

## Appendix 2

Ref		2016/17 Original £	2016/17 Q1 Budget £	2016/17 Q2 Forecast £	2017/18 Proposed £	2018/19 Proposed £	2019/20 Proposed £	2020/21 Proposed £	2021/22 Proposed £
1	People	15,907,100	16,424,400	16,896,400	16,135,200	16,551,700	16,713,700	17,018,200	17,431,500
1	Places	12,318,200	12,524,800	12,594,000	12,298,800	12,440,300	12,723,900	13,002,800	13,307,800
1	Resources	5,246,700	5,742,700	5,665,800	5,404,600	5,524,200	5,631,700	5,731,600	5,834,600
2	Pay Inflation Contingency	330,700	0	0	45,000	716,300	1,146,500	1,588,600	1,870,700
3	Contract Inflation	150,000	150,000	0	0	0	0	0	0
	Fire Authority Contribution	75,000							
4	Adult Social Care Contingency	200,000	200,000	0	200,000	200,000	200,000	200,000	200,000
5	Corporate Headcount Saving				(121,000)	(121,000)	(121,000)	(121,000)	(121,000)
6	People First Savings	(234,800)	(234,800)	0	0	0	0	0	0
	<b>Net Cost of Services</b>	<b>33,992,900</b>	<b>34,807,100</b>	<b>35,156,200</b>	<b>33,962,600</b>	<b>35,311,500</b>	<b>36,294,800</b>	<b>37,420,200</b>	<b>38,523,600</b>
7	Capital met from Direct Revenue	180,000	186,000	186,000	0	0	0	0	0
8	Appropriations	(1,897,000)	(1,897,000)	(1,897,000)	(1,897,000)	(1,897,000)	(1,897,000)	(1,897,000)	(1,897,000)
9	Capital Financing	1,930,601	1,930,601	1,930,601	1,904,945	1,881,825	1,858,890	1,836,103	1,836,103
10	Interest Receivable	(220,000)	(220,000)	(235,000)	(180,000)	(210,000)	(170,000)	(155,000)	(155,000)
	<b>Net spending</b>	<b>33,986,501</b>	<b>34,806,701</b>	<b>35,140,801</b>	<b>33,790,545</b>	<b>35,086,325</b>	<b>36,086,690</b>	<b>37,204,303</b>	<b>38,307,703</b>
	Resources								
11	Other Income	(239,500)	(272,500)	(296,513)	(46,000)	0	0	0	0
12	New Homes Bonus	(1,230,055)	(1,230,055)	(1,230,024)	(1,214,332)	(1,285,507)	(1,303,678)	(1,064,517)	(968,701)
13	Better Care Fund	(2,046,000)	(2,061,200)	(2,061,200)	(2,061,200)	(2,061,200)	(2,061,200)	(2,061,200)	(2,061,200)
14	Social Care In Prisons	(70,138)	(70,138)	(54,128)	(54,128)	(54,128)	(54,128)	(54,128)	(54,128)
15	Rural Delivey Grant	(843,258)	(843,258)	(843,258)	(680,891)	(523,763)	(680,891)	(680,891)	(680,891)
16	Transition Grant	(339,932)	(339,932)	(339,932)	(336,573)	0	0	0	0
17	Adult Social Care Support Grant	0	0	0	(136,300)	0	0	0	0
18	Revenue Support Grant	(2,353,919)	(2,353,919)	(2,353,919)	(888,716)	0	958,318	958,318	958,318
19	Retained Business Rates Funding	(4,770,200)	(4,770,200)	(4,770,200)	(4,785,764)	(4,917,954)	(5,115,963)	(5,306,364)	(5,499,412)
20	Council Tax/Social care precept	(21,924,400)	(21,924,300)	(21,924,400)	(23,241,300)	(24,513,100)	(25,745,200)	(27,005,200)	(28,324,800)
21	Collection fund surplus	(248,000)	(248,000)	(248,000)	(170,000)	0	0	0	0
	<b>Total available Resources</b>	<b>(34,065,402)</b>	<b>(34,113,502)</b>	<b>(34,121,574)</b>	<b>(33,615,204)</b>	<b>(33,355,652)</b>	<b>(34,002,742)</b>	<b>(35,213,981)</b>	<b>(36,630,814)</b>
22	<b>Use of Earmarked Reserves</b>	<b>(553,200)</b>	<b>(1,468,200)</b>	<b>(1,446,000)</b>	<b>(107,900)</b>	<b>(279,200)</b>	<b>(163,800)</b>	<b>(64,600)</b>	<b>(64,600)</b>
23	<b>Use of General Fund Balances</b>	<b>(632,101)</b>	<b>(775,001)</b>	<b>(426,773)</b>	<b>67,441)</b>	<b>1,451,473)</b>	<b>1,920,148)</b>	<b>1,925,722)</b>	<b>1,612,289)</b>
	Balance brought forward	(10,089,084)	(10,143,751)	(10,143,751)	(10,570,524)	(10,503,083)	(9,051,610)	(7,131,462)	(5,205,740)
	<b>Balance carried forward</b>	<b>(10,721,185)</b>	<b>(10,918,752)</b>	<b>(10,570,524)</b>	<b>(10,503,083)</b>	<b>(9,051,610)</b>	<b>(7,131,462)</b>	<b>(5,205,740)</b>	<b>(3,593,451)</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 for 2018/19 onwards assume 2017/18 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> <p>The Council's contribution rate to the Local Government Pension Scheme (LGPS) is included at the following rates: 17/18 - 21.7%, 18/19 – 22.7%, 19/20 – 23.7%, 20/21 – 24.7%</p>
2	Pay Inflation Contingency	Council assumes pay inflation will be 2% pa.
3	Contract inflation	This was an amount set aside to cover above inflation rises should they materialise on key contract, pay, supplies etc. This has been distributed to Directorate costs in 17/18.
4	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
5	Corporate Headcount saving	Notional savings targets to be achieved through vacancy control, service reviews etc
6	People First savings	Savings originating from the PeopleFirst project. All savings are now built into Directorate budgets.
7	Capital met from Direct Revenue	This represents the amount of revenue expenditure that is funding capital projects.
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	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</li> </ul>

Ref	Expenditure /Funding	Assumptions/Commentary
		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.
10	Interest receivable	This represents the amount the Council expects to earn from investing cash balances held.
11	Other income	Misc grants including a grant to fund school improvement.
12	New Homes Bonus	The MTFP uses projections from Planning on new homes and damping of 10%.  The NHB scheme is under review. The MTFP assumes NHB payments will be received for 4 years starting from 2017/18.
13	Better Care Fund	The Better Care Fund (BCF) allocations are built in at 2017/18 levels. Settlement indicated Rutland would receive no top up allocation.
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	Rural Delivery Grant	The MTFP builds in grant for additional cost of rural service delivery as per the Government 4-year offer.
16	Transition Grant	Additional funding in the form of transitional grant has been given in both 2016/17 and 2017/18 for the councils adversely affected by the change in distribution of central funding.
17	Adult Social care grant	Grant for adult social care funded from reductions in New Homes Bonus.
18	RSG	RSG included as per the 4-year settlement 'offer' figures. The MTFP assumes that RSG reduces to £0 by 2019/20 and a tariff is paid.
19	Business rates	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 17/18 and the baseline and tariff figures given by Government.  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.  A 5% increase in growth would yield approx. £300k for the

Ref	Expenditure /Funding	Assumptions/Commentary
		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.
20	Council tax (inc social care precept)	<p>Tax rises built in at 3.99%. The tax base continues to increase with housing growth.</p> <p>An increase in local council tax support claims could dampen this growth but in 17/18 the number of claimants has reduced.</p> <p>The MTFP contains an additional social care precept on council tax built in at 2% to deal with the rising costs of social care.</p>
21	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). 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.
22	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.
23	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.