

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	0.3%*	0.5%	0.5%	0.5%
- Provision for changes in national insurance	3.4%	0.0%	0.0%	0.0%
General inflation:				
- Inflation on non pay expenditure	0.0% - 2.0%	2.0%	2.0%	2.0%
- Inflation on waste PFI	1.5%	2.5%	2.5%	2.5%
- 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	-12.6%	-12.0%	-7.6%	-8.2%
Change to Revenue Support Grant (RSG)	-28.1%	-34.7%	-34.6%	-53.9%
Business Rates				
- Business rates poundage inflation uplift	0.8%	2.0%	3.0%	3.2%
Change to other specific grants	-14.0%	-20.4%	-13.5%	-15.6%
Public Health grant	-2.2%	-2.5%	-2.6%	-2.6%
Adult Social Care precept	2.0%	2.0%	2.0%	2.0%
Assumed council tax threshold increase (excluding Adult Social Care precept)	2.0%	2.0%	2.0%	2.0%
Council Tax Base	3.0%	0.5%	0.5%	0.5%

* In 2016/17 there is an additional one off payment to the East Sussex Pension Fund of £0.249m.

'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	209.571	204.470	204.762
Pay and Inflation	2.913	3.691	3.501	3.449
General Risk Provisions	3.000	0.800	0.800	0.800
Commitments - impact of previous decisions	-0.636	-1.417	0.843	-0.310
Change in S31 Business Rates compensation grants	1.636	1.732	-0.016	-0.018
Change in New Homes Bonus	-1.177	0.000	1.722	0.000
Adult Social Care pressures funded by Precept	2.307	2.412	2.520	2.634
Adult Social Care & Health pressures funded by improved Better Care funding			3.188	3.032
Service pressures - demographic and inflation	8.969	5.000	5.000	5.000
Service pressures - specific grants	0.755	0.950	0.500	0.500
Full year effect of savings in previous year	-3.763	0.000	0.000	0.000
Improved Better Care funding			-3.188	-3.032
Savings in 4 year Service and Financial Plans	-19.291	-16.256	-14.475	-9.019
Budget Gap	0.000	-3.024	-0.103	-2.478
Sub-Total	210.601	203.459	204.762	205.320
Change in contribution to / from reserves	-1.030	1.011	0.000	0.000
Budget Requirement C/Fwd	209.571	204.470	204.762	205.320
Funded by:				
Revenue Support Grant	33.126	21.618	14.144	6.523
Top Up Grant	1.656	1.741	1.789	1.838
Council Tax collection fund surplus	-1.089			
Business Rates collection fund deficit	1.964			
Locally retained Business Rates	53.932	55.716	57.779	60.000
Council Tax - Adult Social Care precept	2.307	2.412	2.520	2.634
Council Tax - General increase	117.675	122.983	128.530	134.325
Total Funding	209.571	204.470	204.762	205.320