



Stevenage Borough Council			APPENDIX A					UPDATES			
MEDIUM TERM FINANCIAL STRATEGY (MTFS) DRAFT GENERAL FUND BUDGET											
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	9,303,537	9,083,371	9,062,606	8,908,169		
(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 Assistant Director Pressures			Y	(161,866)	0	0	0	0	0		
TOTAL PRIOR YEAR BASE ADJUSTMENTS				(241,866)	79,000	0	0	0	0		
(ii) ASSISTANT DIRECTOR PRESSURES/SAVINGS:											
Building Control partnership			UPDATED	Part	(27,082)	2,137	(30,025)	(92,913)	(53,974)	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	
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			NEW	N	16,000	0	0	0	0	0 Additional monies requested by Assistant Director for waste review	
					42,036	2,137	(98,226)	(92,913)	(53,974)	0	
(iii) CARRY FORWARDS AND SUPPLEMENTARY ESTIMATES:											
3rd quarter 2016/17				N	347,150						
4th quarter 2016/17				N	449,950						
					797,100	0	0	0	0		
(iv) GOVERNMENT SPENDING CUTS/TAX/INITIATIVES:											
Section 31 grants given by government for changes made to NDR reliefs				N	(362,350)	(292,421)	(270,800)	(270,800)	(270,800)	Reliefs given by government which are reimbursed via grant (S31)	
Apprentice levy announced in 2016 budget				Y	56,644	0	0	0	0	0 charged at 0.5% of payrolls in excess of £3Million	
Changes to the 2017 Business Rates revaluation list & inflation increase				Y	65,860	48,721	52,419	34,267	34,414	34,414 This is the impact of the new 2017 rating list on Council buildings.	
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	
					(215,236)	(228,430)	(238,381)	(236,533)	(236,386)	(236,386)	
(v) INFLATION ASSUMPTIONS:											
Inflation assumptions:											
Pay inflation salaries				Y	302,870	368,702	351,117	432,213	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	84,814 Updated based on current projections	
General Inflation (contractual )				Y	181,160	224,391	117,300	123,359	123,422	126,251 updated inflation applied to contractual arrangements.	
Less Inflation charged to other funds				Y	(139,550)	(226,643)	(37,861)	(48,350)	(42,941)	(42,775) Proportion rechargeable to the HRA	
					552,000	416,060	503,010	642,363	570,503	568,290	
(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 budget 2018/19				Y	(8)	12,857	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	
					139,639	33,607	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				Y	20,259	41,649	(9,191)	(11,902)	0	0 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	(63,588)	(62,420)	(93,843)	20,484	0	
(viii) SAVINGS OPTIONS & BUDGET PROPOSALS :											
Fees and Charges				Y	(190,030)	(134,160)	(272,460)	(272,415)	(281,043)	(289,671) 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	
savings identified 3rd quarter 2016/17				Y	(60,600)						
savings identified 4th quarter 2016/18				Y	(159,550)						
Commercial Property Investment				Y	0	(200,000)				Assumed minimum return included in business case to Council 2017.	
New Savings options				Y		(342,399)	(103,000)	0		See Appendix A	
Financial Security Savings Target			Y not 16/1		0	0	(375,000)	(375,000)	(375,000)	(375,000) revised Financial Security target	
					(784,167)	(704,585)	(769,166)	(587,135)	(656,043)	(664,671)	
(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)	

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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	18,211	5,973	4,429	0	0	Includes one off implementation costs in 2017/18
					358,293	62,285	88,092	86,659	(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				UPDATED Y-year 2	287,443	429,371	(47,662)	(7,200)	21,880	0	see Appendix F
					537,643	494,371	87,338	(42,200)	56,880	(35,000)	
(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 NDR gains to allocated reserve				N	303,440						Agreed at January 2017 Executive
					274,440	0	0	0	0	0	
TOTAL GENERAL FUND EXPENDITURE					10,571,020	9,126,090	8,813,784	8,759,768	8,583,395	8,495,841	
Year on Year Change in spend (excluding carry forwards)					1,547,542	(1,444,931)	(312,306)	(54,016)	(176,373)	(87,554)	
Government Support- RSG					(689,969)	(351,230)	27,146	0	0	0	
NNDR before the levy and excluding s31 grant					(2,569,654)	(2,233,621)	(2,336,003)	(2,325,755)	(2,382,879)	(2,441,260)	Figures do not include any projected gains (see section 4.6)
Transfer to/From Collection Fund (Business Rates)					(478,057)	(30,293)	0	0	0	0	Return of funds to the Collection Fund for 2016/17 and 2015/16.
Levy Payment & other adjustments					226,243	0	0	0	0	0	A 50% levy is due on gains on NDR. (Projection as at 5/1/2017)
Total Government Support					(3,511,436)	(2,615,144)	(2,308,857)	(2,325,755)	(2,382,879)	(2,441,260)	
Government Support reduction year on year:					-1.81%	-20.70%	-10.68%	0.73%	2.46%	2.45%	Reductions in future years excluding NDR surplus transfers.
Government Support as a % of Net General Fund Budget					33.22%	28.66%	26.20%	26.55%	27.76%	28.73%	
Use of Balances					1,620,895	838,985	818,719	568,230	156,683	(157,839)	
Transfer to/From Collection Fund (Council Tax)				UPDATED	(139,102)	(139,616)	0	0	0	0	Return of projected surpluses to the General Fund
District Precept				UPDATED	(5,299,586)	(5,532,344)	(5,686,208)	(5,865,782)	(6,043,832)	(6,212,420)	Updated for increase in assumed council tax increase
% of Net General Fund Budget					-50.13%	-60.62%	-64.51%	-66.96%	-70.41%	-73.12%	
Average Band D Council Tax				UPDATED	198.52	204.46	208.53	212.68	216.91	221.23	increased based on a 2.99% increase
Average Band C Council Tax					176.46	181.74	185.36	189.05	192.81	196.65	
Council Tax Increase					2.58%	2.99%	1.99%	1.99%	1.99%	1.99%	
Tax Base				UPDATED	26,695	27,059	27,268	27,581	27,863	28,082	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)	(4,806,088)	(3,967,103)	(3,148,384)	(2,580,153)	(2,423,470)	
Use of balances in Year				UPDATED	+1,620,895	+838,985	+818,719	+568,230	+156,683	(157,839)	
General Fund Balance 1 March					(4,806,088)	(3,967,103)	(3,148,384)	(2,580,153)	(2,423,470)	(2,581,309)	