

Appendix 3 - 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.

		2019/20	2019/20	2019/20	2020/21	2021/22	2022/23	2023/24
Ref		Original Budget £	Revised Budget £	Q2 Forecast £	Proposed £	Proposed £	Proposed £	Proposed £
1,2,18	People	18,079,200	18,705,400	18,705,000	19,108,900	20,758,600	21,328,970	21,968,839
1,2	Places	12,252,900	12,613,900	12,850,000	13,091,000	12,932,000	13,429,297	13,832,175
1,2	Resources	6,491,500	6,697,500	6,511,000	6,772,200	6,909,900	6,997,494	7,102,457
4	Pay Inflation Contingency	65,000	65,000	0	512,400	855,100	1,199,700	1,553,000
3	Housing growth costs	0	0	0	0	146,300	292,600	438,900
5	Needs Management	100,000	100,000	100,000	242,500	592,700	882,300	1,004,100
5	Adult Social Care Contingency	200,000	206,000	65,000	0	0	0	0
	Net Cost of Services	37,188,600	38,387,800	38,231,000	39,727,000	42,194,600	44,130,361	45,899,471
	Capital financing and related items	(745,707)	(467,707)	(627,707)	(846,227)	(874,827)	(870,667)	(870,667)
21	Capital met from Direct Revenue	0	278,000	278,000	0	0	0	0
8	Appropriations	(2,310,400)	(2,310,400)	(2,310,400)	(2,344,200)	(2,344,200)	(2,344,200)	(2,344,200)
6	Capital Financing	1,764,693	1,764,693	1,764,693	1,797,973	1,709,373	1,713,533	1,713,533
7	Interest Receivable	(200,000)	(200,000)	(360,000)	(300,000)	(240,000)	(240,000)	(240,000)
	Net spending	36,442,893	37,920,093	37,603,293	38,880,773	41,319,773	43,259,694	45,028,804
	Resources							
15	Other Income	(658,276)	(776,276)	(787,276)	(964,063)	(1,106,639)	(1,177,011)	(1,253,299)
13	New Homes Bonus	(1,148,313)	(1,148,313)	(1,148,313)	(966,282)	(484,119)	(201,328)	0
17	Better Care Fund	(2,214,800)	(2,291,800)	(2,291,800)	(2,330,000)	(2,330,000)	(2,330,000)	(2,330,000)
14	Social Care In Prisons	(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
9	Under indexing of Business Rates Multiplier	(142,800)	(142,800)	(142,800)	0	0	0	0
10	Retained Business Rates Funding	(5,244,336)	(5,244,336)	(5,290,336)	(5,393,000)	(7,136,039)	(7,210,465)	(7,282,343)
	Government funding subtotal	(10,331,153)	(10,526,153)	(10,583,153)	(10,575,973)	(11,130,925)	(10,992,932)	(10,939,770)
11,12	Council Tax/Social care precept	(26,430,750)	(26,430,750)	(26,430,750)	(27,755,182)	(29,156,910)	(30,661,209)	(32,239,133)
20	Collection fund Deficit/(Surplus)	(65,000)	(65,000)	(65,000)	(108,000)	0	0	0
	Total available Resources	(36,826,903)	(37,021,903)	(37,078,903)	(38,439,155)	(40,287,835)	(41,654,142)	(43,178,903)
19	Earmarked Reserve	438,000	(589,000)	(412,000)	(431,023)	(264,600)	(230,000)	(230,000)
22	Use of General Fund Balances	53,990	309,190	112,390	10,595	767,338	1,375,552	1,619,901
	Balance brought forward	(8,970,173)	(8,963,120)	(8,963,120)	(8,653,930)	(8,643,335)	(7,875,997)	(6,500,445)
	Balance carried forward	(8,916,183)	(8,653,930)	(8,850,730)	(8,643,335)	(7,875,997)	(6,500,445)	(4,880,544)

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 24.7% (20/21) 25.7% (21/22) and 1% increases thereafter.
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 3% pa for 20/21. Beyond that an allowance of 2% has been made.
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 mainly 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. MRP has been 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, the Council pays 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 21/22 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 1.99%. The tax base continues to increase with housing growth.
13	New Homes Bonus	The MTFP uses projections from Planning on new homes. We will get a payment for 1 year based on current year performance with payments being phased out from 21/22 and abolished from 23/24.
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. The main grant is the social care grant.
16	Rural Delivery Grant	The MTFP builds in grant as per the latest Finance Settlement.
17	Better Care Fund	The Better Care Fund (BCF) allocations are built in based on allocations announced in 2020/21.
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 and is expected to be phased out from 21/22 and will be funded from Business Rates.
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).
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.

