

Appendix 3 – MTFP and Assumptions

		2018/19	2018/19	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Ref		Original Budget	Restated Budget	Q3 Forecast	Proposed	Proposed	Proposed	Proposed	Proposed
		£	£	£	£	£	£	£	£
1,2,18	People	18,135,900	17,600,000	17,774,000	18,079,200	19,616,900	20,045,900	20,499,900	21,024,300
1,2	Places	12,033,100	12,103,000	12,549,000	12,252,900	12,256,700	12,558,400	12,864,100	13,154,000
1,2	Resources	5,906,400	6,432,000	6,246,000	6,491,500	6,679,600	6,800,000	6,924,400	7,052,100
4	Pay Inflation Contingency	384,400	0	0	65,000	350,500	683,300	1,028,800	1,377,500
3	Housing growth costs				0	106,400	252,700	399,000	545,300
5	Needs Management				100,000	328,900	725,800	1,091,200	1,502,600
5	Adult Social Care Contingency	184,500	184,800	0	200,000	0	0	0	0
	Net Cost of Services	36,644,300	36,319,800	36,569,000	37,188,600	39,339,000	41,066,100	42,807,400	44,655,800
21	Capital met from Direct Revenue	0	0	30,000	0	0	0	0	0
8	Appropriations	(2,241,000)	(2,241,000)	(2,241,000)	(2,310,400)	(2,310,400)	(2,310,400)	(2,310,400)	(2,310,400)
6	Capital Financing	1,644,144	1,644,144	1,644,144	1,764,693	1,797,973	1,709,373	1,713,533	1,713,533
7	Interest Receivable	(210,000)	(210,000)	(305,000)	(200,000)	(180,000)	(180,000)	(180,000)	(180,000)
	Net spending	35,837,444	35,512,944	35,697,144	36,442,893	38,646,573	40,285,073	42,030,533	43,878,933
	<u>Resources</u>								
15	Other Income	(144,796)	(144,796)	(376,600)	(658,276)	(36,000)	(36,000)	(36,000)	(36,000)
13	New Homes Bonus	(1,231,222)	(1,231,222)	(1,231,224)	(1,148,313)	(958,867)	(877,002)	(868,072)	(946,745)
17	Better Care Fund	(2,306,000)	(2,574,000)	(2,574,000)	(2,214,800)	(2,138,100)	(2,138,100)	(2,138,100)	(2,138,100)
14	Social Care In Prisons	(74,128)	(74,128)	(74,792)	(74,128)	(74,128)	(74,128)	(74,128)	(74,128)
16	Rural Delivery Grant	(848,500)	(848,500)	(848,500)	(848,500)	0	0	0	0
23	Transition Grant/grant reductions		0	0	0	(3,250)	129,063	265,527	406,023
	Adult Social Care Support Grant	(84,500)	(84,800)	(84,800)	0	0	0	0	0
9	Under indexing of Business Rates Multiplier	(89,268)	(89,268)	(89,268)	(142,800)	0	0	0	0
10	Retained Business Rates Funding	(4,963,252)	(4,763,252)	(4,763,000)	(5,244,336)	(5,732,431)	(5,838,618)	(5,943,079)	(6,045,778)
	Government funding subtotal	(9,741,666)	(9,809,966)	(10,042,184)	(10,331,153)	(8,942,776)	(8,834,785)	(8,793,851)	(8,834,728)
11,12	Council Tax/Social care precept	(24,870,222)	(24,870,224)	(24,870,000)	(26,430,750)	(27,755,625)	(29,157,371)	(30,661,689)	(32,239,632)
20	Collection fund Deficit/(Surplus)	70,000	70,000	70,000	(65,000)	0	0	0	0
	Total available Resources	(34,541,888)	(34,610,191)	(34,842,184)	(36,826,903)	(36,698,401)	(37,992,157)	(39,455,540)	(41,074,360)
19	Contribution/(Use) of Earmarked Reserves	(1,215,300)	(726,200)	(847,000)	438,000	(367,500)	(172,200)	(134,600)	0
22	Use of General Fund Balances	80,256	176,553	7,960	53,990	1,580,672	2,120,716	2,440,393	2,804,573
	Balance brought forward	(8,978,133)	(8,978,133)	(8,978,133)	(8,970,173)	(8,916,183)	(7,335,511)	(5,214,795)	(2,774,402)
	Balance carried forward	(8,897,877)	(8,801,580)	(8,970,173)	(8,916,183)	(7,335,511)	(5,214,795)	(2,774,402)	30,172

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	<p>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 21.7% 2017/18, 22.7% 18/19, 23.7% 19/20 24.7% 20/21 and 25.7% 21/22</p>
3	Housing Growth Costs	<p>This is set aside to cover demand pressures from housing growth. Rather than increase individual budgets the Council will hold a contingency and allocate it when it knows where the demand pressure is e.g. Waste.</p>
4	Pay Inflation Contingency	<p>Council assumes pay inflation will be 1.5% pa from 20/21. The contingency for 19/20 reflects a contingency for staff outside of National Joint Council for Local Government Services (NJC) contracts.</p>
5	Adult Social Care Contingency / Needs Management	<p>This is set aside to cover demographic and demand pressures on Adult & Child 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</p>
6	Capital Financing	<p>The capital financing charges are made up of 2 amounts;</p> <ul style="list-style-type: none"> • 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) • 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.
7	Interest	<p>This represents the amount the Council expects to earn from investing cash balances held.</p>

Ref	Expenditure /Funding	Assumptions/Commentary
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.
9	Under indexing of Business Rates Multiplier	As part of the operation of the business rates retention system, we pay a levy on the growth in business rates. The surplus on the account has been redistributed to all Council's
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.
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 2.99%. The tax base continues to increase with housing 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	Care Act funding for social care in prisons which is funded by a Department of Health grant.
15	Other Income	The other income includes miscellaneous grants, including the additional grant funding for social care of £368k
16	Rural Delivery Grant	The MTFP builds in grant as per the Government 4-year offer amended in the 19/20 settlement.
17	Better Care Fund	The Better Care Fund (BCF) allocations are built in based on allocations announced in 2019/20.
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. From 20/21 Public Health Grant will form Business Rates as part of moving towards 75% Business Rate retention.
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	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).

Ref	Expenditure /Funding	Assumptions/Commentary
21	Capital met from Direct Revenue	This represents the amount of revenue expenditure that is funding capital projects
22	General Fund	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.
23	Transition Grant/grant reductions	Further grant changes expected as part of moving towards 75% Business Rate retention.