



Stevenage Borough Council							MEDIUM TERM FINANCIAL STRATEGY (MTFS) GENERAL FUND BUDGET SAPPENDIX A		UPDATES			
Key= (£0) is under spend or increase in income												
General Fund Forecast			On-Going Cost?	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £	Commentary		
Base Budget			Y	9,094,186	9,035,232	9,197,644	8,924,833	8,936,726	8,578,804			
(i) BASE ADJUSTMENTS												
Prior Years Savings Options			Y	(79,000)	79,000	0	0	0	0			
Prior Years Growth Options			Y	(1,000)	0	0	0	0	0			
Prior Years Heads of Service Pressures			Y	(161,866)	0	0	0	0	0			
TOTAL PRIOR YEAR BASE ADJUSTMENTS				(241,866)	79,000	0	0	0	0			
(ii) HEADS OF SERVICE PRESSURES/SAVINGS:												
Building Control partnership			UPDATED	Part	(27,082)	2,137	(18,816)	(61,796)	(5,350)	(5,350)	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	42,469	0	0	0	0	0	This scheme was introduced to fund graduates to 'grow new talent' in the organisation.	
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.	
Revenue Impact of capital bids				Y	16,790						impact of capital bids reported at the January Executive.	
Return of provisions				N	(18,751)	0	0	0	0	0	Assessment of provisions due to be returned to the General Fund	
Return of LAMS allocated reserve to the General Fund				N	0	0	(68,201)	0	0	0	By 2019/20 the period by which the council would have been liable for any defaults ceases.	
Funding for waste review				N	16,000	0	0	0	0	0	Additional monies requested by Assistant Director for waste review	
Audit Fees				NEW	0	6,340	0	0	0	0	Increase in audit fees for 2016/17 arbitrated in 2018/19.	
Reduction in recycleate prices				NEW		105,000	33,900				Reported September Executive	
Reduction in Transport Subsidy				NEW		101,250						
Business Unit Review costs				NEW		300,000						
					42,036	514,727	(53,117)	(61,796)	(5,350)	(5,350)		
(iii) CARRY FORWARDS AND SUPPLEMENTARY ESTIMATES:												
3rd quarter 2016/17				N	347,150							
4th quarter 2016/17				N	449,950							
3rd quarter 2017/18				N	(405,000)	405,000						
4th quarter 2017/18				N	(338,100)	338,100						
					54,000	743,100	0	0	0	0		
(iv) GOVERNMENT SPENDING CUTS/TAX/INITIATIVES:												
Apprentice levy announced in 2016 budget				Y	56,644	0	0	0	0	0	charged at 0.5% of payrolls in excess of £3Million	
Reduction in Housing Benefit admin subsidy				UPDATED	Y	30,950	35,270	0	0	0	Reduction in housing subsidy notified for 2018/19	
New burdens money-planning				N	0	(20,000)	(20,000)	0	0	0	Contribution for planning related e.g. brownfield sites register	
Audit Commission refund				N	(6,340)	0	0	0	0	0		
Contribution to Business Rates pooling consultancy costs				NEW		750					The MTFS seeks approval to enter into a Hertfordshire Pool and retain 75% of Business Rates	
					81,254	16,020	(20,000)	0	0	0		
(v) INFLATION ASSUMPTIONS:												
Inflation assumptions:												
Pay inflation salaries				Y	302,870	383,593	342,096	432,244	400,000	400,000	Pay inflation 2% PER YEAR	
Increase in Superannuation payment for pension deficit				Y	83,820	0	0	54,529	0	0	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	58,000	0	0	0	0	0	Based on 25% of staff not in the pension remaining in the scheme	
Utility inflation				Y	65,700	49,610	72,454	80,612	90,022	96,814	Updated based on current projections	
Changes to the 2017 Business Rates revaluation list & inflation increase				Y	65,860	118,721	32,670	31,970	31,190	31,850	This is the impact of the new 2017 rating list on Council buildings.	
General Inflation (contractual)				UPDATED	Y	181,160	224,391	117,948	125,304	123,504	updated inflation applied to contractual arrangements.	
Less Inflation charged to other funds				Y	(139,550)	(226,643)	(37,275)	(48,488)	(42,947)	(43,628)	Proportion rechargeable to the HRA	
					617,860	549,672	527,892	676,171	601,770	611,484		
(vi) BUDGET MONITORING ADJUSTMENTS:												
Quarter 2 adjustments 2016/17				Part	0	14,350					As reported at the November 2016 Executive	
Budget Setting Adjustments 2017/18				Part	17,472							
Quarter 1 adjustments 2017/18					12,140							
Quarter 2 adjustments 2017/18				N	110,035	(1,010)					Adjustments identified in Appendix K	
Budget setting draft/final budget 2018/19				Y	(77,308)	2	0	0	0	0		
Revenue costs for new CCTV cameras (incl MSCP's)				Y	0	7,410	0	0	0	0	New cameras installed incl at MSCP but no budget provision for monitoring	
Quarter 3 adjustments 2017/18				Part	37,720	0	0	0	0	0	Adjustments identified in Appendix K	
Quarter 4 adjustments 2017/18				Part	(550,109)	0					Adjustments identified in Appendix K	
Quarter 1 adjustments 2018/19				Part		33,160	0					
					(450,050)	53,912	0	0	0	0		
(vii) BORROWING COSTS												
Borrowing costs- Garage Strategy				Y	(4,050)	(76,837)	(14,463)	(2,605)	22,355	0	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				Updated	Y	20,259	(78,351)	(34,168)	(18,786)	(40,337)	(56,054)	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		744	(28,400)	(38,767)	(79,336)	(1,871)	0	Reduction in MRP for fully depreciated assets
					16,952	(183,588)	(87,397)	(100,727)	(19,853)	(56,054)		

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(viii) SAVINGS OPTIONS & BUDGET PROPOSALS :											
Fees and Charges		Y	(190,030)	(134,160)	(272,460)	(272,415)	(281,043)	(100,000)		2018/19 increases see Appendix C	
Prior Year Savings (2014/15-2015/16)		Y	(77,816)	(18,706)	(18,706)	0	0	0			
2016/17 Savings		Y Year 2	(5,181)	0	0	0	0	0			
savings identified 1 st quarter 2016/17		Y	(23,320)	0	0	0	0	0		Reported as part of the 1st quarter monitoring report to this Executive	
Office accommodation savings		Y years	(41,480)	0	0	60,280	0	0			
2017/18 Savings		Y	(226,190)	(9,320)	0	0	0	0		Approved February Council 2017	
2018/19 Savings pipeline		Y	0	0	(8,000)	0	0	0		Options identified for 2019/20	
2018/19 Future Council Business reviews		Y		0							
savings identified 3rd quarter 2016/17		Y	(60,600)								
savings identified 4th quarter 2016/17		Y	(159,550)								
Commercial Property Investment	UPDATED	Y	0	(75,000)	(125,000)					Assumed minimum return included in business case to Council 2017. See Appendix A	
New Savings options		Y		(342,399)	(103,000)	0					
Options at budget setting		Y		(15,000)							
Financial Security Savings Target	UPDATED	Y	0	0	(276,030)	(410,000)	(610,000)	(350,000)		revised Financial Security target	
Savings identified 3rd quarter 2017/18 (efficiency)		Y		(56,800)							
Savings identified 4th quarter 2017/18 (efficiency)	UPDATED	Y		(116,970)							
Quarter 1	New	N		0							
			(784,167)	(768,355)	(803,196)	(622,135)	(891,043)	(450,000)			
(ix) GROWTH BIDS APPROVED:											
2016/17 Growth bids			(10,000)	0	0	0	0	0		Approved as part of 2016/17 budget setting	
Future Town Future Council Funding			119,630	13,333	0	0	0	0			
Review of Town Centre Management (July 2016 Executive)			58,000	29,000	0	0	0	0			
Electric Car scheme (July Executive)			(22,750)	(7,500)	0	0	0	0			
Garages Report (July 2016 EXECUTIVE)			18,000	9,241	82,119	82,230	(180,676)	(44,561)			
Business Relationship Manager			65,000	0	0	0	0	0		Approved and signed off by Leader, published August 2016.	
Shared Legal Service		Part	130,413	12,238	0	0	0	0		Includes one off implementation costs in 2017/18	
			358,293	56,312	82,119	82,230	(180,676)	(44,561)			
(x) NEW GROWTH BIDS 2017/18											
2017/18 Proposed growth bids		Y	143,700	(35,000)	35,000	(35,000)	35,000	(35,000)			
Pump prime Future Town Future Council initiatives		N	100,000	100,000	100,000	0	0	0			
Costs for compliance contract- May Executive		N	6,500								
Growth 2018/19		Y-year 2	287,443	429,371	(47,662)	(7,200)	21,880	0			
Future Growth bids	NEW	Y	0	0	0	75,000	75,000	75,000		Future growth allowance after 2019/20-2022/23 savings package identified.	
			537,643	494,371	87,338	32,800	131,880	40,000			
(xi) USE OF ALLOCATED RESERVES											
Allocated Reserves used to fund Town Centre Manager		N	(29,000)	0	0	0	0	0		Use of Town Centre Management Reserve and NHB reserve	
Transfer to Regeneration Reserve		N	300,000								
Transfer to Capital Reserve		N	350,000								
Transfer NDR gains to allocated reserve		N	303,440	356,612						Agreed at January 2017 Executive	
			924,440	356,612	0	0	0	0			
(xii) IMPACT OF BUSINESS RATES ACCOUNTED FOR IN THE GENERAL FUND											
Section 31 grants given by government for changes made NDR reliefs		N	(593,569)	(652,373)	(270,800)	(270,800)	(270,800)	(270,800)		Reliefs given by government which are reimbursed via grant (S31)	
Levy Payment & other adjustments			378,993	303,713	0	0	0	0		A 50% levy is due on gains on NDR.	
			(214,576)	(348,660)	(270,800)	(270,800)	(270,800)	(270,800)			
TOTAL GENERAL FUND EXPENDITURE			10,036,005	10,598,355	8,660,482	8,660,576	8,302,654	8,403,522			
Year on Year Change in spend (excluding carry forwards)			741,723	562,350	(1,937,873)	94	(357,922)	100,869			
Government Support- RSG	UPDATED		(689,969)	(351,230)	(0)	27,146	27,146	27,146		Negative RSG of £27,146 removed in 2019/20 based on government consultation on the finance settlement.	
NNDR before the levy and excluding s31 grant			(2,569,654)	(2,539,149)	(2,336,003)	(2,325,755)	(2,382,879)	(2,441,260)		Figures beyond 2018/19 do not include any projected gains	
Transfer to/From Collection Fund (Business Rates)	UPDATED		(478,057)	(30,293)	(278,733)	0	0	0		Return of funds from the Collection Fund relating to increases surpluses at year end	
Total Government Support			(3,737,679)	(2,920,671)	(2,614,736)	(2,298,609)	(2,355,733)	(2,414,114)			
Government Support reduction year on year:			-1.81%	-11.33%	-19.18%	-1.60%	2.49%	2.48%		Reductions in future years excluding NDR surplus transfers.	
Government Support as a % of Net General Fund Budget			37.24%	27.56%	30.19%	26.54%	28.37%	28.73%			
Use of Balances	UPDATED		859,638	2,005,723	325,974	453,368	(142,680)	(270,117)			
Transfer to/From Collection Fund (Council Tax)	UPDATED		(139,102)	(139,616)	28,674	9,000	0	0		Return of projected (surpluses)/deficit to the General Fund	
District Precept	UPDATED		(5,299,586)	(5,532,344)	(5,748,446)	(5,917,598)	(6,089,600)	(6,259,525)		Updated for increase in assumed council tax increase	
% of Net General Fund Budget			-52.81%	-52.20%	-66.38%	-68.33%	-73.35%	-74.49%			
Average Band D Council Tax			198.52	204.46	210.57	214.76	219.04	223.39		2018/19 increase based on a 2.99% increase	
Average Band C Council Tax			176.46	181.74	187.18	190.90	194.70	198.57			
Council Tax Increase	UPDATED		2.58%	2.99%	2.99%	1.99%	1.99%	1.99%			
Tax Base	UPDATED		26,695	27,059	27,299	27,554	27,802	28,020		Tax base update to reflect new properties in conjunction with planning projections	
GENERAL FUND RESERVES:											
			2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £			
Revised Balances at 31 March each Year:											
General Fund Balance 1 April			(6,426,984)	(5,465,117)	(3,561,623)	(3,235,648)	(2,782,280)	(2,924,960)			
Use of balances in Year	UPDATED		+961,866	+1,903,494	+325,974	+453,368	(142,680)	(270,117)			
General Fund Balance 1 March			(5,465,117)	(3,561,623)	(3,235,648)	(2,782,280)	(2,924,960)	(3,195,077)			
2017/18 MTFS			(5,087,628)	(4,565,633)	(4,280,973)	(4,032,361)	(4,037,431)	no data			
Variance			(377,489)	1,004,010	1,045,325	1,250,081	1,112,471				
November Report			(4,931,150)	(4,091,265)	(3,313,475)	(2,906,272)	(2,856,007)	(3,181,901)			
Variance			(533,967)	529,643	77,827	123,992	(68,953)	(13,176)			