





Stevenage Borough Council								APPENDIX A			
MEDIUM TERM FINANCIAL STRATEGY (MTFS) GENERAL FUND BUDGET JANUARY 2020 REVISED											
Key= (£0) is under spend or increase in income											
General Fund Forecast				On-Going Cost?	2019/20 £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	Commentary	
Base Budget				Y	9,331,442	8,742,521	8,918,461	9,076,577	9,134,640		
								0	0		
(i) BASE ADJUSTMENTS								0	0		
								0	0		
								0	0		
Prior Years Savings Options				Y	0	0	0	0	0		
Prior Years Growth Options				Y	101,637	(42,200)	22,314	(70,604)	(176,672)		
Prior Year Quarterly Monitoring Adjustments				Part	137,430	0	0	0	0		
Prior Years Heads of Service Pressures				Y	0	0	0	0	0		
Prior Years Budget Setting changes				Y	0	0	0	0	0		
TOTAL PRIOR YEAR BASE ADJUSTMENTS					239,067	(42,200)	22,314	(70,604)	(176,672)		
(ii) HEADS OF SERVICE PRESSURES/SAVINGS:											
Building Control partnership				Part	(18,816)	(4,280)	(4,280)	(4,280)	0	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	
Building Control new partner refund of set up costs				NEW	N	0	(22,000)	0	0	Dacorum are entering the partnership and a refund will be due of founding partners set up costs	
Reduction in recycleate prices				Y	33,900					Reported September Executive	
Reduction in Alternative Financial Model				N	0	30,000	30,000	30,000	0	HCC have indicated thee intend to take £1.5Million out of the AFM model over the next 3 years this is an estimate of the impact on SBC.	
Microsoft ICT licences pressure approved ICT partnership Board				Y	105,360						
Co-operative Neighbourhood Programme 2020/21				N		387,000				Based on revised NHB allocation 2020/21	
New Homes Bonus grant for CNM programme element				N		(387,000)				Based on revised NHB allocation 2020/21	
Reduction in costs of Swingate House due to decanting of offices				Y		(36,530)					
Funding Regeneration from NDR gains				N	356,612					Members approved the use of business rate gains to fund regeneration costs in 2019/20	
Revenue costs from stock condition survey				N	0	128,000	0	0	0	New stock condition surveys have identified works required for Health and safety	
					477,056	95,190	25,720	25,720	0		
								0			
								0			
(iii) CARRY FORWARDS AND SUPPLEMENTARY ESTIMATES:								0			
3rd quarter 2018/19				N	80,000			0			
4th quarter 2018/19				N	591,770	0	0	0	0		
					671,770	0	0	0	0		
								0			
								0			
(iv) GOVERNMENT SPENDING CUTS/TAX/INITIATIVES:											
Reduction in Housing Benefit admin subsidy				Y	11,120	0	0	0	0	Reduction in housing subsidy notified for 2018/19	
New burdens money-planning				N	(20,000)	0	0	0	0	Contribution for planning related e.g. brownfield sites register	
removal of New Homes Bonus contribution from the General Fund				Y	0	83,000	117,000	0	0		
Additional New Homes Bonus (one off) than estimated				NEW	N		(30,000)			This will be transferred to the NHB reserve to fund future shortfalls in CNM/capital	
One off Funding of Community Warden					43,170						
Main stream funding of Domestic Abuse and No More				Y	0	50,000	50,000	0	0		
Innovation Fund				N	33,000						
Use of brown field site and self build grant				N	41,264						
Increase in homeless presentations & B&B costs				NEW	N	164,100	60,000			reported 2nd quarter monitoring report November Executive	
					272,654	163,000	167,000	0	0		

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		(v) INFLATION ASSUMPTIONS:										
		Inflation assumptions:										
		Pay inflation salaries		Y	390,290	502,674	490,000	400,000	400,000	Pay inflation 2.25% for 2020/21-2021/22 and 2% thereafter		
		Increase in Superannuation payment for pension deficit		Y	0	25,106	0	0	0	Increase for 2017/18 will be fixed for three years and not increase annually as per the last tri-annual valuation		
		Utility inflation		Y	72,454	20,110	78,305	86,636	95,877	Updated based on current projections		
		Changes to the 2017 Business Rates revaluation list & inflation increase		Y	4,000	58,630	31,190	31,850	31,850	This is the impact of the new 2017 rating list on Council buildings.		
		General Inflation (contractual)		UPDATED	Y	141,257	164,000	198,013	203,240	209,107	updated inflation applied to contractual arrangements.	
		Less Inflation charged to other funds		UPDATED	Y	(15,420)	(129,050)	(87,726)	(79,390)	(81,052)	Proportion rechargeable to the HRA	
						592,580	641,470	709,782	642,336	655,782		
		(vi) BUDGET MONITORING ADJUSTMENTS:										
		Budget Setting Adjustments 2019/20		Part	(55,208)							
		Quarter 1 adjustments 2019/20		Part	193,570					Reported September 2019 Executive £47K on-going		
		Quarter 2 adjustments 2019/20		Part	(139,090)	(34,820)				Homeless B&B costs shown in section (iv)		
		Budget setting 2020/21 draft budget		NEW	Y	0	37,805	0	0	0	changes identified as part of draft budget 2020	
						(728)	2,985	0	0	0		
		(vii) BORROWING COSTS										
		Borrowing costs- Garage Strategy		UPDATED	Y	(97,913)	62,531	119,536	89,376	61,712	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	(106,508)	30,461	41,814	(29,974)	(103,476)	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)				(38,767)	(79,336)	(1,871)	0	0	Reduction in MRP for fully depreciated assets	
		MRP review of asset lives funded from borrowing		NEW	Y	11,812	(15,190)	(36,858)	0	0		
						(231,376)	(1,534)	122,621	59,402	(41,764)		
		(viii) SAVINGS OPTIONS & BUDGET PROPOSALS :										
		Implementation costs for Financial Security options			N	262,500	0				Implementation costs for 2019/20 FS options	
		Pump prime fund for commercial and digital options		NEW		10,000	75,000				This is business case funding to explore options for future Financial Security options	
		Implementation Costs of 2020/21-2021/22 Financial Security options		NEW	N	54,028	62,604	0	0	0	These implementation costs are in Appendix D	
		Prior Year Savings (2014/15-2015/16)			N	(18,706)	0	0	0	0		
		Office accommodation savings			Y years	0	0	49,391	0	0		
		Commercial Property Investment			Y	(125,000)					Assumed minimum return included in business case to Council 2017.	
		New Savings options 2018/19			Y	(103,000)	0				See Appendix A	
		2019/20 Financial Security options (2019/20-2021/22)			Y	(798,552)	(19,423)	(139,637)	0	0	(includes Fees)	
		Budget setting savings 2019/20			Y	(84,430)						
		New Savings options 2019/20			Y	(40,570)						
		2019/20 Savings options not achieved/delayed		NEW	Y-part		75,000	35,000	(64,000)	0		
		New Savings options 2020/21-2021/22		NEW	Y		(864,644)	(533,027)	(233,743)			
		New Commercial income increases identified at budget setting Jan 2020		NEW	Y	(108,000)	55,000	0	0	0	Additional commercial income identified as part of the review of income in year.	
		Financial Security Savings Target		UPDATED	Y	0	0	(260,728)	(410,257)	(470,000)	revised Financial Security target	
		Increase in Savings Target to meet MTFS principles of no draw on balances		NEW	Y		0	(119,600)	29,929	89,672	smoothed over the period 2021/22-2023/24	
						(951,730)	(616,463)	(968,601)	(678,071)	(380,328)		

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	(ix) NEW GROWTH BIDS								
	Future Growth bids		Y	0	0	75,000	75,000	75,000	Future growth allowance after 2019/20-2022/23 savings package identified.
	ICT related growth pressures- unavoidable		Y-part		358,760				
	Digital related growth bids-unavoidable		Y		13,990	0			
	New growth bids	NEW	Y-part		163,470	100,684	16,380	0	
				0	536,220	175,684	91,380	75,000	
	(x) USE OF ALLOCATED RESERVES								
	Transfer from Planning Delivery grant reserve	UPDATED	N	(21,260)	(41,264)	0	0	0	
	Transfer to Regeneration Reserve		N	30,980	0	0	0	0	
	Transfer of NHB balance to General Fund	NEW	N	(35,370)	(65,558)	0	0	0	Balance remaining from approved schemes
	Transfer NDR gains to allocated reserve		N	275,000	117,064	(238,184)	(153,880)	0	Agreed at January 2017 Executive
	Transfer from ICT reserve		N	100,000	0	0	0	0	
	Transfer Pooling gains to reserve	NEW	N		455,000	0	0	0	Retain reserve to maintain minimum balances and implement Financial Security options
	Transfer from LAMs reserve		N	(61,132)	0	0	0	0	By 2019/20 the period by which the council would have been liable for any defaults ceases.
	Other movements		N	(16,260)	0	0	0	0	
				271,958	465,241	(238,184)	(153,880)	0	
	(xi) IMPACT OF BUSINESS RATES ACCOUNTED FOR IN THE GENERAL FUND								
	Section 31 grants given by government for changes made NDR reliefs	UPDATED	N	(1,008,440)	(850,000)	(850,000)	(850,000)	(850,000)	Reliefs given by government which are reimbursed via grant (S31)
	Levy Payment & other adjustments	NEW		0	0	0	0	0	A 50% levy is due on gains on NDR.
				(1,008,440)	(850,000)	(850,000)	(850,000)	(850,000)	
	TOTAL GENERAL FUND EXPENDITURE			9,664,253	9,136,430	8,084,797	8,142,860	8,416,657	
	Year on Year Change in spend (excluding carry forwards)				(527,823)	(1,051,633)	58,063	273,798	
	Government Support- RSG			(0)	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			(2,943,542)	(2,930,543)	(1,902,991)	(1,981,469)	(2,060,996)	Figures beyond 2018/19 do not include any projected gains
	Transfer to/From Collection Fund (Business Rates)	UPDATED		0	380	0	0	0	Return of funds from the Collection Fund relating to increases surpluses at year end
	Total Government Support			(2,943,542)	(2,930,163)	(1,875,845)	(1,954,323)	(2,033,850)	
	Core resources as a % of Net General Fund Budget			18.13%	20.83%	11.48%	12.28%	12.78%	
	Use of Balances			910,180	150,401	55,369	(134,572)	(114,499)	
	Transfer to/From Collection Fund (Council Tax)			(55,621)	(67,265)	0	0	0	Return of projected (surpluses)/deficit to the General Fund
	District Precept			(5,754,911)	(5,988,601)	(6,153,582)	(6,323,109)	(6,497,306)	2019/20 increase based on a 2.99% increase, to be decided February Council
	% of Net General Fund Budget			-59.55%	-65.55%	-76.11%	-77.65%	-77.20%	
	Average Band D Council Tax			210.57	215.57	219.86	224.23	228.69	2019/20 increase based on a 2.99% increase
	Average Band C Council Tax			187.18	191.61	195.43	199.32	203.28	
	Council Tax Increase			2.99%	2.37%	1.99%	1.99%	1.99%	
	Tax Base	UPDATED		27,330	27,781	27,989	28,199	28,410	Tax base update to reflect new properties in conjunction with planning projections
	GENERAL FUND RESERVES:								

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		Revised Balances at 31 March each Year:									
		General Fund Balance 1 April			(4,794,061)	(3,883,882)	(3,733,480)	(3,677,731)	(3,812,304)		
		Use of balances in Year	UPDATED		+910,180	+150,401	+55,749	(134,572)	(114,499)		
		General Fund Balance 1 March			(3,883,882)	(3,733,480)	(3,677,731)	(3,812,304)	(3,926,802)		
		November Update				(3,234,488)	(3,080,732)	(3,085,933)	(3,088,809)		
		Increase in reserves				(498,993)	(596,999)	(726,370)	(837,994)		