

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	2.4%	2.6%	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	3.0%	3.1%	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)	2.99%	2.99%	1.99%	1.99%
Council Tax Base	1.82%	0.75%	0.75%	0.75%

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	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m
Sub-total Net Budget Requirement B/Fwd	203.589	208.824	207.730	212.978
Pay and Inflation	4.688	5.891	5.207	5.303
Commitments - impact of previous decisions	-0.143	-4.589	1.216	0.910
Change in S31 Business Rates compensation grants	-1.451	-0.141	0.000	0.000
Change in New Homes Bonus	1.628	0.143	0.000	0.000
Demographic and cost service pressures in Adult Social Care and Adults Learning Disabilities (partially funded by the ASC precept in 2018/19)	6.152	3.032		
Demographic and cost service pressures for all other services	5.682			
Service pressures - demographic and cost – not allocated to service areas		5.000	5.000	5.000
Service pressures - specific grants	1.050	0.170	0.155	0.140
Savings in 4 year Service and Financial Plans	-12.371	-9.591	0.000	0.000
Budget Gap	0.000	-1.009	-6.330	-5.980
Budget Requirement C/Fwd	208.824	207.730	212.978	218.351
Funded by:				
Revenue Support Grant	14.144	6.523	6.523	6.523
Tariff Payment	-0.745	-1.164	-1.187	-1.211
Locally retained Business Rates	57.258	59.417	60.757	62.127
Business Rates Levy payment	-0.091	-0.095	-0.097	-0.099
Business Rates Collection Fund Deficit	-1.690	0.000	0.000	0.000
Council Tax Collection Fund Surplus	2.091	0.000	0.000	0.000
Council Tax - Adult Social Care precept (annual change)	3.901	0.000	0.000	0.000
Council Tax - General increase	133.956	143.049	146.982	151.011
Total Funding	208.824	207.730	212.978	218.351

For the financial years 2020/21 and 2021/22, the move to 75% local retained business rates has not been reflected at this stage as the impact of transferring certain grant funding to Business Rates income is not known and therefore the table above assumes this is cost neutral.

The budget gap over these 2 years is £12.310m 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 £6.523m.
- The improved Better Care Fund is assumed to continue at 2019/20 levels of £7.953m. (includes £1.733m announced as part of the Spring 2017 budget).

If both the above funding sources were at risk, the budget gap over the 2 years would be between £12.310m and £26.786m.