

MEDIUM TERM FINANCIAL STRATEGY 2016/17 to 2019/20

Core Planning Assumptions

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

Summary of MTFS assumptions	2016/17	2017/18	2018/19	2019/20
Pay inflation and pay related matters:				
- Provision for pay award	1.0%	1.0%	1.0%	1.0%
- Provision for pension contributions	0.5%	0.5%	0.5%	0.5%
- Provision for changes in national insurance	(*)	0.0%	0.0%	0.0%
General inflation:				
- Inflation on no pay expenditure	0.0% - 2.0%	2.0%	2.0%	2.0%
- 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	-11.9%	-10.5%	-10.6%	-11.7%
Change to Revenue Support Grant (RSG)	-29.1%	-33.0%	-45.4%	-82.3%
Business Rates				
- Business rates poundage inflation uplift	2.0%	2.3%	2.3%	2.3%
Change to other specific grants	-15.0%	-10.0%	-10.0%	-10.0%
Public Health grant	0.0%	0.0%	0.0%	0.0%
Assumed council tax threshold increase	2.0%	2.0%	2.0%	2.0%
Council Tax Base	1.10%	0.25%	0.25%	0.25%

* National insurance changes planned for 2016/17 are expected to add up to £2.0m to the expenditure estimates. At this time, we have no information regarding whether or not local authorities will be compensated for this additional cost.

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	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m
Sub-total Net Budget Requirement B/Fwd	215.888	206.688	198.549	193.360
Pay and Inflation	2.955	3.422	3.245	3.119
General Risk Provisions	2.238	0.500	0.500	0.500
Commitments - impact of previous decisions	0.129	0.412	0.836	0.670
Change in S31 Business Rates compensation grants	3.385	-0.017	-0.016	-0.018
Change in New Homes Bonus	-0.600	0.000	-0.200	0.350
Service pressures - demographic and inflation	5.000	5.000	5.000	5.000
Service pressures - specific grants	1.150	0.600	0.500	0.500
Full year effect of savings in previous year	-3.763	0.000	0.000	0.000
Savings / Budget Gap	-19.675	-18.056	-15.054	-14.980
Sub-Total	206.707	198.549	193.360	188.501
Change in contribution to / from reserves	-0.019	0.000	0.000	0.000
Budget Requirement C/Fwd	206.688	198.549	193.360	188.501
Funded by:				
Revenue Support Grant	32.694	21.896	11.951	2.118
Top Up Grant	1.694	1.741	1.789	1.838
Locally retained Business Rates	56.841	56.867	58.930	61.151
Council Tax	115.459	118.045	120.690	123.394
Total Funding	206.688	198.549	193.360	188.501