

Appendix 2 - MTFP							
Ref		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
		Q2 Forecast	Proposed	Proposed	Proposed	Proposed	Proposed
		£	£	£	£	£	£
1,2,18	People	17,956,000	18,135,900	17,811,800	18,118,700	18,528,600	18,961,600
1,2	Places	12,166,000	12,033,100	12,083,600	12,361,200	12,635,100	12,909,900
1,2,3	Resources	5,859,000	5,906,400	6,030,900	6,112,400	6,217,400	6,326,700
4	Pay Inflation Contingency	0	384,400	777,700	1,007,100	1,244,200	1,489,300
	Planning - One Off Payment	500,000	0	0	0	0	0
5	Adult Social Care Contingency	0	184,500	100,000	100,000	100,000	100,000
	Corporate Headcount Saving	0	0	(121,000)	(121,000)	(121,000)	(121,000)
	<b>Net Cost of Services</b>	<b>36,481,000</b>	<b>36,644,300</b>	<b>36,683,000</b>	<b>37,578,400</b>	<b>38,604,300</b>	<b>39,666,500</b>
8	Appropriations	(1,897,000)	(2,241,000)	(2,241,000)	(2,241,000)	(2,241,000)	(2,241,000)
6	Capital Financing	1,930,365	1,644,144	1,643,227	1,641,577	1,661,869	1,661,869
7	Interest Receivable	(220,000)	(210,000)	(170,000)	(155,000)	(155,000)	(155,000)
	<b>Net spending</b>	<b>36,294,365</b>	<b>35,837,444</b>	<b>35,915,227</b>	<b>36,823,977</b>	<b>37,870,169</b>	<b>38,932,369</b>
	<u>Resources</u>						
15	Other Income	(256,900)	(144,796)	(121,276)	(36,000)	(36,000)	(36,000)
13	New Homes Bonus	(1,214,332)	(1,231,222)	(1,238,830)	(992,226)	(893,108)	(752,996)
17	Better Care Fund	(2,578,400)	(2,306,000)	(2,214,800)	(2,138,100)	(2,138,100)	(2,138,100)
14	Social Care In Prisons	(74,128)	(74,128)	(74,128)	(74,128)	(74,128)	(74,128)
16	Rural Delivery Grant	(680,891)	(848,500)	(680,891)	(680,891)	(680,891)	(680,891)
23	Transition Grant	(336,573)	0	0	0	0	0
	Adult Social Care Support Grant	(136,300)	(84,500)	0	0	0	0
9	Revenue Support Grant	(888,716)	0	958,318	1,109,262	1,229,566	1,303,196
10	Retained Business Rates Funding	(4,785,764)	(4,963,252)	(5,139,043)	(4,955,581)	(5,041,794)	(5,126,352)
	<b>Government funding subtotal</b>	<b>(10,952,004)</b>	<b>(9,741,666)</b>	<b>(8,644,728)</b>	<b>(7,767,664)</b>	<b>(7,634,455)</b>	<b>(7,505,271)</b>
11,12	Council Tax/Social care precept	(23,242,155)	(24,870,222)	(26,168,275)	(27,462,455)	(28,803,675)	(30,194,909)
20	Collection fund surplus	(170,000)	70,000	0	0	0	0
	<b>Total available Resources</b>	<b>(34,364,159)</b>	<b>(34,541,889)</b>	<b>(34,813,003)</b>	<b>(35,230,119)</b>	<b>(36,438,130)</b>	<b>(37,700,181)</b>
	Use of Govt grant/Income Received	(238,000)	(302,600)	(175,600)	(133,600)	(96,000)	(36,000)
19	Earmarked Reserve	(996,000)	(562,300)	(306,900)	(11,600)	(38,600)	(38,600)
	Ringfenced reserves	73,000	(350,400)	(35,000)	0	0	0
22	<b>Use of General Fund Balances</b>	<b>769,206</b>	<b>80,255</b>	<b>584,724</b>	<b>1,448,658</b>	<b>1,297,439</b>	<b>1,157,588</b>
	Balance brought forward	(9,634,546)	(8,865,340)	(8,785,085)	(8,200,361)	(6,751,703)	(5,454,263)
	<b>Balance carried forward</b>	<b>(8,865,340)</b>	<b>(8,785,085)</b>	<b>(8,200,361)</b>	<b>(6,751,703)</b>	<b>(5,454,263)</b>	<b>(4,296,675)</b>

## The MTFP assumptions

The MTFP shows spending plans and funding position for the next 4 years.

Ref	Expenditure /Funding	Assumptions/Commentary
1	Directorate Costs	<p>Directorate costs assume prior year as a starting point and build in inflation and any changes to National Insurance contributions.</p> <p>Inflation is built into the MTFP to cover potential cost increases. The level of inflation ranges from 5% for fuel (gas, electric etc.), 2% for general inflation (supplies and services) and specific % for agreed contracts.</p>
2	Pension Contributions	The Triannual review of the Local Government Pension Scheme (LGPS) has been completed and the contribution rate will increase by 1% per annum for the next three years. The following rates are built in to the MTFP 22.7% (18/19), 23.7% (19/20) 24.7% (20/21) and 25.7% (21/22).
3	Apprenticeship Levy	As part of the Comprehensive Spending Review (CSR) the government announce the introduction of the apprenticeship levy at % of the total pay budget. An appropriate amount, £54k, has been built into the MTFP from 17/18 and beyond.
4	Pay Inflation Contingency	Council assumes pay inflation will be 1.5% pa from 20/21. The contingency for 18/19 and 19/20 reflects the latest pay offer of 2.64%.
5	Adult Social Care Contingency	This is set aside to cover demographic and demand pressures on Adult and Social Care. Rather than increase individual budgets the Council will hold a contingency and allocate it when it knows where the demand pressure is e.g. home care, residential care etc
6	Capital Financing	<p>The capital financing charges are made up of 2 amounts;</p> <ul style="list-style-type: none"> <li>• Interest Payable - this is fixed over the life of the MTFP at c£1m per annum. This is all payable to the Public Works Loan Board (PWLB)</li> <li>• Minimum Revenue Provision (MRP) - An annual provision that the Council is statutorily required to set aside and charge to the Revenue Account for the repayment of debt associated with expenditure incurred on capital assets. It is assumed that MRP will be charged on an equal instalment basis from 18/19.</li> </ul>
7	Interest	This represents the amount the Council expects to earn from investing cash balances held.
8	Appropriations	Directorate budgets include the costs of depreciation to show the full cost of services. This depreciation is removed for the purposes of setting council tax.

<b>Ref</b>	<b>Expenditure /Funding</b>	<b>Assumptions/Commentary</b>
9	RSG	The MTFP assumes that RSG reduces to £0 by 2019/20, is minus £958k in 19/20 and then continues to reduce by c£120k pa.
10	Business rates	The amount to be retained under "Business Rates Retention" (BRR) scheme has been updated in line with the current year forecast and the likely business rates reset in 20/21 which will result in the Council paying a bigger tariff from its share of rates.  The potential loss of income through appeals remains a risk and could have a significant impact on business rates revenue.
11	Social Care Precept	The MTFP contains an additional social care precept on council tax built in at 2% to deal with the rising costs of social care costs.
12	Council Tax	Tax rises built in at 4.99% in 18/19 and 3.99% thereafter. The tax base continues to increase with housing growth and over the next 4 years it is assumed that the number of Band D equivalents will increase by c134 pa.  An increase in local council tax support claims could dampen this growth.
13	New Homes Bonus	The MTFP uses projections from Planning on new homes.  The MTFP assumes NHB payments will be received for 4 years and that there will be no further modifications to the scheme.
14	Social Care in prisons	The only Care Act funding not part of RSG is the funding for social care in prisons which is funded by a Department of Health grant.
15	Other Income	The other income includes miscellaneous grants.
16	Rural Delivery Grant	The MTFP builds in grant as per the Government 4-year offer amended in the 18/19 settlement.
17	Better Care Fund	The Better Care Fund (BCF) allocations are built in based on allocations announced in 2017/18.
18	Ring Fenced Grants	These grants are included within cost centres and not shown with other funding streams. The biggest ring fenced grant is for Public Health.
19	Earmarked Reserves	The Council earmarked reserves set aside for specific purposes. Where these are planned to be used the spending has been included within the relevant Directorate costs and the total funding used is shown as a Transfer from earmarked reserves in the MTFP.
20	Collection Fund Surplus	The Collection Fund is the collective name for the financial management of the collection of Business Rates and Council Tax.

Ref	Expenditure /Funding	Assumptions/Commentary
		<p>If a surplus or deficit remains in the Collection Fund at the year-end it is subsequently distributed to, or borne by the billing authority (in this situation the Council) and the preceptors (Police and Fire Authorities). Billing authorities are required to estimate the expected Collection Fund balance for the year to 31 March in order that the sum can be taken into account by billing authorities and preceptors in calculating the amounts of Council Tax for the coming year. The difference between the estimate at 15 January, and actual position at 31 March will be taken into account in the following financial year.</p>
21	Capital met from Direct Revenue	<p>This represents the amount of revenue expenditure that is funding capital projects</p>
22	General Fund	<p>If the Council is spending more than the resources available, the balance is funded from General Fund balances. These balances have a recommended minimum level of £2m.</p>