

MEDIUM TERM FINANCIAL STRATEGY TABLES

Core Planning Assumptions

The table below sets out the core planning assumptions included in the MTFS projections:-

Summary of MTFS assumptions	2018/19	2019/20	2020/21	2021/22
Pay inflation and pay related matters:				
- Provision for pay award	1.0%	1.0%	2.0%	2.0%
- Overall pension contribution rate	20.5%	21.0%	21.5%	22.0%
General inflation:				
- Inflation on non pay expenditure	0.0% - 2.0%	2.0%	2.0%	2.0%
- Inflation on waste PFI	3.5%	3.5%	3.5%	3.5%
- Inflation on income	2.0%	2.0%	2.0%	2.0%
- Inflation on parking income	2.0%	2.0%	2.0%	2.0%
- Inflation on penalty charge notices	0.0%	0.0%	0.0%	0.0%
Resources:				
Change in Settlement Funding Assessment	-7.4%	-7.9%	0.0%	0.0%
Change to Revenue Support Grant (RSG)	-34.6%	-53.9%	0.0%	0.0%
Business Rates				
- Business rates poundage inflation uplift	3.9%	3.4%	2.0%	2.0%
Public Health grant	-2.6%	-2.6%	0.0%	0.0%
Adult Social Care precept	3.00%	0.00%	0.00%	0.00%
Assumed council tax threshold increase (excluding Adult Social Care precept)	1.99%	1.99%	1.99%	1.99%
Council Tax Base	1.1%	0.5%	0.5%	0.5%

Summary of MTFs projections

The table below sets out the savings /budget gap taking into account the anticipated expenditure over the MTFs period and the funding resources available:-

Summary of General Fund budget projections	2017/18	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m	£m
Sub-total Net Budget Requirement B/Fwd	209.571	203.589	206.882	204.734	209.400
Pay and Inflation	3.067	3.223	3.933	5.215	5.310
Commitments - impact of previous decisions	1.027	-1.921	-1.479	0.996	0.670
Change in S31 Business Rates compensation grants	-1.354	-0.125	-0.141	0.000	0.000
Change in New Homes Bonus	0.384	1.628	0.143	0	0
Increased Adult Social Care (ASC) costs funded through ASC Grant and iBCF	6.327	0.344	1.282	0.000	0.000
Increased ASC Grant and iBCF	-6.327	-0.344	-1.282	0.000	0.000
Increased funding for ASC through ASC Precept	3.650	3.875	0.000	0.000	0.000
Service pressures - demographic and inflation	7.754	5.000	5.000	5.000	5.000
Service pressures - specific grants	2.232	1.050	0.170	0.155	0.140
Savings in 4 year Service and Financial Plans	-20.986	0	0	0	0
Budget Gap	0.000	-11.615	-9.849	-6.700	-6.350
Sub-Total	205.345	204.704	204.659	209.400	214.170
Change in contribution to / from reserves	-1.756	2.178	0.075	0.000	0.000
Budget Requirement C/Fwd	203.589	206.882	204.734	209.400	214.170
Funded by:					
Revenue Support Grant	21.618	14.144	6.523	6.523	6.523
Tariff Payment	-1.500	-1.558	-1.611	-1.643	-1.676
Locally retained Business Rates	56.877	58.776	60.926	62.145	63.388
Business Rates Levy payment	-0.122	-0.126	-0.130	-0.133	-0.136
Business Rates Collection Fund Deficit	-1.684	0.000	0.000	0.000	0.000
Council Tax Collection Fund Surplus	0.654	0.000	0.000	0.000	0.000
Council Tax - Adult Social Care precept (annual change)	3.650	3.875	0.000	0.000	0.000
Council Tax - General increase	124.096	131.771	139.026	142.508	146.071
Total Funding	203.589	206.882	204.734	209.400	214.170

For the financial years 2020/21 and 2021/22, the above table assumes there is no move to 100% locally retained business rates as there is no timetable for implementation of this proposal.

The budget gap over these 2 years is £13.050m however :-

- Revenue Support Grant is assumed to be maintained at the 2019/20 level, if this funding source was to end then the budget gap over these 2 years would increase by £6.5m.
- The improved better care fund is assumed to continue at 2019/20 levels of £7.9m. (includes £1.7m announced as part of Spring 2017 budget)

If both the above funding sources are at risk, the budget gap over the 2 years would be between £13.050m and £27.450m.

Changes in Budget assumptions for 2018/19 and 2019/20 since February 2017

	2018/19	2019/20
	£m	
Budget Gap February 2017	15.100	10.639
Change in inflation assumptions	-0.549	0.160
Release 2017/18 risk provision	-1.500	
Remove future risk provisions	-0.800	-0.800
Concessionary Fares savings 2018/19 and 2019/20	-0.200	-0.200
No New Homes Bonus allocation for 2018/19	0.541	
Reinvest planned 2018/19 Royal Pavilion saving back into service	0.120	
Tax Base Changes – Council Tax	-0.787	
Fund 2018/19 poverty proofing from reserves	-0.075	
Business Rates RPI change	-0.385	0.050
Business rates RPI change impact on Council budgets	0.100	
Council Tax Care Leavers S13A commitment (PRG 4/5/17)	0.050	
Revised Budget Gap as at July 2017	11.615	9.849

