

**MTFS Assumptions – November 2013**

***Services***

Localisation of council tax benefits assumed to be cost neutral, i.e. benefits paid out are reduced by same amount as reduction in Government grant, i.e. by 10%.

Reduction in benefits administration grant by half over three years from 2014-15 due to universal credit.

15% increase in statutory planning fees.

Northstowe staff costs are included in the base budget but no other costs associated with the phase 1 or later developments.

Contribution of £138,000 per annum to Planning Enforcement Reserve reduced when reserve reaches £1 million in 2015-16.

Refreshed indicative capital programme presented to the Finance & Staffing Portfolio Holder on 15 October 2013 to support the review of the Council's Capital Strategy.

The latest financial position statement projections presented elsewhere on this agenda.

***General***

Inflation as per Office for Budget Responsibility (OBR) estimate of the Consumer Price Index (CPI).

Employer's pension contributions capped at 25% from 2013-14 onwards. The actuarial review of the state of the pension fund is due in December 2013.

***Financing***

Revenue Support Grant modelled in line with:

- the March 2013 Budget – a reduction of 1% to the local government spending control total; however, this would be applied to the Revenue Support Grant line, resulting in a reduction of 1.73% against the previously advised 2014-15 settlement); and
- the June 2013 Spending Review – a reduction in local government spending reduction of 10% in 2015-16; however, this would again be applied to the Revenue Support Grant line, resulting in a total reduction of 29.6%,

thereafter, Revenue Support Grant has been modelled as reducing to zero by 2019-20.

Remodelled retained business rates, taking expected refunds resulting from successful valuation appeals into account.

No allowance has been made for growth in retained business rates, but the amount has been increased by the OBR estimates of the Retail Price Index (RPI).

New Homes Bonus for two years, totalling £1.8m, used to meet General Fund expenditure and to replace previous income from Housing and Planning Delivery Grant and Cambridgeshire Horizons Grant.

New Homes Bonus for 2013-14 and 2014-15 to be transferred to reserve to meet non-recurring expenditure on infrastructure, etc.

The Government has also announced its intention to reallocate £400m of NHB from local government to Local Enterprise Partnerships (LEPs) from 2015-16; it is currently consulting on whether this will be a straight 35% from all authorities, or all NHB from upper tier authorities and 19% from lower tier authorities.

Estimated tax base for 2014-15, currently out for consultation. Future tax base increased in line with housing trajectory.

The "Autumn Statement" is due on 4 December 2013, although local government settlement figures will probably not be available until much later in that month.

### ***Savings included***

Grants Review, £370k: of which, £240k Capital; £130k Revenue

Internal Audit savings resulting from partnership with Peterborough City Council, £10k

Posts deleted from establishment, £127k

Conservation / Urban Design restructure, £150k (less anticipated £70k redundancy costs in first year)

### ***Business Improvement and Efficiency Programme projects***

1. Document & Printing Management
2. Finance Culture & Value For Money
3. Self-Service
4. Mobile Web
5. Goods & Services Review
6. Consultancy & Agency Staff Review
7. Waste & Recycling Review
8. Resource & Support Review
9. Recruitment & Selection review
10. Remote Working
11. Working with Businesses
12. Single Customer Record
13. Home Improvement Agency: Harmonising Process to Streamline Operations
14. Internal Communications Review
15. SharePoint Research Project
16. Systems Contract Terminus Review
17. Post Room Review
18. Corporate Service Desk
19. Shared Services Review
20. Discretionary Services Review