

General Fund Budget Parameters 2022/23

January 2021 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	Health funding increase @ +1.25%
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 – next review 2023/24.
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	0% Council Tax increase across the MTFP Period
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 2022/23.

<p>Borrowing</p> <p>Prudential borrowing</p>	<p>HRA - No repayment of Self Financing Debt due to rent reduction imposed by Gov.</p> <p>Non HRA - Non Housing MRP increased to provide provision for £3m of annual borrowing to cover the requirements of the stock condition survey results.</p>	<p>No Change.</p> <p>PWLB borrowing rules changed to exclude any PWLB borrowing and element of capital programme is solely for the purposes of generating commercial returns.</p>
<p>Transfer to/from Reserves - Insurance Fund</p> <p>General Reserves</p>	<p>Proposals set out in the MTFS to create additional Budget Stabilisation Reserve in light of uncertainties created by Covid crisis.</p> <p>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.</p>	<p>Review has identified reserves that can be utilised as part of the 2022/23 budget process as set out within the MTFS Report and the General Fund Budget Report.</p> <p>No Change – need to operate above this level to manage central government funding review.</p>