

Medium Term Financial Strategy 2020/21 to 2023/24

Core Planning Assumptions

The table below sets out the core planning assumptions included in the MTFS projections:-

	2020/21	2021/22	2022/23	2023/24
Pay inflation and pay related matters:				
- Provision for pay award	2.3%	2.2%	2.2%	2.0%
- Employers pension contribution rate increase	0.5%	0.5%	0.5%	0.5%
General inflation:				
- Inflation on non-pay expenditure	1.0% - 2.0%	1.0% - 2.0%	1.0% - 2.0%	1.0% - 2.0%
- Inflation on waste PFI	3.5%	3.5%	3.5%	2.0%
- Inflation on income	2.0%	2.0%	2.0%	2.0%
- Inflation on parking income	2.0%	2.0%	2.0%	2.0%
- Inflation on penalty charge notices	0.0%	0.0%	0.0%	0.0%
Resources:				
Change in Settlement Funding Assessment	0.0%	0.0%	0.0%	0.0%
Change to Revenue Support Grant (RSG)	0.0%	0.0%	0.0%	0.0%
Business rates poundage inflation uplift	2.1%	2.0%	2.0%	2.0%
Public Health grant	0.0%	0.0%	0.0%	0.0%
Assumed council tax threshold increase	1.99%	1.99%	1.99%	1.99%
Council Tax Base	1.0%	0.75%	0.75%	0.75%

Summary of MTFS projections

The table below sets out the predicted Budget Gaps and consequent savings requirement to balance the budget for projected expenditure versus anticipated funding over the MTFS period:

	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m
Net Budget Requirement B/Fwd	206.144	211.793	217.132	222.606
Pay and Price Inflation	5.654	5.647	5.780	5.927
Increase in employer pension contributions	0.570	0.590	0.610	0.630
Commitments – i.e. ongoing impact of previous decisions	1.988	0.638	0.801	0.388
Change in Section 31 Business Rates compensation grants	-0.182	-0.186	-0.189	-0.193
Provision for reduction in New Homes Bonus (4 year taper)	1.177	0.627	0.027	0.287
Provision for loss of remaining Spring 2017 iBCF funding (Adult Social Care)	1.733	0.000	0.000	0.000
Service Pressure Funding: Demographic and cost pressures in Adult Social Care and Adult Learning Disabilities	5.000	4.000	4.000	4.000
Service Pressure Funding: CCG/Health income pressures	1.000			
Service Pressure Funding: Demographic and cost pressures for Looked After Children and Care Leavers	0.750	0.750	0.750	0.750
Service Pressure Funding: Income Pressures (incl. transfer of Land Charges to Land Registry)	0.650	0.150	0.150	0.150
Service Pressure Funding: IT & D contractual commitments	0.500	0.500	0.500	0.500
Service Pressure Funding: Demographic and cost pressures for all other priority services	0.750	0.500	0.500	0.500
Provision for reduction in unringfenced grants	1.048	0.140	0.125	0.110
Budget Gap (Savings Requirement)	-14.989	-8.017	-7.580	-7.419
Budget Requirement C/Fwd	211.793	217.132	222.606	228.236
Funded by:				
Revenue Support Grant (RSG)	6.523	6.523	6.523	6.523
Tariff Payment	-1.188	-1.212	-1.236	-1.261
Locally retained Business Rates (BRR)	58.453	59.772	61.120	62.498
Council Tax (including planned and projected increases)	148.005	152.049	156.199	160.476
Total Funding	211.793	217.132	222.606	228.236