).

Worst case scenario from above:

0% increase in Council Tax per annum and Government Support is reduced broadly by 5% per annum resulting in **£5.5M** additional savings requirement over the 3 year period (cumulative total value, not each year).