

General Fund Budget Parameters 2016/17 – 2020/21

February 2015 Assumption		Proposed Change
Costs		
Pay inflation	1.0% per annum onwards in line with government Announcements.	No Change.
National Insurance	No changes	Rates to be increased effective from April 2016 by 3.4%
General inflation	Only applied where contractually/statutorily required	No Change
Staff vacancy savings target	2% p.a.	No change
Pension Fund triennial revaluation March 2013	Reflects actuarial recommendations	No change.
Redundancy costs	Contribution reinstated as part of the 2014/15 budget proposals.	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)	1.5% increase for each year across the MTFP period	No Change.
Investment interest rates	2015/16 0.9%	Will be reviewed during budget process but likely to reduce. To circa 0.49%

General Fund Budget Parameters 2016/17 – 2020/21

February 2015 Assumption		Proposed Change
Other Assumptions		
Government Funding Revenue Support Grant increase	16.43% reduction in 2015/16, then 10% reduction in each of the following three years. Likely to see zero RSG by end of the MTFS period with reliance purely on retained business rates for core funding.	No Change – 10% reduction in each year of the MTFS subject to Autumn Statement and Local Government Finance Settlement in December/January.
Borrowing		
Prudential borrowing	HRA to cover cost of £209m debt settlement. MRP to cover £2m borrowing per annum from 2013/14 incorporated in MTFP for Non Housing Capital Programme.	No change for GF MRP but HRA Business Plan principles reviewed to include non-repayment of debt..
Transfer to/from Reserves - Insurance Fund	Annual contribution to Insurance fund increasing by £17k each year.	No Change.
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 on LGRR, CTB localism Act etc.	No Change.
Earmarked Reserves	One off contributions have reduced the requirement to repay to £165k over the planning period	No change