**Changes to General Fund revenue budget since report to Cabinet – pay freeze**

As part of the Spending Review, the Chancellor also announced a public sector pay freeze for 2021/22.

In the MTFS report that had been submitted to Cabinet, it was assumed that this pay freeze did apply to local government. However, for local government, this is subject to the overall funding that the sector receives, and the pay claim that is still to be submitted by relevant trade unions, therefore a provisional 2% pay award has been included within service budgets. If local government pay is indeed frozen in 2021/22, this will provide budget savings in-year and in future years.

The effect of the uncertainty surrounding the pay freeze, on the savings identified and included within Appendix 2 is that £79,000 is to be transferred to Earmarked Reserves, instead of £296,000 as per the report Cabinet had referred to Council. An updated version of Appendix 1, with the impact of the pay freeze removed, has also been provided.

**Appendix 2 – as per Cabinet report**

**General Fund Savings Proposals 2021/22**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2021/22** | **2022/23** | **2023/24** |
|  | **£000** | **£000** | **£000** |
| Unidentified Savings Target | 830 | 1,295 | 1,373 |
|  |  |  |  |
| Less options: |  |  |  |
| Council Tax increase of £5 for band D | 167 | 167 | 167 |
| Revenue Support Grant | 250 | 0 | 0 |
| New Homes Bonus | 268 | 0 | 0 |
| Lower Tier Services Grant | 159 | 0 | 0 |
| Pay Freeze (net impact) | 217 | 217 | 217 |
| Increase in Mansfield Woodhouse Train Station to £2 daily charge | 20 | 20 | 20 |
| Reduce My Mansfield to 2 issues | 10 | 10 | 10 |
| Reduction in Cabinet Member | 15 | 15 | 15 |
| 10% reduction in Special Responsibility | 20 | 20 | 20 |
| Contribution to Earmarked Reserves | -296 | 0 | 0 |
|  | 830 | 449 | 449 |
|  |  |  |  |
| Unidentified Savings | 0 | 846 | 924 |

**Appendix 2 – updated**

**General Fund Savings Proposals 2021/22**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2021/22** | **2022/23** | **2023/24** |
|  | **£000** | **£000** | **£000** |
| Unidentified Savings Target | 830 | 1,295 | 1,373 |
|  |  |  |  |
| Less options: |  |  |  |
| Council Tax increase of £5 for band D | 167 | 167 | 167 |
| Revenue Support Grant | 250 | 0 | 0 |
| New Homes Bonus | 268 | 0 | 0 |
| Lower Tier Services Grant | 159 | 0 | 0 |
| Increase in Mansfield Woodhouse Train Station to £2 daily charge | 20 | 20 | 20 |
| Reduce My Mansfield to 2 issues | 10 | 10 | 10 |
| Reduction in Cabinet Member | 15 | 15 | 15 |
| 10% reduction in Special Responsibility | 20 | 20 | 20 |
| Contribution to Earmarked Reserves | -79 | 0 | 0 |
|  | 830 | 232 | 232 |
|  |  |  |  |
| Unidentified Savings | 0 | 1,063 | 1,141 |

**Appendix 1 - updated**

**General Fund Proposed Budgets, 2021/22 to 2023/24**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2020/21** | **2021/22** | **2022/23** | **2023/24** |
|  | Latest Approved Budget | Total Year Budget | Total Year Budget | Total Year Budget |
|  |  |  |  |  |
| **Head of Service** |  |  |  |  |
| Head of People &Transformation | 2,928 | 3,195 | 3,276 | 3,325 |
| Head of Health & Communities | 4,451 | 3,787 | 3,848 | 3,911 |
| Head of Finance | (795) | 429 | 454 | 480 |
| Head of Housing | 882 | 898 | 908 | 916 |
| Head of Law & Governance | 2,748 | 2,737 | 2,797 | 2,843 |
| Head of Neigbourhood Services | 4,561 | 3,756 | 3,808 | 3,849 |
| Head of Planning & Regeneration | 67 | (847) | (804) | (804) |
| Corporate Transformation Savings | (1,497) | (1,922) | (1,900) | (1,897) |
|  | **13,345** | **12,033** | **12,387** | **12,623** |
|  |  |  |  |  |
| **Below Net Cost of Service** |  |  |  |  |
| Interest on Balances | 3,366 | 3,933 | 4,656 | 4,665 |
| Borrowing Interest Paid | (2,819) | (2,563) | (2,861) | (2,885) |
| Statutory Debt Repayment | 464 | 446 | 428 | 412 |
| Investment Property Income | (2,518) | (3,544) | (3,939) | (4,067) |
| Town and Parish Precepts | 105 | 105 | 105 | 105 |
| Depreciation reversal | (1,376) | (1,223) | (1,214) | (1,214) |
| **Net Revenue Expenditure** | **10,567** | **9,185** | **9,561** | **9,639** |
|  |  |  |  |  |
| **Transfers to / from Reserves** | (314) | 1,416 | 1,469 | 1,469 |
|  |  |  |  |  |
| **Funding Requirement** | **10,253** | **10,601** | **11,030** | **11,108** |
|  |  |  |  |  |
| **Funded by:** |  |  |  |  |
| **External Funding** |  |  |  |  |
| Retained Business Rates | (3,689) | (4,073) | (4,111) | (4,111) |
| New Homes Bonus | (631) | (268) | 0 | 0 |
| Revenue Support Grant | (249) | (250) | 0 | 0 |
| Lower Tier Services Grant | 0 | (159) | 0 | 0 |
|  | **(4,569)** | **(4,750)** | **(4,111)** | **(4,111)** |
|  |  |  |  |  |
| **Total Council Tax Requirement** | (5,684) | (5,851) | (5,851) | (5,851) |
|  |  |  |  |  |
| **Deficit/(Surplus)** | **0** | **0** | **1,068** | **1,146** |