


Stevenage Borough Council			MEDIUM TERM FINANCIAL STRATEGY (MTFS) JANUARY 2017 Update				APPENDIX A			
Key= (£0) is under spend or increase in income										
General Fund Forecast			On-Going Cost?	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £	Commentary	
Base Budget			Y	9,330,080	9,094,178	9,029,950	8,500,587	8,208,339		
(i) BASE ADJUSTMENTS										
Prior Years Savings Options			Y	(500)	(79,000)	79,000	0	0		
Prior Years Growth Options			Y	(4,000)	(1,000)	0	0	0		
Prior Year Quarterly Monitoring Adjustments			Y	45,800	0	0	0	0		
Prior Years Heads of Service Pressures			Y	106,483	(161,866)	0	0	0		
Prior Years Budget Setting changes			Y	(34,158)	0	0	0	0		
TOTAL PRIOR YEAR BASE ADJUSTMENTS				113,625	(241,866)	79,000	0	0		
(ii) 2016/17 HEADS OF SERVICE PRESSURES/SAVINGS:										
Building Control partnership				178,078	(62,662)	(26,982)	(49,933)	(110,420)	Approved at the October Executive 2015/16, the business case has been updated and the current projections show that a surplus is not achieved in year one as previously anticipated	
Funding for graduate scheme			Y	0	42,469	0	0	0	This scheme was introduced to fund graduates to 'grow new talent' in the organisation.	
Out of hours service (dangerous structures)			Y	10,000	0				Reported in quarterly monitoring reports.	
Additional hardware and software costs			Y		12,609				Additional expenditure being incurred as new ICT infrastructure goes out of warranty on critical infrastructure items such as servers and storage.	
				188,078	(7,583)	(26,982)	(49,933)	(110,420)		
(iii) CARRY FORWARDS AND SUPPLEMENTARY ESTIMATES:										
3rd quarter carry forwards 2015/16			N	177,220						
4th quarter carry forwards 2015/16			N	245,101						
				422,321	0	0	0	0		
(iv) GOVERNMENT SPENDING CUTS/TAX/INITIATIVES:										
Section 31 grants given by government for changes made NDR reliefs			N	(270,804)	(270,800)	(270,800)	(270,800)	(270,800)	Reliefs given by government which are reimbursed via grant (S31)	
Apprentice levy announced in 2016 budget			Y	0	56,644	0	0	0	charged at 0.5% of payrolls in excess of £3Million	
Changes to the 2017 Business Rates revaluation list & inflation increase			Y	0	65,860	48,721	52,419	34,267	This is the impact of the new 2017 rating list on Council buildings.	
Reduction in Housing Benefit admin subsidy			NEW	Y		30,950			Reduction in subsidy for housing benefit (partly based on caseload).	
				(270,804)	(117,346)	(222,079)	(218,381)	(236,533)		
(v) INFLATION ASSUMPTIONS:										
Inflation assumptions:										
Pay inflation salaries			Y	199,861	302,870	300,000	310,000	320,000	pay award 2017/18 onwards 1% increase includes increments.	
Increase in National Insurance			Y	260,299	0	0	0	0	National insurance contribution rates were changed for the 2016/17 financial year by the government.	
Increase in Superannuation payment for pension deficit			Y	85,563	83,820	0	0	84,000	Increase for 2017/18 will be fixed for three years and not increase annually as per the last tri-annual valuation	
Pension opt ins			Y	0	58,000	0	0	0	Based on 25% of staff not in the pension remaining in the scheme	
Utility inflation			Y	54,440	65,700	61,250	68,324	75,432	Updated based on current projections	
General Inflation (contractual)			Y	72,250	118,830	115,895	126,083	129,486	updated inflation applied to contractual arrangements.	
Less Inflation charged to other funds			Y	(46,160)	(139,550)	(33,400)	(35,308)	(42,624)	Proportion rechargeable to the HRA	
				626,253	489,670	443,745	469,098	566,293		
(vi) BUDGET MONITORING ADJUSTMENTS:										
Quarter 1 adjustments 2015/16			Y	50,180					As reported in the 1st quarter Monitoring report September 2015.	
Quarter 2 adjustments 2015/16			Y-year 2	105,590					As reported in the 2nd quarter Monitoring report November 2015.	
Budget Setting Adjustments 2016/17			Part	43,980					As reported at the January and February Executive.	
Quarter 3 adjustments 2015/16			Part						As reported at the November Executive	
Quarter 4 adjustments 2015/16			Part	95,220					As reported at the July 2016 Executive	
Quarter 1 adjustments 2016/17			N	307,030					As reported at the September 2016 Executive	
Quarter 2 adjustments 2016/17			Part	128,560	0	14,350			As reported at the November 2016 Executive	
Budget Setting Adjustments 2017/18			Part	12,000	24,022				Changes included in the covering report.	
				742,560	24,022	14,350	0	0		
(vii) BORROWING COSTS										
Borrowing costs- Garage Strategy			Y	0	(4,050)	(76,837)	(14,463)	(2,605)	The reduction in borrowing costs post 23 June 2016 has reduced the cost of borrowing for the Garages approved at the July Executive.	
Changes to investment interest			Y	(40,080)	20,259	(1,891)	(9,191)	(11,902)	Updated based on revised interest rates and average investment balances.	
Minimum Revenue Provision (monies set aside based on the cost of borrowing to pay for the asset divided by the asset life)			NEW	0	744	(28,400)	(38,767)	(79,336)	Reduction in MRP for fully depreciated assets	
				(40,080)	16,952	(107,128)	(62,420)	(93,843)		
(viii) SAVINGS OPTIONS & BUDGET PROPOSALS :										
Fees and Charges			Y	(201,440)	(190,030)	(240,482)	(275,763)	(285,185)		
Prior Year Savings (2014/15-2015/16)			Y	(322,950)	(77,816)	(33,539)	(8,756)	0		
2016/17 Savings			Y Year 2	(233,090)	(5,181)	0	0	0		
Savings identified 3rd Quarter monitoring			Y	(11,330)	0	0	0	0		
Savings identified 4th Quarter monitoring			Y	(361,840)	0	0	0	0		

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		On-Going Cost?							
savings identified 1 st quarter 2016/17		Y		(23,320)	0	0	0	0	Reported as part of the 1st quarter monitoring report to this Executive
HR restructure		Part	57,970	0	(58,000)	0	0	0	One off costs in 2016/17 and savings on-going from 2018/19
Office accommodation savings		Y years	(18,800)	(41,480)	0	0	60,280		
2017/18 Savings	UPDATED	Y	89,131	(237,690)	(135,470)	0	0	0	For Approval Appendix A 2017/18
2018/19 Savings	UPDATED	Y	0	0	(62,590)	(47,590)	0	0	For Approval in principle Appendix A 2018/19
Financial Security Savings Target		Y	0	0	(418,100)	(552,410)	(200,000)		
			(1,002,349)	(575,517)	(948,181)	(884,519)	(424,905)		
(ix) GROWTH BIDS APPROVED:									
2015/16 Growth bids			(70,000)	0	0	0	0	0	Growth bids approved in prior years
2016/17 Growth bids			60,160	(10,000)	0	0	0	0	Approved as part of 2016/17 budget setting
Future Town Future Council Funding			0	119,630	13,333	0	0	0	
Review of Town Centre Management (July 2016 Executive)			35,250	58,000	29,000	0	0	0	
Electric Car scheme (July Executive)			(1,780)	(22,750)	(7,500)	0	0	0	
Garages Report (July 2016 EXECUTIVE)			9,500	18,000	(20,280)	111,640	82,230		
Business Relationship Manager			32,000	65,000	0	0	0	0	Approved and signed off by Leader, published August 2016.
			65,130	227,880	14,553	111,640	82,230		
(x) NEW GROWTH BIDS 2017/18									
2017/18 Proposed growth bids		Y	0	143,700	(35,000)	35,000	(35,000)		Appendix B refers
Pump prime 'Connecting to Our Customers' and Financial Security initiative		N	0	100,000	0	0	0	0	Paragraph 4.4.2 refers
			0	243,700	(35,000)	35,000	(35,000)		
(xi) USE OF ALLOCATED RESERVES									
Allocated Reserves used to fund Town Centre Manager		N	(29,000)	(29,000)					Use of Town Centre Management Reserve and NHB reserve
			(29,000)	(29,000)	0	0	0		
TOTAL GENERAL FUND EXPENDITURE			10,145,813	9,125,090	8,242,228	7,901,072	7,956,162		
Year on Year Change in spend (excluding carry forwards)				(1,020,724)	(882,862)	(341,155)	55,090		
Government Support- RSG			(1,235,836)	(689,969)	(351,230)	0	0		
NNDR before the levy and excluding s31 grant	UPDATED		(2,083,727)	(2,131,518)	(2,208,806)	(2,269,861)	(2,329,566)		100% retention of Business rates by 2019/20 consultation stated figures for 2019/20 onwards indicative only.
Transfer to/From Collection Fund (Business Rates)	UPDATED		935,784	(478,057)	0	0	0		Return of funds to the Collection Fund for 2016/17 and 2015/16.
Levy Payment & other adjustments	NEW		166,292	0	0	0	0		A 50% levy is due on gains on NDR. (Projection as at 5/1/2017)
Total Government Support			(2,217,488)	(3,299,543)	(2,560,036)	(2,269,861)	(2,329,566)		
Government Support reduction year on year:				-15.00%	-9.27%	-11.33%	2.63%		Reductions in future years excluding NDR surplus transfers.
Government Support as a % of Net General Fund Budget			21.86%	36.16%	31.06%	28.73%	29.28%		
Use of Balances			2,452,723	386,858	224,517	26,901	(120,269)		
Transfer to/From Collection Fund (Council Tax)	UPDATED		(299,368)	(139,102)	0	0	0		Return of projected surpluses to the General Fund
District Precept	UPDATED		(5,009,943)	(5,299,586)	(5,457,674)	(5,604,310)	(5,746,864)		Based on Tax base report to January Executive 2017 (2017/18)
% of Net General Fund Budget			-49.38%	-58.08%	-66.22%	-70.93%	-72.23%		
Average Band D Council Tax			193.52	198.52	202.47	206.50	210.61		Increased in 2017/18 £5.00 on a band D property or 2.58%
Average Band C Council Tax			172.02	176.46	179.98	183.56	187.21		
Council Tax Increase			2.65%	2.58%	1.99%	1.99%	1.99%		Based on a maximum £5.00 increase per year on a Band D property (2017/18).
Tax Base	UPDATED		25,889	26,695	26,955	27,139	27,286		Tax base update to reflect 500 new properties 2017/18-2018/19 and thereafter 250
Increased Council Tax income (£5.00 versus 1.99%)				(30,671)	(31,586)	(32,435)	(33,260)		
GENERAL FUND RESERVES:									
Revised Balances at 31 March each Year:			2016/17	2017/18 £	2018/19 £	2019/20 £	2020/21 £		
General Fund Balance 1 April			(7,887,792)	(5,268,777)	(4,881,919)	(4,657,402)	(4,630,500)		
Use of balances in Year	UPDATED		+2,619,015	+386,858	+224,517	+26,901	(120,269)		
General Fund Balance 1 March			(5,268,777)	(4,881,919)	(4,657,402)	(4,630,500)	(4,750,769)		
Inflation Assumptions									