

MEDIUM TERM FINANCIAL STRATEGY 2017/18 to 2019/20

Core Planning Assumptions

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

Summary of MTFS assumptions	2017/18	2018/19	2019/20
Pay inflation and pay related matters:			
- Provision for pay award	1.0%	1.0%	1.0%
- Provision for pension contributions	0.5%	0.5%	0.5%
General inflation:			
- Inflation on non pay expenditure	0.0% - 2.0%	2.0%	2.0%
- Inflation on waste PFI	2.5%	2.5%	2.5%
- Inflation on income	2.0%	2.0%	2.0%
- Inflation on parking income	2.0%	2.0%	2.0%
- Inflation on penalty charge notices	0.0%	0.0%	0.0%
Resources:			
Change in Settlement Funding Assessment	-12.0%	-7.6%	-8.2%
Change to Revenue Support Grant (RSG)	-34.7%	-34.6%	-53.9%
Business Rates			
- Business rates poundage inflation uplift	1.2%	3.0%	3.2%
Public Health grant	-2.5%	-2.6%	-2.6%
Adult Social Care precept	2.0%	2.0%	2.0%
Assumed council tax threshold increase (excluding Adult Social Care precept)	1.99%	1.99%	1.99%
Council Tax Base growth	1.0%	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
	£m	£m	£m
Sub-total Net Budget Requirement B/Fwd	209.571	204.920	205.139
Pay and Inflation	3.076	3.626	3.572
General Risk Provisions	0.800	0.800	0.800
Commitments - impact of previous decisions	-1.572	0.895	-0.555
Change in S31 Business Rates compensation grants	1.732	-0.016	-0.018
Change in New Homes Bonus	0.000	1.722	0.000
Adult Social Care pressures funded by Precept	2.425	2.534	2.647
Adult Social Care & Health pressures funded by improved Better Care funding	0.000	3.188	3.032
Service pressures - demographic and inflation	5.000	5.000	5.000
Service pressures - specific grants	0.950	0.500	0.500
Full year effect of savings in previous year	-0.048	0.000	0.000
Improved Better Care funding	0.000	-3.188	-3.032
Savings in 4 year Service and Financial Plans	-16.256	-14.475	-9.019
Budget Gap	-1.912	-0.367	-2.405
Sub-Total	203.766	205.139	205.661
Change in contribution to / from reserves	1.154	0.000	0.000
Budget Requirement C/Fwd	204.920	205.139	205.661
Funded by:			
Revenue Support Grant	21.618	14.144	6.523
Top Up Grant	1.676	1.726	1.781
Locally retained Business Rates	55.604	57.558	59.695
Council Tax - Adult Social Care precept	2.425	2.534	2.647
Council Tax - General increase	123.597	129.177	135.015
Total Funding	204.920	205.139	205.661