

Appendix B

General Fund Forecast Assumptions

Key Area	Assumption	Comment
Pay Award	2.75% in 2020/21, 2% thereafter.	2.75% has been agreed for 2020/21. The assumption for the pay award is 2% p.a. from 2021/22 onwards. For information, an additional 1% pay award increase equates to c£200k per annum.
General Prices Inflation		Freeze on all general revenue expenditure with the exception of pay, fuel & utility budgets.
Slippage	£1.144m included in 2020/21	Underspend from 2019/20 agreed by Cabinet (August 2020) slipped into 2020/21.
Employers Pension Contribution	Currently includes 18.4% pa plus deficit recovery payment.	Figures included as per the outcome of the 2019 Triennial Review which covers 2020/21 to 2022/23.
Employer National Insurance Contributions	Employer's rate is 9.1% from April 2020.	9.1% is the average employer's percentage for the Council.
Government Grant Support	Based on the Local Government Settlement figures	Based on the Local Government Finance Settlement figures received February 2020 for 2020/21 and figures received December 2020 for 2021/22; In addition the Council has received various grant allocations relating to Covid-19
Council Tax Increase	1.99%	The Increase in 2020/21 was 1.99% The increase proposed for 2021/22 is 1.99%, as this is the maximum increase the Government have indicated the Council Tax Principles will allow in 2021/22.
New Homes Bonus Grant		The income received from New Homes Bonus reflects the Government's allocations as announced in December 2020.
Fees and Charges	Various	The 2020/21 Fees and Charges have been reviewed in line with the fees and charges policy and approved by the Cabinet Members. The 2021/22 Fees and Charges are currently being reviewed.
Vacancy Savings	£150k per annum	Estimated savings from vacant posts £150k pa ongoing. An additional savings amount of £550k for 2020/21.
Redundancy Costs	In line with the savings plan	The forecast includes revenue budget redundancy cost estimates for 2020/21 to 2023/24. Budget Council agreed to fund any shortfall from Earmarked Reserves.
Capital Borrowing	Various	Provision has been made for all Capital Programme borrowing unless indicated in the Programme.