

APPENDIX C

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

Current Assumptions :	Per Annum
Council Tax increase	3.75%
Government Funding Reduction	-3.00%

The tables below shows the savings required for different levels of Council Tax increase combined with different levels of change in Government Support. The current budget assumptions are based on a 3.75% increase in Council Tax and a year on year cut of 3% in Government Support. In addition, the known and anticipated budget changes to date have also been incorporated.

As the Government has indicated that it may be looking for cuts in department spending of between 25% and 40% over the next 4 years, these are the scenarios modelled in the tables below.

Council Tax Increase for 2011/12 ⇒		2011/12								
		0.00%	0.50%	1.00%	1.50%	2.00%	2.50%	3.00%	3.50%	3.75%
Savings Requirements for Changes in Government Support		<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>
Equates to 3% more than currently assumed	0%	+372	+330	+289	+247	+205	+163	+121	+80	+59
Current Assumption	-3%	+786	+744	+703	+661	+619	+577	+535	+494	+473
Equates to 25% cut over 4 years	-6.25%	+1,235	+1,193	+1,151	+1,109	+1,067	+1,026	+984	+942	+921
Equates to 40% cut over 4 years	-10%	+1,752	+1,710	+1,668	+1,627	+1,585	+1,543	+1,501	+1,460	+1,439

Note : In addition, previously the Government has indicated that it may provide "compensation" if authorities were to set a 0% increase in Council Tax for 2010/11. This is estimated to be £209K, equivalent to a 2.5% increase on Council Tax. Details of this are still subject to confirmation.

Council Tax Increase for 2011/12 & 2012/13 ⇒		2012/13 (A)								
		0.00%	0.50%	1.00%	1.50%	2.00%	2.50%	3.00%	3.50%	3.75%
Savings Requirements for Changes in Government Support		<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>
Equates to 3% more than currently assumed	0%	+778	+735	+692	+648	+605	+561	+518	+475	+453
Current Assumption	-3%	+1,192	+1,149	+1,106	+1,062	+1,019	+975	+932	+889	+867
Equates to 25% cut over 4 years	-6.25%	+1,641	+1,597	+1,554	+1,511	+1,467	+1,424	+1,381	+1,337	+1,315
Equates to 40% cut over 4 years	-10%	+2,158	+2,115	+2,072	+2,028	+1,985	+1,941	+1,898	+1,855	+1,833

Note : The above table assumes a Council Tax increase of 3.75% in 2011/12.

Council Tax Increase for 2012/13 ⇒		2012/13 (B)								
		0.00%	0.50%	1.00%	1.50%	2.00%	2.50%	3.00%	3.50%	3.75%
Savings Requirements for Changes in Government Support		<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>
Equates to 3% more than currently assumed	0%	+1,092	+1,050	+1,008	+967	+925	+883	+841	+799	+778
Current Assumption	-3%	+1,506	+1,464	+1,422	+1,381	+1,339	+1,297	+1,255	+1,213	+1,192
Equates to 25% cut over 4 years	-6.25%	+1,954	+1,913	+1,871	+1,829	+1,787	+1,745	+1,704	+1,662	+1,641
Equates to 40% cut over 4 years	-10%	+2,472	+2,430	+2,388	+2,346	+2,305	+2,263	+2,221	+2,179	+2,158

Note : The above table assumes a Council Tax increase of 0% in 2011/12.