

Stevenage Borough Council
MEDIUM TERM FINANCIAL STRATEGY (MTFS) GENERAL FUND BUDGET J APPENDIX 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	9,315,644	8,954,624	9,016,533	8,819,129	
(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	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	(61,132)	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	N	0	6,340	0	0	0	0	Increase in audit fees for 2016/17 arbitrated in 2018/19.
Reduction in recycleate prices	Y		105,000	33,900				Reported September Executive
Reduction in Transport Subsidy	N		101,250					
Microsoft ICT licences pressure approved ICT partnership Board	NEW Y		16,750	105,360				
		42,036	231,477	59,312	(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	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	N		750					The MTFS seeks approval to enter into a Hertfordshire Pool and retain 75% of Business Rates
removal of New Homes Bonus contribution from the General Fund	Y			0	36,000	164,000	0	Included in Report
One off Funding of Community Warden	UPDATED			7,800		0	0	Included in Report
Main stream funding of Domestic Abuse and No More	Y			0	100,000	0	0	Included in Report
Innovation Fund	UPDATED N			33,000				To fund previous NHB initiatives
Use of brown field site and self build grant	UPDATED N		20,000	41,264				Funded from Planning Reserve
		81,254	36,020	62,064	136,000	164,000	0	
(v) INFLATION ASSUMPTIONS:								
Inflation assumptions:								
Pay inflation salaries	UPDATED Y	302,870	383,593	365,090	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	4,000	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	141,257	125,304	123,504	126,448	updated inflation applied to contractual arrangements.
Less Inflation charged to other funds	UPDATED Y	(139,550)	(226,643)	(15,420)	(48,488)	(42,947)	(43,628)	Proportion rechargeable to the HRA
		617,860	549,672	567,380	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	
Quarter 4 adjustments 2017/18	Part	(550,109)	0					
Quarter 1 adjustments 2018/19	Part		33,160	0				reported September Executive
Quarter 2 adjustments 2018/19	Part		(199,182)	45,800	0	0	0	reported November Executive
Budget Setting Adjustments 2019/20	NEW Y			23,495				
		(450,050)	(145,270)	69,295	0	0	0	

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(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	Y	20,259	(78,351)	(86,068)	(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)		744	(28,400)	(38,767)	(79,336)	(1,871)	0	Reduction in MRP for fully depreciated assets
		16,952	(183,588)	(139,297)	(100,727)	(19,853)	(56,054)	
(viii) SAVINGS OPTIONS & BUDGET PROPOSALS :								
Fees and Charges	Y	(190,030)	(134,160)	0				Incorporated into Financial Security totals from 2019/20
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	0	0	0	0	Options identified for 2019/20
2018/19 Future Council Business reviews	Y	0	0	0	0	0	0	
savings identified 3rd quarter 2016/17	Y	(60,600)						
savings identified 4th quarter 2016/17	Y	(159,550)						
Commercial Property Investment	Y	0	(75,000)	(125,000)				Assumed minimum return included in business case to Council 2017.
New Savings options 2018/19	Y		(342,399)	(103,000)	0			
Options at budget setting 2018/19	Y		(15,000)					
Savings identified 3rd quarter 2017/18 (efficiency)	Y		(56,800)					
Savings identified 4th quarter 2017/18 (efficiency)	Y		(116,970)					
Quarter one monitoring 2018/19	N		0					
2019/20 Financial Security options (2019/20-2021/22)	Y			(798,552)	(115,923)	(227,137)	0	(includes Fees) Appendix C&D
New Savings options 2019/20	Y			(40,570)				
New Savings options 2020/21-2021/22	Y				(276,950)	(265,799)		Reported in the November Financial security Report
Financial Security Savings Target not identified	Y	0	0	0	(375,526)	(401,589)	(450,000)	revised Financial Security target
		(784,167)	(768,355)	(1,085,828)	(708,119)	(894,525)	(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)	Y	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	0	0	0	0	
Costs for compliance contract- May Executive	N	6,500						
Growth 2018/19	Y-year 2	287,443	429,371	(15,482)	(7,200)	21,880	0	
Future Growth bids	Y	0	0	0	75,000	75,000	75,000	Future growth allowance after 2019/20-2022/23 savings package identified.
Implementation costs for Financial Security options	N		37,500	262,500				
		537,643	531,871	282,018	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 from Planning Delivery grant reserve	UPDATED N		(20,000)	(41,264)				
Transfer to Regeneration Reserve	N	300,000	356,612	400,000				see paragraph 4.6.5 of the report
Transfer to Capital Reserve	N	350,000						
Transfer NDR gains to allocated reserve	N	303,440	0	275,000				See paragraph 4.6.8 of the report
		924,440	336,612	633,736	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	UPDATED N	(593,569)	(686,212)	(770,852)	(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)	(382,499)	(770,852)	(270,800)	(270,800)	(270,800)	
TOTAL GENERAL FUND EXPENDITURE		10,036,005	10,119,585	9,075,590	8,740,383	8,542,979	8,643,848	
Year on Year Change in spend (excluding carry forwards)		741,723	83,579	(1,043,994)	(335,207)	(197,404)	100,869	
Government Support- RSG		(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)	(2,788,752)	(2,325,755)	(2,382,879)	(2,441,260)	Figures beyond 2019/20 do not include any projected gains
Transfer to/From Collection Fund (Business Rates)		(478,057)	(30,293)	(380,962)	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)	(3,169,714)	(2,298,609)	(2,355,733)	(2,414,114)	
Government Support reduction year on year:		-1.81%	-11.33%	-3.52%	-17.58%	2.49%	2.48%	Reductions in future years excluding NDR surplus transfers.
Government Support as a % of Net General Fund Budget		37.24%	28.86%	34.93%	26.30%	27.58%	27.93%	
Use of Balances		859,638	1,526,953	95,345	524,176	97,646	(29,791)	
Transfer to/From Collection Fund (Council Tax)		(139,102)	(139,616)	(55,621)	0	0	0	Return of projected (surpluses)/deficit to the General Fund
District Precept		(5,299,586)	(5,532,344)	(5,754,911)	(5,917,598)	(6,089,600)	(6,259,525)	2019/20 increase based on a 2.99% increase, to be decided February Council
% of Net General Fund Budget		-52.81%	-54.67%	-63.41%	-67.70%	-71.28%	-72.42%	

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Average Band D Council Tax		198.52	204.46	210.57	214.76	219.04	223.39	2019/20 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		2.58%	2.99%	2.99%	1.99%	1.99%	1.99%	
Tax Base		26,695	27,059	27,330	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)	(4,040,393)	(3,945,048)	(3,420,873)	(3,323,227)	
Use of balances in Year	UPDATED	+961,866	+1,424,724	+95,345	+524,176	+97,646	(29,791)	
General Fund Balance 1 March		(5,465,117)	(4,040,393)	(3,945,048)	(3,420,873)	(3,323,227)	(3,353,019)	
November Financial Security Report		(5,465,117)	(3,764,733)	(3,827,253)	(3,518,205)	(3,655,687)	(3,898,607)	
Variance		0	(275,661)	(117,795)	97,332	332,460	545,588	