

Appendix J: Medium Term Financial Plan

The MTFP shows spending plans and funding position for the current and next 4 years. The references (Ref) refer to assumptions in the table that follows.

Ref		2018/19	2019/20	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
		Outturn £	Original Budget £	Revised Budget £	Proposed £	Proposed £	Proposed £	Proposed £	Proposed £
1,2,18	People	17,667,000	18,079,200	18,630,900	18,589,200	20,272,400	20,724,000	21,241,200	21,772,800
1,2	Places	12,166,000	12,252,900	12,613,900	12,494,800	12,525,500	12,828,700	13,117,100	13,413,700
1,2	Resources	6,011,000	6,491,500	6,697,500	7,254,100	7,119,800	7,239,900	7,363,000	7,489,400
4	Pay Inflation Contingency	0	65,000	65,000	512,800	849,900	1,200,000	1,553,300	1,920,500
3	Housing growth costs		0	0	0	146,300	292,600	438,900	585,200
5	Needs Management		100,000	100,000	328,900	725,800	1,091,200	1,502,600	1,987,000
5	Adult Social Care Contingency / pressures	0	200,000	205,600					
	Net Cost of Services	35,844,000	37,188,600	38,312,900	39,179,800	41,639,700	43,376,400	45,216,100	47,168,600
	Capital financing and related items	(754,856)	(745,707)	(467,707)	(752,427)	(841,027)	(836,867)	(836,867)	(836,867)
21	Capital met from Direct Revenue	154,000	0	278,000	0	0	0	0	0
8	Appropriations	(2,241,000)	(2,310,400)	(2,310,400)	(2,310,400)	(2,310,400)	(2,310,400)	(2,310,400)	(2,310,400)
6	Capital Financing	1,644,144	1,764,693	1,764,693	1,797,973	1,709,373	1,713,533	1,713,533	1,713,533
7	Interest Receivable	(312,000)	(200,000)	(200,000)	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)
	Net spending	35,089,144	36,442,893	37,845,193	38,427,373	40,798,673	42,539,533	44,379,233	46,331,733
	Resources								
15	Other Income	(482,500)	(658,276)	(776,276)	(964,063)	(1,106,639)	(1,177,011)	(1,253,299)	(1,253,299)
13	New Homes Bonus	(1,231,224)	(1,148,313)	(1,148,313)	(924,705)	(484,119)	(201,328)	0	0
17	Better Care Fund	(2,574,000)	(2,214,800)	(2,291,800)	(2,138,100)	(2,138,100)	(2,138,100)	(2,138,100)	(2,138,100)
14	Social Care In Prisons	(74,792)	(74,128)	(74,128)	(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
	Adult Social Care Support Grant	(84,800)	0	0	0	0	0	0	0
9	Under indexing of Business Rates Multiplier	(148,315)	(142,800)	(142,800)	0	0	0	0	0
10	Retained Business Rates Funding	(4,951,000)	(5,244,336)	(5,244,336)	(5,532,104)	(7,136,039)	(7,210,465)	(7,282,343)	(7,351,621)
	Government funding subtotal	(10,395,131)	(10,331,153)	(10,526,153)	(10,481,600)	(10,939,025)	(10,801,032)	(10,747,870)	(10,817,148)
11,12	Council Tax/Social care precept	(24,870,000)	(26,430,750)	(26,430,750)	(27,791,089)	(29,194,251)	(30,700,039)	(32,279,513)	(33,936,153)
20	Collection fund Deficit/(Surplus)	70,000	(65,000)	(65,000)	(190,000)	0	0	0	0
	Total available Resources	(35,195,131)	(36,826,903)	(37,021,903)	(38,462,690)	(40,133,275)	(41,501,072)	(43,027,383)	(44,753,302)
	Use of Govt grant/Income Received		0	0	(34,600)	(34,600)	0	0	0
19	Earmarked Reserve		227,000	227,000	27,000	0	0	0	0
	Ringfenced reserves		(226,000)	(198,000)	(35,000)	0	0	0	0
19	Contribution to /(Use) of Earmarked Reserves	121,000	438,000	(589,000)	(42,600)	(34,600)	0	0	0
22	Use of General Fund Balances	15,013	53,990	234,290	(77,917)	630,798	1,038,461	1,351,850	1,578,431
	Balance brought forward	(8,978,133)	(8,970,173)	(8,963,120)	(8,728,830)	(8,806,746)	(8,175,949)	(7,137,487)	(5,785,637)
	Balance carried forward	(8,963,120)	(8,916,183)	(8,728,830)	(8,806,746)	(8,175,949)	(7,137,487)	(5,785,637)	(4,207,206)

The MTFP assumptions

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	Housing Growth Costs	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.
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%. for 2020/21 an allowance of 3% has been made for any pay award.
5	Adult Social Care Contingency / Needs Management	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
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. It is assumed that MRP will be charged on an equal instalment basis from 18/19.
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.

Ref	Expenditure /Funding	Assumptions/Commentary
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. 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 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. We will get a payment for 1 year based on current year performance with payments being phased out from 21/22
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.
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 which is phased out from 21/22.
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.