

Appendix A
General Fund Budget Parameters 2021/22 – 2023/24

January 2020 Assumption		Proposed Change
Costs		
Pay inflation	2.0% per annum onwards in line with government Announcements.	No Change.
National Insurance	Rates were increased effective from April 2016	No Change
General inflation	Only applied where contractually/statutorily required	No change
Staff vacancy savings target	2% p.a.	No change.
Pension Fund triennial revaluation March 2017	2019 review incorporated in to the MTFP and budget including option to make one off deficit payment for period 2020/21 – 2022/23	No Change.
Income		
Fees & charges	Income budgets to increase in line with price inflation where possible and budgets increased accordingly	No Change.
Council Tax increase (for financial planning purposes only)	1.99 % increase in each year across the MTFP period	No Change
Other Assumptions		
Government Funding Revenue Support Grant increase	One year deal for 2020/21 reflected in MTFP and small 1% annual reduction assumed thereafter pending BRR review announcements	No change – further 1 year deal for 2021/22 announced in draft settlement on 17 December 2020

Borrowing Prudential borrowing	HRA - No repayment of Self Financing Debt due to rent reduction imposed by Gov. Non HRA - Non Housing MRP increased to provide provision for £3m of annual borrowing to cover the requirements of the stock condition survey results.	No Change. PWLB borrowing rules changed to exclude any PWLB borrowing and element of capital programme is solely for the purposes of generating commercial returns.
Transfer to/from Reserves - Insurance Fund	Annual contribution to Insurance fund increasing by £17k each year.	Proposals set out in the MTFS to create additional Budget Stabilisation Reserve in light of uncertainties created by Covid crisis.
General Reserves	No change, Minimum General fund balance to be maintained at £2.5m over the current MTFS Period to manage increased risks to be managed locally under Government plans.	No Change.