

Pensions costs 2001/02 to 2010/11 - Budget Model

APPENDIX 5

1	2	3	4	5	6	7	8	9
	Budget 2001/02 uplifted by 7%pa £m	Projected spend £m	To reserve £m	From reserve £m	Net change £m	Running total of reserve £m	Impact on budget requirement (3+6) £m	Year on year increase %
2001/02	331.5	331.5	0.0	0.0	0.0	0.0	331.5	0
2002/03	354.7	353.0	10.0	0.0	10.0	10.0	363.0	9.5%
2003/04	379.5	375.7	13.0	0.0	13.0	23.0	388.7	7.1%
2004/05	406.1	400.3	16.5	0.0	16.5	39.5	416.8	7.2%
2005/06	434.5	448.6	12.0	-14.1	-2.1	37.4	446.5	7.1%
2006/07	464.9	497.2	13.5	-32.3	-18.8	18.7	478.4	7.1%
2007/08	497.5	507.7	15.5	-10.2	5.3	24.0	513.0	7.2%
2008/09	532.3	542.7	17.5	-10.4	7.1	31.1	549.8	7.2%
2009/10	569.6	599.2	19.0	-29.6	-10.6	20.5	588.6	7.1%
2010/11	609.4	650.9	21.0	-41.5	-20.5	0.0	630.4	7.1%

Notes

1. Aim is to provide as smooth a pattern in column 9 as possible.
2. Assumes reserve would be totally consumed by end of period.
3. Justification for drawdown from reserves is amount by which projected spend in column 2 exceeds hypothetical figures in column 1.
4. Contribution to reserves (col 4) is effectively the balancing figure to produce desired result in col 9.