

Medium Term Financial Plan for Budget Setting									
Ref		2014/15 Q4 Outturn £	2015/16 Approved £	2015/16 Q2 Forecast £	2016/17 Proposed £	2017/18 Proposed £	2018/19 Proposed £	2019/20 Proposed £	2020/21 Proposed £
1	People	14,173,000	15,651,300	15,634,100	15,777,100	16,036,200	16,595,400	16,904,100	17,315,700
1	Places	11,620,000	12,368,500	12,155,800	12,318,200	12,539,400	12,791,500	13,073,000	13,345,400
1	Resources	4,895,000	5,713,800	5,445,500	5,231,700	5,390,400	5,501,000	5,613,200	5,717,400
4	Pay Inflation Contingency	0	0	0	330,700	707,800	1,116,700	1,547,800	1,990,800
5	Contract Inflation				150,000	153,000	156,100	159,200	162,400
	Fire Authority Support		75,000	0	0	0	0	0	0
6	Adult Social Care Pressures			200,000	200,000	200,000	200,000	200,000	200,000
	People First Savings		(300,000)	0	(234,800)	(774,800)	(874,800)	(874,800)	(874,800)
	Net Cost of Services	30,688,000	33,508,600	33,435,400	33,772,900	34,252,000	35,485,900	36,622,500	37,856,900
7	Capital Financing	2,141,000	2,019,821	1,897,263	1,930,601	1,905,715	1,881,825	1,858,890	1,912,184
8	Interest Receivable	(154,000)	(116,000)	(225,000)	(213,000)	(299,000)	(314,000)	(338,000)	(282,000)
	Net spending	32,675,000	35,412,421	35,107,663	35,490,501	35,858,715	37,053,725	38,143,390	39,487,084
	<u>Resources</u>								
15	Education Services Grant	(1,594,000)	(331,200)	(560,100)	(154,200)	(101,800)	(50,900)	0	0
13	New Homes Bonus	(538,000)	(808,638)	(808,606)	(1,230,055)	(1,295,755)	(1,529,255)	(1,520,217)	(1,341,100)
17	Better Care Fund	(814,000)	(2,046,000)	(2,046,000)	(2,046,000)	(2,046,000)	(2,046,000)	(2,046,000)	(2,046,000)
14	Social Care In Prisons		(294,198)	(294,198)	(70,138)	(70,138)	(70,138)	(70,138)	(70,138)
16	Rural Delivey Grant				(162,366)	(366,634)	(523,763)	(680,891)	(680,891)
	Council tax freeze grant	(217,000)	(219,200)	(218,634)	0	0	0	0	0
9	Revenue Support Grant	(5,080,000)	(4,060,409)	(4,060,409)	(2,353,919)	(944,527)	(270,646)	0	0
10	Retained Business Rates Funding	(4,070,000)	(4,250,600)	(4,250,600)	(4,250,800)	(4,374,100)	(4,287,200)	(4,085,000)	(4,215,800)
12	Council Tax	(20,464,000)	(20,685,300)	(20,685,300)	(21,504,800)	(22,234,200)	(22,907,000)	(23,572,400)	(24,255,200)
11	Adult Social Care Precept				(421,700)	(857,600)	(1,306,800)	(1,769,000)	(2,244,600)
21	Collection fund surplus	(495,000)			(148,000)	0	0	0	0
22	Capital met from Direct Revenue	46,000	880,000	520,000	180,000	0	0	0	0
20	Transfers to/from earmarked reserves	821,000	(1,166,984)	(1,263,000)	(578,500)	(124,800)	(124,800)	(78,600)	(78,600)
	Appropriations	(1,883,000)	(1,854,900)	(1,854,900)	(1,897,000)	(1,897,000)	(1,897,000)	(1,897,000)	(1,897,000)
	(Surplus)/Deficit for year	(1,613,000)	574,992	(414,084)	853,023	1,546,162	2,040,223	2,424,144	2,657,755
	Balance brought forward	(8,062,000)	(9,226,600)	(9,675,000)	(10,089,084)	(9,236,061)	(7,689,900)	(5,649,676)	(3,225,532)
	Balance Before New Homes Bonus	(9,675,000)	(8,651,608)	(10,089,084)	(9,236,061)	(7,689,900)	(5,649,676)	(3,225,532)	(567,777)
	New Homes Bonus (2 Years at Risk)					(251,900)	(265,900)	(425,138)	(705,655)
	Balance carried forward with NHB	(9,675,000)	(8,651,608)	(10,089,084)	(9,236,061)	(7,941,800)	(6,167,476)	(4,168,470)	(2,216,369)

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 for 2017/18 assume 2016/17 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 8% for fuel (gas, electric etc.) to 2% for general inflation (supplies and services).</p>
2	Pension contributions	The Council's contribution rate to the Local Government Pension Scheme (LGPS) is expected to increase by approximately 1% per annum. The following rates are built in to the MTFP 20.7% 2015/16, 21.7% 16/17, 22.7% 17/18 23.7% 18/19 and 24.7% 19/20
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 2% pa.
5	Contract inflation	This is an amount set aside to cover above inflation rises should they materialise on key contract, pay, supplies etc.
6	Adult Social Care pressures	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
7	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.
8	Interest	This represents the amount the Council expects to earn from investing cash balances held.

Ref	Expenditure /Funding	Assumptions/Commentary
9	RSG	Quarter 2 assumptions replaced with the 4-year settlement 'offer' figures. The MTFP assumes that RSG reduces to £0 by 2019/20.
10	Business rates	<p>The amount to be retained under "Business Rates Retention" (BRR) scheme has been updated in line with the current year forecast, a view about growth for 16/17 and the baseline and tariff figures given by Government.</p> <p>The Council has seen little growth this year and it is not envisaged that this will have a material change on NNDR yield given likelihood of appeals and increased level of reliefs. The Council's NNDR1 return will not be completed until late January (when the form is issued) so all NNDR figures are provisional.</p> <p>A 5% increase in growth would yield approx. £300k for the Council. Conversely, the Council could lose up to £350k before the Government provides safety net funding. The potential loss of income through appeals remains a risk and could have a significant impact on business rates revenue.</p>
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 costs care.
12	Council tax	<p>Tax rises built in at 1.99%. 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 c80-90.</p> <p>An increase in local council tax support claims could dampen this growth but in 15/16 the number of claimants has reduced.</p>
13	New Homes Bonus	<p>The MTFP uses projections from Planning on new homes and damping of 10%.</p> <p>The NHB scheme is under review. The MTFP assumes NHB payments will be received for 4 years starting from 2017/18.</p>
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	Education Services Grant	The ESG allocation is £154k in 16/17 but is assumed to go to £0 by 19/20.
16	Rural Delivery Grant	The MTFP builds in grant as per the Government 4-year offer.
17	Better Care Fund	The Better Care Fund (BCF) allocations are built in based on 2015/16 figures as the settlement indicated that no further BCF

Ref	Expenditure /Funding	Assumptions/Commentary
		will be given to Rutland
18	Non-ring fenced grants	<p>The only non-ring fenced grant included within the MTFP is the ESG grant (see row 14).</p> <p>The council generally receives additional grants during the year and these will be reported as the council is notified e.g. Small Business Rates Relief Cap.</p>
19	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. Grant level is based on 15/16 allocation.
20	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.
21	Collection Fund Surplus	<p>The Collection Fund is the collective name for the financial management of the collection of Business Rates and Council Tax.</p> <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>
22	Capital met from Direct Revenue	<p>This represents the amount of revenue expenditure that is funding capital projects.</p> <p>In 2016/17 the £180k represents the funding for Digital Rutland which is being met from an Earmarked Reserve (see reference 20 above).</p>