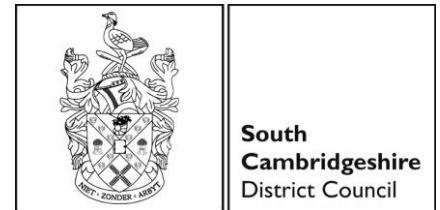


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10 February 2016

To: The Leader – Councillor Ray Manning  
Deputy Leader – Councillor Simon Edwards  
Members of the Cabinet – Councillors Francis Burkitt, Mark Howell, Mick Martin,  
Peter Topping, Robert Turner, Tim Wotherspoon and Nick Wright  
Quorum: Majority of the Cabinet including the Leader or Deputy Leader

Dear Councillor

This is a supplement to the previously-published agenda for the meeting of **CABINET** on **THURSDAY, 11 FEBRUARY 2016**, containing those reports which had not been received by the original publication deadline.

Yours faithfully  
**JEAN HUNTER**  
Chief Executive

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## AGENDA

## PAGES

- |   |               |
|---|---------------|
| <b>7. Medium Term Financial Strategy (General Fund budget 2016/17 including Council Tax setting), Housing Revenue Account (including housing rents), Capital Programme 2016/17-2020/21 and Treasury Management Strategy (Revised 2015/16 and 2016/17) (Key)</b> | <b>1 - 24</b> |
|---|---------------|

To receive a revised report and revised versions of Appendices B, B1, B3, B3(a) and B3(b) following the outcome of the Local Government Grant Settlement.

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# Agenda Item 7



South  
Cambridgeshire  
District Council

**REPORT TO:** Leader and Cabinet  
**LEAD OFFICER:** Executive Management Team

11 February 2016

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## MEDIUM TERM FINANCIAL STRATEGY UPDATE FOLLOWING FINAL LOCAL GOVERNMENT FINANCE SETTLEMENT

### Purpose

1. The purpose of this report is to provide an update to Cabinet following the publication of the final Local Government Finance Settlement for 2016-17 (changes to wording from the original report are highlighted), for Cabinet to approve and recommend to Council the Medium Term Financial Strategy (MTFS), which covers:
  - (a) the Capital Programme for the five years to 31 March 2021;
  - (b) the General Fund estimates and the resulting council tax for the financial year ending 31 March 2017;
  - (c) fees and charges for 2016-17;
  - (d) the MTFS for the General Fund for the five years to 31 March 2021;
  - (e) the list of Precautionary Items for the General Fund;
  - (f) the Housing Revenue Account (HRA) estimates and the rent increase for the financial year ending 31 March 2017;
  - (g) service and other charges for housing services for the financial year ending 31 March 2017;
  - (h) the HRA business plan for the next 30 years to 31 March 2046;
  - (i) the investment strategy for the year to 31 March 2017;
  - (j) the prudential indicators required by the Prudential Code for Capital Finance Local Authorities for the year to 31 March 2017.
2. These are key decisions because:
  - (a) they are likely to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates;
  - (b) they are likely to be significant in terms of their effects on communities living or working in an area of the District comprising two or more wards;
  - (c) they increase financial commitments (revenue and / or capital) in future years above existing budgetary approvals,and they were first published in the November 2015 Forward Plan.

### Recommendations

3. That Cabinet recommends to Council that:
  - (a) the General Fund Capital Programme and the associated funding up to the year ending 31 March 2021 (**Appendix A1**) is approved as submitted;
  - (b) the revenue estimates for 2016-17 are approved as submitted in the General Fund summary (**Appendix B1**);
  - (c) the precautionary items for the General Fund (**Appendix B2**) are approved;

- (d) the Medium Term Financial Strategy for the General Fund (**Appendix B3**) is approved based on the assumptions set out in this report;
- (e) the fees and charges proposed for 2016-17 (**Appendix B4**) are approved;
- (f) Executive Management Team be instructed to identify additional income/savings of £300,000 in 2016-17, rising to **£930,000** from 2017-18;
- (g) the council tax requirement for 2016-17 is £7,852.090;
- (h) the Council sets the amount of Council Tax for each of the relevant categories of dwelling in accordance with Section 30(2) of the Local Government Finance Act 1992 on the basis of a District Council Tax for general expenses on a Band D property of £130.31 plus the relevant amounts required by the precepts of Parish Councils, Cambridgeshire County Council, the Cambridgeshire Police and Crime Commissioner and the Cambridgeshire Fire Authority, details of those precepts and their effect to be circulated with the formal resolution required at the Council meeting;
- (i) the Housing Revenue Account (HRA) revenue budget as summarised in the HRA Summary Forecast 2015-16 to 2020-21 (**Appendix G of the HRA Budget Setting Report**), in the context of the updated 30 Year HRA Business Plan, is approved;
- (j) **subject to paragraph 4 below**, council dwellings rents for existing tenants be reduced by 1%, in line with legislative requirements, anticipated to be introduced as part of the Welfare Reform and Work Bill 2015, with effect from 4th April 2016, is approved;
- (k) the inclusion of an ongoing savings target for HRA services for the period from 2017-18 to 2020-21, at the initial rate of £250,000 per annum, recognising the financial constraints placed upon the HRA by changes in national housing policy, is approved;
- (l) inflationary increases of 1.4% in garage rents for 2016-17, in line with the base rate of inflation for the year assumed in the HRA Budget Setting Report, is approved;
- (m) proposed service charges for HRA services and facilities provided to both tenants and leaseholders (**Appendix B of the HRA Budget Setting Report**) is approved;
- (n) the charge for the cost of the provision of the alarm service in sheltered housing is set at £3 a week;
- (o) the latest budget, spend profile and funding mix for each of the schemes in the new build programme (**Section 5 and Appendix E of the HRA Budget Setting Report**), is approved;
- (p) the required level of additional funding for new build investment between 2016-17 and 2020-21 to ensure that commitments can be met in respect of the investment of all right to buy receipts retained by the authority, up to the end of December 2015, is approved to earmark;
- (q) the revised Housing Capital Investment Plan (**Appendix H of the HRA Budget Setting Report**), in the context of the updated 30 Year HRA Business Plan, is approved;
- (r) delegation is given to the Executive Director (Corporate Services) in consultation with the Leader, to allow the Self-Build Vanguard scheme to proceed during 2016-17, should the business case presented be financially viable for both the General Fund and the HRA;
- (s) the borrowing and investment strategy for the year to 31 March 2017 (**Appendix D1**) is approved;
- (t) the prudential indicators required by the Prudential Code for Capital Finance in Local Authorities for the year to 31 March 2017 (**Appendix D2**) are approved;
- (u) the Capital Strategy 2016-17 to 2020-21 and Corporate Asset Management Plan 2016-17 to 2020-21 (**Appendices D4 and D5**) is approved;

- (v) any unspent New Homes Bonus money allocated to the City Deal be approved to roll forward to 2017-18; and
- (w) the Executive Director, Corporate Services, be given delegated authority to issue the final version of the Estimates Book, incorporating the amendments required from Council's decisions.

4. That Cabinet considers recommending to Council, exempting supported housing from the 1% rent cut and, if so minded, requests the Executive Director and the Director of Housing to prepare updated HRA Budget Setting Report, HRA revenue budget and HRA capital programme for the Council meeting on 25 February 2016.

#### **Reasons for Recommendations**

- 5. The consideration and determination of the estimates (budget) and the council tax increase will provide resources for the Council to continue to provide its services over the next financial year in order to achieve the strategic aims as far as possible within the current financial constraints.
- 6. The consideration and determination of the five year MTFS for the General Fund should give the Council some reassurance that the Council will be able to continue to provide services to the public over the foreseeable future and avoid any unpredicted need for emergency cuts in services to balance its budget.
- 7. The overall additional income/savings requirement of £930,000 from 2017-18 equates to the authority achieving an average cost saving of £15.22 per Band D property from that year. The setting of council tax at £130.31 in 2016-17 would be an increase of £5.00 for a Band D property.
- 8. The HRA Budget Setting Report is presented to Cabinet and Council, to allow consideration, scrutiny and approval of proposals for the review of rents and service charges, and the revenue and capital expenditure and resources, which form part of the HRA budget.
- 9. The charge for the cost of the provision of the alarm service in sheltered housing will no longer be subsidised by the County Council, and will be payable by residents in full, as a charge which is ineligible for housing benefit.
- 10. The latest budget, spend profile and funding mix for each of the schemes in the new build programme recognises the most up to date information available as each scheme progresses through the design, planning, build contract and completion process. New build investment expenditure will either take the form of HRA new build, with the 70% top up met by capital receipts anticipated from the sale of self-build plots or alternatively grants made to a registered provider, where the registered provider will provide the 70% top up to build new homes.
- 11. As the authority progresses the preparatory work in respect of its role as a self-build vanguard authority, there will be the need to consider and approve a business case for the activity associated with both the need to maintain a register of those interested in self-build and to consider the supply of appropriate land for the purpose of self-build. The business case is anticipated to also include the ability to provide services to prepare parcels of HRA owned land for sale, with the net receipts generated being for the benefit the HRA, and available for re-investment in new build affordable housing.

12. The Department for Communities and Local Government has confirmed an exemption from the 1% rent cut for all supported housing. The HRA Budget Setting Report has currently been drafted on the basis of a blanket 1% rent cut, so a decision needs to be made on how to proceed with setting rents for 2016-17. If rents in sheltered housing are increased by 0.9% (CPI at September 2015 of -0.1% plus 1%) instead of reducing rents by the blanket 1%, an additional £106,300 per annum in rental income would be realised in 2016-17, which would be ongoing. If the same approach is applied to the dispersed properties that are currently being used to house homeless households, we would generate an additional £3,000 per annum, although whether these properties are caught by the exemption is not 100% clear. The table below summarises the Council's sheltered tenancies and the proportion in receipt of housing benefit to give an indication of the potential impact.

Tenancy	Total	Occupied	Void	Receiving Housing Benefit
Sheltered Housing	1057	1043	14	776 (74.4% of Occupied)
Shared Equity Sheltered Housing	64	64	0	20 (31.3 % of Occupied)
<b>Total</b>	<b>1121</b>	<b>1107</b>	<b>14</b>	<b>796</b>

### Background

13. The provisional Local Government Finance Settlement for 2016-17 was published on 17 December 2015. Information included in the provisional settlement and figures in the accompanying "Key Information for Local Authorities" and other documents published with it were used in preparing the initial version of this report, which was considered by Scrutiny and Overview Committee on 4 February 2016.
14. The final Local Government Finance Settlement for 2016-17 ("the settlement") was published on 8 February 2016. Information included in the settlement and figures in the accompanying "Key Information for Local Authorities" and other documents published with it have been used in preparing this updated report. The key changes for this authority from the provisional settlement to the final settlement are:
- (a) Rural Services Grant increased in 2016-17 from £32,261 to £129,850 and in 2017-18 from £46,457 to £104,848;
  - (b) A new Transition Grant of £75,842 in 2016-17 and £75,575 in 2017-18;
  - (c) Removal of the "Tariff adjustment" of £190,852 in 2018-19.
15. These changes are summarised in the table below and effectively reduce the additional income/savings requirement by approx. £400,000 over the period of the MTFS, i.e. from £1,030,000 to £930,000 w.e.f. 2017-18.

	2016-17 £	2017-18 £	2018-19 £	Totals £
Rural Services Grant	97,589	48,391		145,980
Transition Grant	75,842	75,575		151,417
Tariff adjustment *			95,426	95,426
	173,431	123,966	95,426	392,823

\* Removal of "Tariff adjustment" of £190,852, less: 50% levy = £95,426.

16. The draft revenue and capital estimates for both the General Fund and HRA are published alongside this report and can be viewed at the following link.

## Considerations

17. These are set out in detail in the Appendices (only those appendices affected by changes resulting from the final settlement – highlighted below – are attached to this update report):
- (a) Appendix A – Capital Programme and associated funding to 31 March 2021;
  - (b) Appendix A1 – Capital Programme Summary;
  - (c) Appendix B – General Fund Considerations;
  - (d) Appendix B1 – General Fund Summary;
  - (e) Appendix B2 – Precautionary Items;
  - (f) Appendix B3 – Medium Term Financial Strategy (MTFS) (General Fund);
  - (g) Appendix B4 – Fees and Charges for 2016-17;
  - (h) Appendix B4(A) – Building Control Fees Summary;
  - (i) Appendix B4(B) – Building Control Fees Schedule;
  - (j) HRA Budget Setting Report (Appendix C)
  - (k) Appendix D – Financial Administration, Borrowing & Investment Strategy and Prudential Indicators;
  - (l) Appendix D1 – Borrowing & Investment Strategy 2016-17;
  - (m) Appendix D2 – Prudential Indicators for 2015-16 (revised) and 2016-17;
  - (n) Appendix D3 – Treasury Management Risk Reports (Restricted);
  - (o) Appendix D4 – Capital Strategy 2016-17 to 2020-21;
  - (p) Appendix D5 – Corporate Asset Management Plan 2016-17 to 2020-21.
18. The underlying assumptions supporting the General Fund estimates and MTFS include:
- (a) general provision for inflation where applicable of 1.4% in 2016-17, 1.8% in 2017-18, 1.9% in 2018-19 and 2.0% thereafter, in line with the Office of Budget Responsibility (OBR)'s forecast, or actual rates where known. This is applied to both expenditure and income (except the council tax and housing rents and charges);
  - (b) provision for an employer's pension contribution rate of 25% for 2016-17 and subsequent years. This takes account of pensions increases linked to the consumer price index (CPI). The outcome of the actuarial review concluded in December 2013 indicated that a contribution of 25% of pensionable salaries will be required for the next three years, plus a payment of £750,000 from the pension reserve. The 25% is split into two allocations: a cash contribution towards the historic deficit, charged against the General Fund and HRA; and a percentage charge to staffing accounts to meet ongoing future costs.
19. For the HRA, as part of the 2016-17 budget process, the range of assumptions upon which the HRA Business Plan and Medium-Term Financial Review are based, were reviewed in light of the latest information available, culminating in the preparation of the HRA Budget Setting Report. That report provides an overview of the review of the key assumptions, sets out the key parameters for the detailed recommendations and final budget proposals and the financial implications associated with decisions, and is the basis for the finalisation of the 2016-17 budgets. The resulting recommendations (paragraphs 3. (i) to (q) above) refer to the strategy outlined in the HRA Budget Setting Report.
20. The Strategic Risk Register, reported elsewhere on this meeting's agenda, includes a recommended increased risk score relating to the cost of managing Homelessness, because nearly all the mitigation factors previously put in place are being undermined, as set out in that report. While £250,000 has been included in precautionary items for 2016-17, it is considered prudent to include the same amount in the authority's budgets from 2017-18. Further details of demand and costs

emerging over the next year will be reported to Members and updated in future forecasts as appropriate.

## Options

### Council Tax

21. The settlement maintains the core referendum threshold for Band D council tax increases at 2%; however, the threshold for district councils in the lowest Band D council tax quartile in 2015-16 (which includes this authority) will be £5 a year for the next four years. The MTFs attached as **Appendix B3** has been modelled on this basis.
22. Cabinet could decide to recommend that Council sets the amount of District Council Tax for general expenses on a Band D property for 2016-17 of £130.31. This would result in a council tax requirement of £7,852,090 for 2016-17 and an additional income/savings requirement of £300,000 in 2016-17, rising to £930,000 from 2017-18. **This is the recommended option.**
23. Alternatively, Cabinet could recommend increasing council tax by a different amount, for example:
- (a) an increase of £5 in 2016-17 and by 2% thereafter would still result in a Band D council tax of £130.31 and a council tax requirement of £7,852,090 for 2016-17, but a savings requirement of £1,270,000 from 2017-18;
  - (b) an increase of 2% in 2016-17 and thereafter would result in a Band D council tax of £127.81 and a council tax requirement of £7,701,450 for 2016-17, and a savings requirement of £1,470,000 from 2017-18;

These options are detailed in **Appendices B3A and B3B** and, together with the recommended option, are summarised in the table below:

Council tax increase	Resulting council tax	Council tax requirement	Full year savings requirement
£5 pa to 2019-20; 2% in 2020-21 <b>(recommended, Appendix B3)</b>	£130.31	£7,852,090	£930,000
£5 in 2016-17; 2% pa to 2020-21 <b>(Appendix B3A)</b>	£130.31	£7,852,090	£1,270,000
2% pa to 2020-21 <b>(Appendix B3B)</b>	£127.81	£7,701,450	£1,470,000

24. The option to increase council tax by 2% (paragraph 23. (b) above) while keeping the additional income/savings requirement for 2016-17 at £300,000, results in a further £150,000 call on General Fund reserves in year, as well as the increased target from 2017-18 on. As a further option, Members could decide not to make the further call on reserves in 2016-17 and increase the target from 2017-18.

### Rents

25. Cabinet could decide to recommend that Council reduces rents for existing tenants in line with legislative requirements, anticipated to be introduced as part of the Welfare Reform and Work Bill 2015, with effect from 4th April 2016. **This is the recommended option.**



26. Alternatively, Cabinet could recommend reducing rents by more than the expected legislative requirements; however, this would result in even less financial resources available to invest in housing services, projects and programmes.

### **Implications**

27. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered:

#### ***Financial***

28. As detailed in the report and appendices.

#### ***Legal***

29. The pressure to reduce budgets and the continuation of a poor financial settlement could adversely affect the provision of statutory services.

#### ***Staffing***

30. The restructurings and additions/reductions in staffing levels have been incorporated in the estimates.

#### ***Risk Management***

31. Risks and control measures concerning financial projections in the MTFS are included in the Council's Strategic Risk Register, which is appended to the Position Statement report elsewhere on this agenda. The HRA Business Plan has its own associated risk register and is also mentioned in the Strategic Risk Register.
32. Risks with regard to the 2016-17 estimates and the MTFS include:
- (a) Additional income/savings: The actual realisation of the targets which have been included in the estimates and MTFS.
  - (b) Revenue Support Grant (RSG): It is possible that the next budget, spending review or settlement may reduce RSG from 2017-18 on, resulting in savings to be found earlier than forecast.
  - (c) Retained Business Rates (RBR): The settlement introduces an "adjustment" to the tariff deduction for 2018-19 and 2019-20, reducing the amount of RBR available to the authority in those years. This adjustment could be increased, or extended beyond 2019-20. In addition:
    - (i) The settlement does not take into account any enterprise zones that have been approved, nor any devolution agreements that may be made. The financial impact of enterprise zones has yet to be clarified.
    - (ii) It is still very difficult to forecast future RBR income with any certainty. Business rate collection could be reduced if local economic growth does not meet the anticipated level. There are a large number of outstanding appeals still with the Valuation Office Agency (VOA) which the Council have to refund if successful; there is little information about which appeals might be successful and when they might be decided.
    - (iii) An assessment has been made about the potential outcome of appeals, having employed agents to help frame that assessment; final outcomes will be different to that assessment.
  - (d) New Homes Bonus (NHB): The Government is consulting on changing the number of years for which NHB payments are made. The figures for 2016-17 to 2019-20 included in the settlement are assumed to follow the Government's preferred option of reducing the number of years for which legacy payments are to be paid, from six to four years. The Government is also consulting on

other reforms to NHB, which could have adverse implications for the amount that the authority might receive.

- (e) Council Tax: Income would be affected if the number of domestic properties does not increase by as much as profiled in housing trajectory forecasts.

### **Consultation responses (including from the Youth Council)**

33. The MTFs provides the framework within which resources can be allocated to meet the Council's service priorities. The Council's proposed Objectives and Actions for 2015-16 were the subject of public consultation until 31 January 2016. The final Corporate Plan is recommended for approval by Council elsewhere on this agenda; £50,000 has been included in the draft revenue estimates to meet the cost of implementing actions to meet Corporate Plan objectives.
34. The draft revenue and capital estimates have been published alongside this report. The report will be considered by Scrutiny and Overview Committee on 4 February 2016 – feedback from that committee will be reported to Cabinet.

### **Effect on Strategic Aims**

#### **Aim 1 – We will listen to and engage with residents, parishes and businesses to ensure we deliver first class services and value for money**

35. The determination of the budget, council tax and rents will provide resources for the Council to continue its services in order to achieve the strategic aims as far as possible within the current financial constraints.

### **Background Papers**

Where [the Local Authorities \(Executive Arrangements\) \(Meetings and Access to Information\) \(England\) Regulations 2012](#) require documents to be open to inspection by members of the public, they must be available for inspection: -

- (a) at all reasonable hours at the offices of South Cambridgeshire District Council;
- (b) on the Council's website; and
- (c) in the case of documents to be available for inspection pursuant to regulation 15, on payment of a reasonable fee required by the Council by the person seeking to inspect the documents at the offices of South Cambridgeshire District Council.

Local Government Financial Settlement  
Localised Council Tax Support Scheme  
Estimate files in the Finance, Policy & Performance team  
Draft Estimates Book

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## APPENDIX B

### MEDIUM TERM FINANCIAL STRATEGY (MTFS) CONSIDERATIONS

#### PART 1 – APPROVING THE GENERAL FUND ESTIMATES

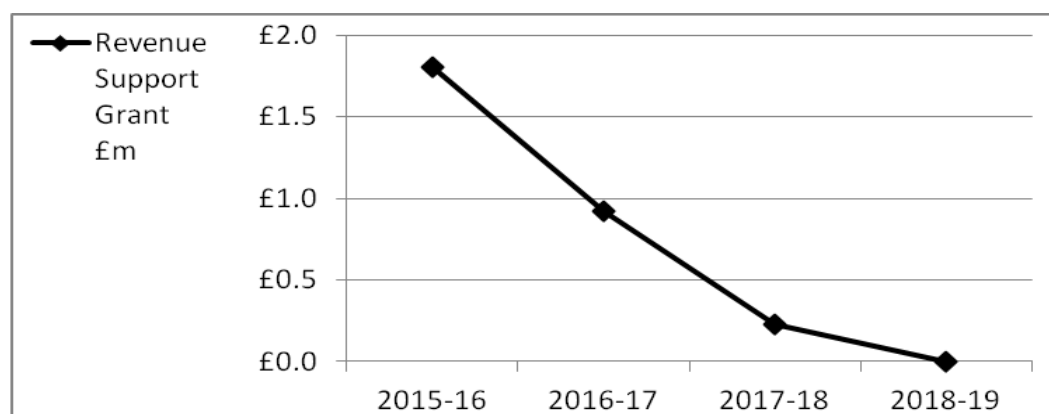
##### GENERAL FUND SUMMARY

1. The General Fund summary showing the cost of providing services is attached as **Appendix B1**.

##### LOCAL GOVERNMENT FINANCE SETTLEMENT

2. The final Local Government Finance Settlement for 2016-17 was published on 8 February 2016. Those figures have been used in compiling the draft Medium Term Financial Strategy (MTFS) and in preparing this report.
3. The settlement continues the Government's separation of local government funding into two elements: Revenue Support Grant (RSG); and Retained Business Rates (RBR). The settlement forecasts RSG reducing by £880,000, 48.7%, from 2015-16 to 2016-17, by a further £696,000, 75.2%, in 2017-18 and to £ nil in 2018-19.
4. The figures for RSG are:

Year	Revenue Support Grant	change year on year	
2015-16	£1.806m		
2016-17	£0.926m	- £0.880m	- 48.7%
2017-18	£0.230m	- £0.696m	- 75.2%
2018-19	£ nil	- £0.230m	- 100.0%



5. These figures are in cash terms; the % decrease is therefore greater in real terms.
6. The final settlement increases the Rural Services Grant from £32,261 to £129,850 in 2016-17 and from £46,457 to £104,848 in 2017-18. The final settlement also provides for new Transition Grant of £75,842 in 2016-17 and £75,575 in 2017-18.

## **COUNCIL TAX FREEZE GRANT**

7. in previous years, the Government has offered council tax freeze grants, payable to billing (i.e. districts, etc.) and major precepting authorities (i.e. counties, police and fire) that did not increase their council tax. No grant has been offered for 2016-17.

## **COUNCIL TAX REFERENDUM PRINCIPLES**

8. The final settlement will give all district councils the ability to increase council tax by the greater of £5 or 2% without triggering a referendum.
9. The core model for the 2016-17 estimates has been built on the assumption that there will be a £5 increase in council tax to £130.31, which would result in a council tax requirement (excluding parish precepts) of £7,852,090. Other options open to Members are set out in the covering report, paragraphs 23 and 24.

## **NEW HOMES BONUS**

10. New Homes Bonus (NHB) is a grant from 2011-12 based on:
  - (a) Net additions to the number of dwellings (the main factor);
  - (b) Increases in affordable housing;
  - (c) Empty homes brought back in to use;
  - (d) Increase in gypsy and traveller pitches; and
  - (e) Increase in average national council tax rates.
11. NHB is a vital grant for this authority since Housing Planning Delivery Grant (HPDG) and housing growth funding (via Cambridgeshire Horizons) ended. The Council received £1.841 million and £1.954 million from HPDG and housing growth funding in 2008-09 and 2009-10 respectively. Accordingly, the Council allocated the first £1.8 million of NHB receipts in each year from 2013-14 on, to offset expenditure previously covered by HPDG. Additional monies have also been set aside to meet infrastructure projects including Local Plan costs.
12. In November 2014 Cabinet provisionally allocated the balance of NHB as this authority's commitment to City Deal shared funding. On 28 January 2015 the Greater Cambridge City Deal Executive Board agreed that pooled NHB between the three authorities, of 40% of receipts in 2015-16 and 50% from 2016-17 on, subject to the ratification of the respective Councils, be used to fund the non-project costs required to support the successful delivery of the City Deal programme. The Council formally approved this on 26 February 2015. City Deal budgets are being prepared on the assumption that unspent 2016-17 monies are rolled forward.
13. Sums received in excess of this have been modelled as transferred to a reserve to meet non-recurring expenditure on infrastructure etc. This authority's "local contribution" of £5m towards the cost of the A14 upgrade has been reflected as coming from this infrastructure reserve.
14. Provisional NHB allocations for 2016-17 were announced alongside the provisional 2016-17 Local Government Finance Settlement, calculated using the same methodology as in 2015-16.
15. The settlement models NHB allocations to authorities for 2017-18 to 2019-20 in line with the Government's national targets, including the top-slicing of NHB by £800m and reallocating that money into the Better Care Fund.

16. At present, each year's grant is payable for six years and so the grant accumulates for six years and then early years' grants fall out from year seven. The Government is consulting on changing the number of years for which payments are made. The figures for NHB for 2016-17 to 2019-20 included in the settlement are assumed to follow the Government's preferred option of reducing the number of years for which legacy NHB payments are to be paid, from six to four years.

17. The table below shows the effect:

From new homes in ...	Receipt arising in financial year ...									
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
2010-11	869	869	869	869	869	869				
2011-12		878	878	878	878	878				
2012-13			899	899	899	899				
2013-14				555	555	555	555			
2014-15					1,015	1,015	1,015	1,015		
2015-16						1,049	1,049	1,049	1,049	
2016-17							867	867	867	867
2017-18								1,315	1,315	1,315
2018-19									1,618	1,618
2019-20										1,725
Funding adjustment			20							
Totals	869	1,747	2,666	3,201	4,216	5,265	3,486	4,246	4,849	5,525
Less: Contribution to GF			1,803	1,803	1,803	1,803	1,803	1,803	1,803	1,803
Infrastructure projects			50	182	177	554	200	285	65	15
A14 upgrade contribution										5,000
City Deal shared funding					1,686	2,633	1,743	2,123	2,425	2,257
Surplus/(Deficit) for year			813	1,580	550	275	(260)	35	556	-3,550
Infrastructure Reserve Fund										
B/fwd			0	813	2,393	2,943	3,218	2,958	2,994	3,550
Surplus/(Deficit) for year			813	1,580	550	275	(260)	35	556	-3,550
C/fwd			813	2,393	2,943	3,218	2,958	2,994	3,550	0

18. The Government is also consulting on other reforms to NHB:

- withholding new NHB allocations in areas where no Local Plan has been produced;
- reducing payments for homes built on appeal; and
- only making payments for delivery above a baseline representing "deadweight".

Beyond 2017-18, it is possible that some of these other reforms could have adverse implications for the amount of NHB that the authority might receive.

#### RETAINED BUSINESS RATES

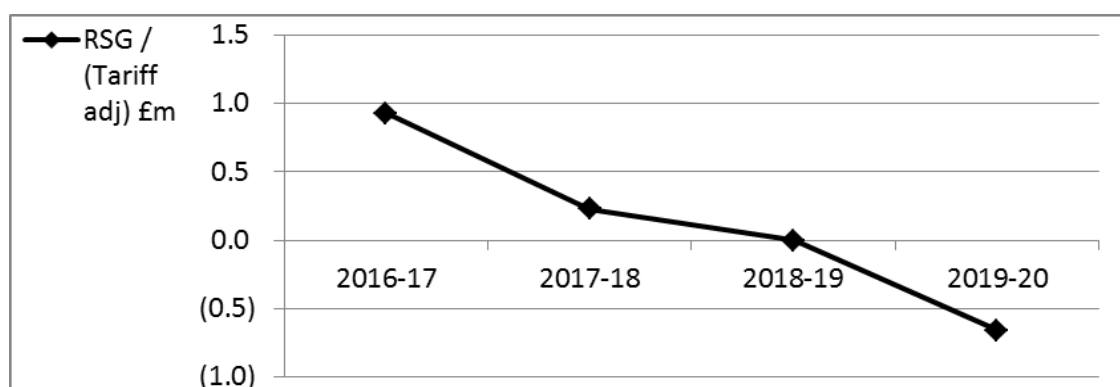
19. The settlement retains the basic principles of the Retained Business Rates (RBR) system, including:

- the proportions passed on to central Government and to local precepting authorities;

- (b) tariffs and baseline funding levels (uprated in line with the small business non-domestic rating multiplier for 2016-17);
- (c) levy rate and safety net arrangements (this latter, also uprated as above).

20. The “Key Information for Local Authorities” that accompanies the settlement introduces a new element into the RBR system, an additional “adjustment” to the tariff deduction for 2019-20, which appears to extend the reduction in RSG (as noted in paragraph 3 above), as the table below suggests. This will reduce the amount of RBR available to the authority in those years.

Year	RSG / (Tariff adj)	Change year on year
2016-17	£0.926m	- £0.880m
2017-18	£0.230m	- £0.696m
2018-19		- £0.230m
2019-20	(£0.661m)	- £0.661m



21. With regard to RBR, the settlement does not take into account any enterprise zones that have been approved, nor any devolution agreements that may be made. In addition, the financial impact of enterprise zones has yet to be clarified.

### REVENUE ESTIMATES

- 22. The General Fund summary up to the year ending 31 March 2017 is submitted for Members’ approval as **Appendix B1**.
- 23. The figures in Appendix B1 show the 2015-16 original estimate for Net District Council General Fund Expenditure of £16.099 million increasing to £17.822 million in the 2016-17 estimate, an increase of £1.723 million in cash terms (10.7%).
- 24. **Appendix B2** sets out details of “precautionary” items of expenditure totalling £652,000; £422,000 of which relates to revenue services and £230,000 to capital programme projects. These are items of expenditure over which there is some doubt as to whether they would occur in 2016-17, but if they did, the Council would be required to meet them. It has been assumed that revenue expenditure of £75,000 will be incurred on precautionary items in 2016-17 on the basis that there has been limited use of precautionary items in previous years, with most additional demands being met by virements from other budgets.

## **COLLECTION FUND BALANCE**

25. The Council's Collection Fund includes transactions relating to the Council Tax.
26. Regulations provide that the balance on the Collection Fund at 31st March 2016, whether in hand or overdrawn, must be transferred to the Billing Authority and the major precepting authorities in the same ratio as their 2015-16 precepts.
27. It is estimated that the balance at 31 March 2016 will be a surplus of £297,739 of which £37,718 will be transferred to the District in 2016-17.

## **PART 2 – SETTING THE COUNCIL TAX**

### **CALCULATION OF THE TAX**

28. The Council Tax figures quoted in this report relate to the tax on a Band D property occupied by two or more adults unless otherwise indicated. The process for setting the tax base changed following the introduction of major changes to the welfare system in April 2013. The principal change was the end of the council tax benefit system. In replacement, billing authorities were required to design and implement their own localised council tax support schemes (LCTSS).
29. Essentially, this is done through the granting of discounts to the council tax bill. Under the legislation, the council is required to grant the equivalent discount in cash terms as benefit for pensioners, so they will not notice any change to their bills. The Council also decided to fully protect other vulnerable groups and to limit the impact on remaining benefit claimants. To partially offset the impact of the new LCTSS, the Council ceased some discounts and exemptions granted to owners of second and empty homes.
30. As a consequence of the changes the District Council saw a reduction to the council tax base. This is because the granting of discounts is treated as a reduction to the amount chargeable as opposed to council tax benefit which is treated as a reduction to the amount payable by the claimant.
31. The figure for a Band D property is arrived at by dividing the amount of the council tax requirement by the tax base of band D equivalents. A tax base of 60,257.0 for 2016-17 has been approved by the Executive Director (Corporate Services).
32. If the Council approves the council tax requirement of £7,852,090 for 2016-17, then the tax on properties in Bands A- to H will be:

Valuation Band	Range of values as at 1 April 1991	Ratio to Band D	Council Tax £5 increase
A-		5/9	£72.39
A	Up to and including £40,000	6/9	£86.87
B	£40,001 - £52,000	7/9	£101.35
C	£52,001 - £68,000	8/9	£115.83
D	£68,001 - £88,000	-	£130.31
E	£88,001 - £120,000	11/9	£159.27
F	£120,001 - £160,000	13/9	£188.23
G	£160,001 - £320,000	15/9	£217.18
H	More than £320,000	18/9	£260.62

33. The full amount of the tax is arrived at by adding the requirements of the County Council, the Police and Crime Commissioner, the Fire Authority and the relevant Parish to the District figure and these figures, together with a full list of parish precepts, will be presented to the Council meeting on 25 February 2016.

### PART 3 – GENERAL FUND FORECAST

34. The General Fund MTFs has updated the projections for future years to incorporate the latest figures, which are shown in **Appendix B3**.
35. The strategy is dependent on the assumptions that are built in to it and these include:
- being able to identify and implement additional income/savings of £300,000 in 2016-17 and then ongoing additional income/savings of £930,000 per annum from 2017-18; this equates to an average cost saving of £15.22 per Band D property;
  - the £50,000 for Council actions as recurring expenditure each year;
  - retaining sufficient contributions to maintain a Planning Enforcement Reserve of £500,000;
  - reductions in RSG in line with the local government financial settlement;
  - an allowance for RBR income; parameters within scheme's calculation methodology increase each year in line with RPI;
  - an increase in council tax of £5 each year from 2016-17 to 2019-20, and by 2% in 2020-21;
  - an increase in the tax base (number of band D equivalent dwellings) in line with the housing trajectory in the Annual Monitoring Report that went to the Planning Portfolio Holder as part of the Annual Monitoring Report in January 2016; and
  - the first £1.8m income from NHB is shown in the MTFs as used to meet General Fund expenditure, replacing previous income from HPDG and Cambridgeshire Horizons grant; further sums are also shown to meet estimated expenditure associated with the Local Plan; 50% of NHB income in 2016-17 is allocated to the City Deal, with any remaining income being transferred to a reserve for non-recurring expenditure on infrastructure, community facilities, etc. Points to note about NHB are:
    - the government may "sharpen the incentive" as a result of its consultation (see paragraph 18 above);
    - a new government within the period of the MTFs may change the scheme;
    - the housing trajectory may be too optimistic.



36. The result is that by the end of the projection period, 31 March 2021, the General Fund balance is at the minimum agreed level of £2.5 million (credit balance). However, the immediate position of a £1.9 million deficit/use of balances on the General Fund in 2016-17 indicates that there can be no relaxation in the search for additional income/savings.

### ADDITIONAL INCOME/SAVINGS REQUIREMENT

37. As stated in paragraph 35. (a) above, the MTFs is partly dependent on additional income/savings of £300,000 in 2016-17 and then £930,000 per annum from 2017-18 being identified and implemented. The requirement is set out in that way, rather than £805,000 per annum from 2016-17 in recognition that, while some schemes have been identified, they make take some time to implement.

38. Areas so far identified to meet the additional income/savings target are shown in the table below, but they depend both on the areas already identified achieving the additional income/savings targets, and there are shortfalls in 2015-16 and 2016-17.

	2016 -17 £000	2017 -18 £000	2018 -19 £000	2019 -20 £000	2020 -21 £000	Note
Single Shared Waste Service: round optimisation		150	150	150	150	1
South Cambs Ltd, trading as Ermine Street Housing	250	600	600	600	600	2
Sub-totals	250	750	750	750	750	
To be identified, including:	50	180	180	180	180	
Commercialisation Programme: - In-house Bailiff Service - Business Hub						
Further shared service opportunities						
Totals	300	930	930	930	930	

- Notes
1. The figures represent SCDC's share (assumed at 50%) from the report to Cabinet of 16 October 2014.
  2. The figures represent income from the initial investment phase of the approved full project; any future growth above this is dependent on a number of factors, including:
    - (a) the national economy;
    - (b) interest rates;
    - (c) the housing market.

### OPTIONS

39. Options for the MTFs, which can be modelled if requested, include one or a combination of the following:

- (i) finding further revenue savings and/or capital savings financed from revenue;
- (ii) agreeing a provision for inflation which is different to the OBR's forecast. A lower provision would save money in 2016-17 and each subsequent year, assuming that the saving went into balances. There would clearly be no saving if there was a corresponding reduction in RSG or RBR from the Government;
- (iii) using more of NHB to meet general fund expenditure instead of non-recurring expenditure;

- (iv) anticipating higher income from RBR on the basis that an area like South Cambridgeshire should benefit more from the scheme. However, there are significant potential risks associated with outstanding valuation appeals and with the business economy, so it is difficult to quantify such higher income with any certainty;
- (v) increasing the council tax by less than £5 in 2016-17;
- (vi) increasing the council tax by less than £5 from 2017-18 to 2019-20; and
- (vii) running the General Fund balance down below the recommended minimum of £2.5 million.

## GENERAL FUND SUMMARY

Actual 2014/2015 £	NET EXPENDITURE	Estimate 2015/2016 £	Estimate 2016/2017 £
	Portfolio		
458,845	Leader	425,910	399,930
2,100,391	Finance and Staffing	2,474,360	2,851,990
1,644,083	Corporate and Customer Services	1,911,060	1,905,050
167,070	Economic Development	183,150	214,910
5,988,777	Environmental Services	6,179,610	6,312,670
1,189,757	Housing (General Fund)	1,305,760	1,463,380
2,055,781	Planning	2,875,290	2,672,000
626,227	Strategic Planning and Transportation	672,910	692,510
<b>14,230,931</b>	<b>Fully Allocated Net Portfolio Expenditure</b>	<b>16,028,050</b>	<b>16,512,440</b>
	Unallocated		
0	Reduction for vacancies	(450,000)	(450,000)
1,579,622	Non-recurring expenditure on infrastructure, communal facilities etc.	2,018,970	2,908,360
0	Expenditure not included in Portfolio estimates	0	16,500
0	<b>Savings not included in Portfolio estimates</b>	(670,000)	(300,000)
0	Expenditure on Precautionary Items	75,000	75,000
50,000	Council Actions	50,000	50,000
<b>15,860,553</b>	<b>Net Portfolio Expenditure</b>	<b>17,052,020</b>	<b>18,812,300</b>
170,769	Internal Drainage Boards	174,500	195,200
(373,697)	Interest on Balances	(590,500)	(511,400)
(638,460)	Capital Charges, etc.	(537,230)	(674,520)
<b>15,019,165</b>	<b>Net District Council General Fund Expenditure</b>	<b>16,098,790</b>	<b>17,821,580</b>
(934,308)	Appropriation to/(from) General Fund balance	(473,110)	(1,884,210)
(3,200,997)	New Homes Bonus	(4,154,400)	(5,265,300)
<b>10,883,860</b>	<b>General Expenses (Budget Requirement for capping purposes)</b>	<b>11,471,280</b>	<b>10,672,070</b>
(2,607,772)	Revenue Support Grant	(1,804,920)	(925,750)
0	Rural Services Grant	(25,000)	(129,850)
0	Transition Grant	0	(75,840)
(3,286,183)	Retained Business Rates	(3,462,350)	(3,604,000)
(65,047)	(Surplus)/Deficit on Collection Fund re Council Tax	(142,440)	(37,720)
2,230,818	(Surplus)/Deficit on Collection Fund re Business Rates	1,441,980	1,953,180
<b>7,155,676</b>	<b>Demand on Collection Fund to be raised from Council taxpayers</b>	<b>7,478,550</b>	<b>7,852,090</b>
	<b>INCOME FROM COUNCIL TAX</b>		
Number	Tax Base for tax setting purposes (Band D equivalents)	Number	Number
58,242.6	multiplied by Basic Amount of Council Tax	59,680.4	60,257.0
£ p	for the District	£ p	£ p
122.86	equals	125.31	130.31
£		£	£
<b>7,155,680</b>	<b>Income to be raised from Council taxpayers</b>	<b>7,478,550</b>	<b>7,852,090</b>
£	<b>Balances at year end (excluding Section 106 monies)</b>	£	£
	<b>Revenue</b>		
(10,253,227)	General Fund	(9,557,310)	(7,909,960)
(3,177,792)	Housing Revenue Account	(2,018,620)	(2,950,540)
	<b>Capital</b>		
(675,330)	Earmarked Reserves	(675,330)	(1,993,090)
	Usable Capital Receipts		

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MEDIUM TERM FINANCIAL STRATEGY for the General Fund  
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Appendix B3

	General provision for Inflation		2.1%	1.4%	1.8%	1.9%	1.9%	2.0%
	Actual	Estimate	Projected	Projected	Projected	Projected	Projected	Projected
	2014/15	2015/16	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
			£'000	£'000	£'000	£'000	£'000	£'000
<b>Assuming council tax increases of £5 in 2016-17 to 2019-20; 1.99% thereafter</b>								
Base Budget	14,281	15,703	15,856	16,204	16,732	17,054	17,280	17,682
<b>Additional income/savings to maintain working balance</b>	<b>0</b>	<b>(670)</b>	<b>(670)</b>	<b>(300)</b>	<b>(930)</b>	<b>(930)</b>	<b>(930)</b>	<b>(930)</b>
Non-recurring expenditure on infrastructure, communal facilities, etc. Financial Position Report October 2015	1,580	2,019	2,236 (201)	2,908	1,483	2,158	2,981	3,707
Net Portfolio Expenditure	<u>15,861</u>	<u>17,052</u>	<u>17,221</u>	<u>18,812</u>	<u>17,285</u>	<u>18,282</u>	<u>19,332</u>	<u>20,459</u>
Net Interest on balances	(374)	(591)	(661)	(511)	(655)	(658)	(649)	(609)
Internal Drainage Boards, Reversal of Depreciation and Minimum Revenue Provision	(468)	(363)	(400)	(479)	(339)	(44)	(14)	(27)
Net District Council General Fund Expenditure	<u>15,019</u>	<u>16,099</u>	<u>16,160</u>	<u>17,821</u>	<u>16,291</u>	<u>17,580</u>	<u>18,669</u>	<u>19,822</u>
New Homes Bonus	(3,201)	(4,154)	(4,216)	(5,265)	(3,486)	(4,246)	(4,849)	(5,525)
Appropriations to/(from) General Fund working balance	(934)	(483)	(483)	(1,884)	(1,328)	(1,179)	(1,422)	(1,476)
General Expenses	<u>10,884</u>	<u>11,461</u>	<u>11,462</u>	<u>10,672</u>	<u>11,477</u>	<u>12,155</u>	<u>12,398</u>	<u>12,822</u>
Revenue Support Grant	(2,608)	(1,830)	(1,806)	(926)	(230)	0	0	0
Rural Services Grant			(25)	(130)	(105)	(81)	(105)	0
Transition Grant				(76)	(76)			
Retained Business Rates	(3,286)	(3,462)	(3,462)	(3,604)	(3,776)	(3,844)	(3,554)	(3,741)
(Surplus)/Deficit on Council Tax Collection Fund	(65)	(132)	(132)	(38)	0	0	0	0
Provision/Contingency for business rates appeals/revaluations	2,231	1,442	1,442	1,953	977	488	450	450
Council Tax Requirement to be raised from council taxpayers	<u>7,156</u>	<u>7,479</u>	<u>7,479</u>	<u>7,852</u>	<u>8,268</u>	<u>8,719</u>	<u>9,189</u>	<u>9,531</u>
	Number	Number	Number	Number	Number	Number	Number	Number
Tax Base for Tax Setting Purposes including discount for localised council tax support	58,242.6	59,680.4	59,680.4	60,257.0	61,101.2	62,138.9	63,236.7	64,304.7
				1.0%	1.4%	1.7%	1.8%	1.7%
Basic Amount of Council Tax	£	£	£	£	£	£	£	£
District only	122.86	125.31	125.31	130.31	135.31	140.31	145.31	148.21
		1.99%		4.0%	3.8%	3.7%	3.6%	2.0%
Underlying Council Tax with no appropriations from the General Fund Balance or Earmarked Reserves	£	£	£	£	£	£	£	£
	110.30	133.41	133.40	161.57	157.04	159.28	167.80	171.16
Balances at Year End	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund (recommended minimum level £2.5 million)	(10,277)	(9,557)	(9,794)	(7,910)	(6,582)	(5,404)	(3,981)	(2,505)
Infrastructure Fund b/fwd			(2,393)	(2,943)	(3,218)	(2,958)	(2,994)	(3,550)
Add: Non recurring expenditure etc			(2,236)	(2,908)	(1,483)	(2,158)	(2,981)	(3,707)
Less: Contribution to City Deal (2019/20, A14)			1,686	2,633	1,743	2,123	2,425	7,258
Infrastructure Fund c/fwd	(2,393)	(4,015)	<u>(2,943)</u>	<u>(3,218)</u>	<u>(2,958)</u>	<u>(2,994)</u>	<u>(3,550)</u>	<u>0</u>

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Appendix B3A

	General provision for Inflation		2.1%	1.4%	1.8%	1.9%	1.9%	2.0%					
	Actual	Estimate	Projected	Projected	Projected	Projected	Projected	Projected					
	2014/15	2015/16	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate					
	£'000	£'000	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21					
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000					
<b>Assuming a council tax increase of £5 in 2016-17, 1.99% thereafter</b>													
Base Budget	14,281	15,703	15,856	16,204	16,732	17,054	17,280	17,682					
<b>Additional income/savings to maintain working balance</b>	<b>0</b>	<b>(670)</b>	<b>(670)</b>	<b>(300)</b>	<b>(1,270)</b>	<b>(1,270)</b>	<b>(1,270)</b>	<b>(1,270)</b>					
Non-recurring expenditure on infrastructure, communal facilities, etc. Financial Position Report October 2015	1,580	2,019	2,236 (201)	2,908	1,483	2,158	2,981	3,707					
Net Portfolio Expenditure	<u>15,861</u>	<u>17,052</u>	<u>17,221</u>	<u>18,812</u>	<u>16,945</u>	<u>17,942</u>	<u>18,992</u>	<u>20,119</u>					
Net Interest on balances	(374)	(591)	(661)	(511)	(655)	(658)	(649)	(609)					
Internal Drainage Boards, Reversal of Depreciation and Minimum Revenue Provision	(468)	(363)	(400)	(479)	(339)	(44)	(14)	(27)					
Net District Council General Fund Expenditure	<u>15,019</u>	<u>16,099</u>	<u>16,160</u>	<u>17,821</u>	<u>15,951</u>	<u>17,240</u>	<u>18,329</u>	<u>19,482</u>					
New Homes Bonus	(3,201)	(4,154)	(4,216)	(5,265)	(3,486)	(4,246)	(4,849)	(5,525)					
Appropriations to/(from) General Fund working balance	(934)	(483)	(483)	(1,884)	(1,135)	(1,134)	(1,528)	(1,598)					
General Expenses	<u>10,884</u>	<u>11,461</u>	<u>11,462</u>	<u>10,672</u>	<u>11,330</u>	<u>11,860</u>	<u>11,953</u>	<u>12,360</u>					
Revenue Support Grant	(2,608)	(1,830)	(1,806)	(926) -48.7%	(230) -75.2%	0	0	0					
Rural Services Grant			(25)	<b>(130)</b>	<b>(105)</b>	(81)	(105)						
Transition Grant				<b>(76)</b>	<b>(76)</b>								
Retained Business Rates	(3,286)	(3,462)	(3,462)	(3,604)	(3,776)	<b>(3,844)</b>	(3,554)	(3,741)					
(Surplus)/Deficit on Council Tax Collection Fund	(65)	(132)	(132)	(38)	0	0	0	0					
Provision/Contingency for business rates appeals/revaluations	2,231	1,442	1,442	1,953	977	488	450	450					
Council Tax Requirement to be raised from council taxpayers	<u>7,156</u>	<u>7,479</u>	<u>7,479</u>	<u>7,852</u>	<u>8,121</u>	<u>8,424</u>	<u>8,744</u>	<u>9,069</u>					
Tax Base for Tax Setting Purposes including discount for localised council tax support	Number 58,242.6	Number 59,680.4	Number 59,680.4	Number 60,257.0	1.0%	Number 61,101.2	1.4%	Number 62,138.9	1.7%	Number 63,236.7	1.8%	Number 64,304.7	1.7%
Basic Amount of Council Tax District only	£ 122.86	£ 125.31	£ 125.31	£ 130.31	4.0%	£ 132.91	2.0%	£ 135.56	2.0%	£ 138.27	2.0%	£ 141.03	2.0%
Underlying Council Tax with no appropriations from the General Fund Balance or Earmarked Reserves	£ 110.30	£ 133.41	£ 133.40	£ 161.57		£ 151.48		£ 153.81		£ 162.43		£ 165.87	
Balances at Year End	£'000	£'000	£'000	£'000		£'000		£'000		£'000		£'000	
General Fund (recommended minimum level £2.5 million)	(10,277)	(9,557)	(9,794)	(7,910)		(6,776)		(5,642)		(4,114)		(2,517)	
Infrastructure Fund b/fwd			(2,393)	(2,943)		(3,218)		(2,958)		(2,994)		(3,550)	
Add: Non recurring expenditure etc			(2,236)	(2,908)		(1,483)		(2,158)		(2,981)		(3,707)	
Less: Contribution to City Deal (2019/20, A14)			1,686	2,633		1,743		2,123		2,425		7,258	
Infrastructure Fund c/fwd	(2,393)	(4,015)	<u>(2,943)</u>	<u>(3,218)</u>		<u>(2,958)</u>		<u>(2,994)</u>		<u>(3,550)</u>		<u>0</u>	

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MEDIUM TERM FINANCIAL STRATEGY for the General Fund  
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Appendix B3B

	General provision for Inflation		2.1%	1.4%	1.8%	1.9%	1.9%	2.0%					
	Actual	Estimate	Projected	Projected	Projected	Projected	Projected	Projected					
	2014/15	2015/16	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate					
	£'000	£'000	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21					
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000					
Base Budget	14,281	15,703	15,856	16,204	16,732	17,054	17,280	17,682					
<b>Additional income/savings to maintain working balance</b>	<b>0</b>	<b>(670)</b>	<b>(670)</b>	<b>(300)</b>	<b>(1,470)</b>	<b>(1,470)</b>	<b>(1,470)</b>	<b>(1,470)</b>					
Non-recurring expenditure on infrastructure, communal facilities, etc. Financial Position Report October 2015	1,580	2,019	2,236 (201)	2,908	1,483	2,158	2,981	3,707					
Net Portfolio Expenditure	<u>15,861</u>	<u>17,052</u>	<u>17,221</u>	<u>18,812</u>	<u>16,745</u>	<u>17,742</u>	<u>18,792</u>	<u>19,919</u>					
Net Interest on balances	(374)	(591)	(661)	(511)	(655)	(658)	(649)	(609)					
Internal Drainage Boards, Reversal of Depreciation and Minimum Revenue Provision	(468)	(363)	(400)	(479)	(339)	(44)	(14)	(27)					
Net District Council General Fund Expenditure	<u>15,019</u>	<u>16,099</u>	<u>16,160</u>	<u>17,821</u>	<u>15,751</u>	<u>17,040</u>	<u>18,129</u>	<u>19,282</u>					
New Homes Bonus	(3,201)	(4,154)	(4,216)	(5,265)	(3,486)	(4,246)	(4,849)	(5,525)					
Appropriations to/(from) General Fund working balance	(934)	(483)	(483)	(2,035)	(1,090)	(1,096)	(1,496)	(1,572)					
General Expenses	<u>10,884</u>	<u>11,461</u>	<u>11,462</u>	<u>10,521</u>	<u>11,174</u>	<u>11,698</u>	<u>11,785</u>	<u>12,186</u>					
Revenue Support Grant	(2,608)	(1,830)	(1,806)	(926) -48.7%	(230) -75.2%	0	0	0					
Rural Services Grant			(25)	<b>(130)</b>	<b>(105)</b>	(81)	(105)						
Transition Grant				<b>(76)</b>	<b>(76)</b>								
Retained Business Rates	(3,286)	(3,462)	(3,462)	(3,604)	(3,776)	<b>(3,844)</b>	(3,554)	(3,741)					
(Surplus)/Deficit on Council Tax Collection Fund	(65)	(132)	(132)	(38)	0	0	0	0					
Provision/Contingency for business rates appeals/revaluations	2,231	1,442	1,442	1,953	977	488	450	450					
Council Tax Requirement to be raised from council taxpayers	<u>7,156</u>	<u>7,479</u>	<u>7,479</u>	<u>7,701</u>	<u>7,965</u>	<u>8,262</u>	<u>8,576</u>	<u>8,895</u>					
Tax Base for Tax Setting Purposes including discount for localised council tax support	Number 58,242.6	Number 59,680.4	Number 59,680.4	Number 60,257.0	1.0%	Number 61,101.2	1.4%	Number 62,138.9	1.7%	Number 63,236.7	1.8%	Number 64,304.7	1.7%
Basic Amount of Council Tax District only	£ 122.86	£ 125.31	£ 125.31	£ 127.81	2.0%	£ 130.36	2.0%	£ 132.96	2.0%	£ 135.61	2.0%	£ 138.32	2.0%
Underlying Council Tax with no appropriations from the General Fund Balance or Earmarked Reserves	£ 110.30	£ 133.41	£ 133.40	£ 161.57		£ 148.21		£ 150.59		£ 159.26		£ 162.76	
Balances at Year End	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund (recommended minimum level £2.5 million)	(10,277)	(9,557)	(9,794)	(7,760)	(6,669)	(5,574)	(4,078)	(2,506)					
Infrastructure Fund b/fwd			(2,393)	(2,943)	(3,218)	(2,958)	(2,994)	(3,550)					
Add: Non recurring expenditure etc			(2,236)	(2,908)	(1,483)	(2,158)	(2,981)	(3,707)					
Less: Contribution to City Deal (2019/20, A14)			1,686	2,633	1,743	2,123	2,425	7,258					
Infrastructure Fund c/fwd	(2,393)	(4,015)	<u>(2,943)</u>	<u>(3,218)</u>	<u>(2,958)</u>	<u>(2,994)</u>	<u>(3,550)</u>	<u>0</u>					

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