

HERTFORDSHIRE COUNTY COUNCIL

**CABINET
MONDAY, 20 FEBRUARY 2017 AT 2.00 PM**

**COUNTY COUNCIL
TUESDAY, 21 FEBRUARY 2017 AT 10.00 AM**

<u>Cabinet Agenda Item No.</u> 4(iii)
<u>County Council Agenda Item No.</u> 5A(iii)

**INTEGRATED PLAN 2017/18 - 2019/20
(incorporating the Strategic Direction and Financial Consequences and the
Treasury Management Strategy)**

Report of Chief Financial Officer

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Executive Member: Chris Hayward, Resources and Performance

1. Purpose of report

- 1.1 To propose the Integrated Plan for 2017/18 – 2019/20 for the Council. The Integrated Plan (IP) comprises:
- An overview of the proposed revenue budget and capital programme, including incorporating a review of the budget estimates and adequacy of reserves (Part A);
 - Strategic Direction and Financial Consequences, by portfolio (Part B);
 - an Equalities Impact Assessment (Part C);
 - the Treasury Management Strategy (Part D);
 - the Insurance and Risk Strategy (Part E)
 - the Capital, Asset Management and Investment Strategy (Part F); and
 - other technical information and finance summaries (Part G).
- 1.2 These proposals should be considered in the light of the feedback on the draft Integrated Plan from Cabinet Panels and the Overview & Scrutiny Committee (items 4(i) and 4(ii) of the Cabinet agenda / items 5(i) and 5(ii) of the Council agenda) and the Public Engagement and Consultation report (item 4(i) on the 23 January 2017 Cabinet agenda).
- 1.3 The final determination will be by the County Council on 21 February 2017.

2. Summary

- 2.1 The Integrated Plan has been prepared in the context of demographic, legislative, inflationary and other pressures, alongside constrained funding. In response, services have identified substantial efficiency savings, and those savings requiring a policy change have been taken through Panels for Cabinet decisions throughout 2016/17. In total, savings of £41 million have been identified for 2017/18, rising to £55 million by 2019/20. However, a significant budget gap remains in future years: further savings of £42 million are expected to be needed by 2019/20.
- 2.2 Given these pressures, a general Council Tax increase of 1.99% has been included for each year of the draft budget. This is the level above which a referendum would be required. An increase in Council Tax of 1.99% delivers £10.3 million additional income to the Council in 2017/18.
- 2.3 At the time of writing, the Final Local Government Finance Settlement for 2017/18 had not yet been announced and is scheduled for debate in Parliament on 22 February. Guidance from DCLG is that authorities should continue to plan based on the December Provisional Settlement. A verbal update will be provided at the meeting.
- 2.4 The Provisional Settlement included a £35 million reduction in Revenue Support Grant (RSG), compared with 2016/17. Over the remaining IP period, RSG will reduce to £1.89 million by 2019/20. A new Adult Social Care Support grant was announced for 2017/18, giving the Council an additional £4.153 million for that year.
- 2.5 In addition to the withdrawal of Education Services Grant (ESG) from September 2017, the Government has now confirmed the amount of Schools Improvement Grant as £0.842 million for 2017/18. However, the Department for Education (DfE) has not yet published detailed conditions for the use of this grant. At this stage it is prudent to assume it will be ring-fenced for education purposes and so should be set aside as additional funding for school improvement activity.
- 2.6 DfE have announced that the SEN Reform Grant, which had been expected to cease in 2016/17, will be extended to 2017/18. Hertfordshire's allocation is £0.835 million. This funding can be used to offset the £0.271 million pressure in Children's Services. As there are some ongoing pressures during transition to the new system by 2019/20, it is proposed that the balance of the grant is set aside in a reserve, to be released (under s151 Officer delegated powers) as required over the IP period.
- 2.7 In the Provisional Settlement, the Government gave social care authorities additional flexibilities on the Social Care Precept, allowing this to rise by an additional 1% in 2017/18 and 2018/19 (to a maximum of 3% total each year), provided that the total increase to 2019/20 does not exceed 6%. For Hertfordshire, the additional 1% would generate £5.175 million in 2017/18, on the latest tax base. Raising the additional 1% in each of 2017/18 and 2018/19 gives an additional £15.491 million income across the period to 2019/20,

compared to a 2% p.a. increase; both options result in a similar precept level in 2019/20. Given the continued demographic and cost pressures (e.g. living wage) on social care, which total £23 million in 2017/18, the proposed budget sets the precept at 3%, providing total additional funding of £15.535 million in 2017/18.

- 2.8 The Council receives Business Rates income from revenue collected by local districts, plus a "top up" from Central Government to meet the difference between its assessed baseline level of need and baseline rates income. Top-up grant has been adjusted for the impact of business rates revaluation from April 2017: as Hertfordshire's business rates income has fallen, the Council's grant has increased above inflation, from £64.231 million in 2016/17 to £69.531 million in 2017/18.
- 2.9 Actual business rates income will also reflect any local growth or reduction against DCLG's assessed baseline level: following revaluation the Council's share of retained growth is £46.394 million. Rates and Top-up income includes a 2.0% increase for 2017/18 inflation, based on September RPI.
- 2.10 In the last two years, the Council has formed a Business Rates Pool with several local districts, in order to retain a greater share of business rates growth within the county. Business Rates Pools carry a risk of loss should the income of any member fall significantly. Given the significant uncertainty on the impact of revaluation on retained growth, pool members agreed to dissolve the arrangement for 2017/18, and will review for 2018/19.
- 2.11 Since the report to January Cabinet, Districts have provided forecasts for Council Tax Base and Collection Fund balances for 2017/18 onwards. There has been growth in the Council Tax base (supported by work to identify empty properties brought into use, and reviewing discounts) and increased one-off surpluses on collection. Latest figures show an additional £1.945 million ongoing income from Council Tax and the Social Care Precept, above previous assumptions. The Council Tax Collection Fund forecast shows an additional one-off £3.577 million income in 2017/18.
- 2.12 For Business Rates, annual income is as forecast in January, but there continues to be a deficit position on collection, partly due to the impact of valuation appeals. The Business Rates Collection Fund forecast deficit is £0.725 million greater than assumed in January. This is offset in part by additional S31 grant that compensates for changes introduced in previous Autumn Statements: this has increased by £0.587million
- 2.13 The net impact of funding changes since January Cabinet is an increase in core revenue funding of £2.253 million, plus a one-off council tax collection fund balance of £3.577 million and additional service specific grants of £1.406 million in 2017/18. These are shown in Table 1 below, with further detail in section 4.

Table 1: Changes to Revenue Funding from January IP

	2017/18 £m	2018/19 £m	2019/20 £m
Tax Base Growth – additional council tax and related social care precept	1.945	2.058	2.116
Collection Fund NNDR / S31 grant	(0.071)	-	-
LVRP / Environment Agency Levy	0.108	0.108	0.108
Proposed removal of SEN pressure	0.271	0.693	0.693
Additional Core Revenue Funding	2.253	2.859	2.917
Plus One Offs and additional service specific grants:			
Council Tax Collection Fund balance from previous years	3.577		
School Improvement Monitoring and Brokering Grant: propose treat as ring-fenced	0.842		
SEN Implementation Grant: proposed balance to reserve (after meeting 17/18 £0.271m pressure)	0.564		

- 2.14 It is proposed to take the £2.253 million additional core revenue in 2017/18 to contingency to help manage the wide range of financial and operational risks that the Council continues to face, as summarised in Part A section 3. The additional funding from 2018/19 will help meet the substantial savings targets required for future years.
- 2.15 Risks for the coming year include continued uncertainty in contributions towards the cost of social care from Clinical Commissioning Groups (CCGs). The proposed IP assumes £8.5 million income from both CCG's within Hertfordshire. East and North Herts CCG have confirmed their intention to contribute £8.5 million for 2017/18. Officers are working with East & North Herts to finalise the treatment of this contribution in relation to the Better Care Fund. Discussions with Herts Valleys CCG are ongoing. Should there be a shortfall, to continue to retain a balanced budget plan, any such shortfall would need to be addressed through the agreement and delivery of additional savings through policy and service changes in Adult Care Services and/or the use of contingency or one-off reserves.
- 2.16 In addition, as the Final Settlement had not been published at the time of writing this report, it is proposed that any movements in funding be taken to / from contingency, under delegated powers.
- 2.17 Decisions to meet any shortfall in income, or to use any additional funds, will be brought to members during 2017/18, for approval by Cabinet in accordance with financial regulations.

- 2.18 The one off increase of £3.577 million is as a result of balances on the council tax collection fund from previous years. Although there may be some additional amounts in future years related to the continued growth above forecast of the council tax base, these collection fund balances are always essentially one-off receipts and should not therefore be used to fund recurring revenue costs.
- 2.19 It is proposed that the balance of £3.577 million is used to meet capital financing costs in future years, reducing the need to borrow and the revenue costs that then arise from interest payments and the need to make provision for repayment. The capital programme assumes £10 million funding p.a. from either capital receipts or reserves, including the one-off savings released from the proposed change in Minimum Revenue Provision policy, detailed in the Treasury Management Strategy (part D 2.7 to 2.16). Additional resources would give greater resilience in this funding and further reduce the need to borrow. Every £1 million of borrowing costs around £0.075 million p.a. against the revenue budget over a 25 year period; where short life assets are funded, the savings are up to £0.230 million per £1 million of borrowing (covering both repayment & interest). Therefore, applying this one-off receipt to off-set short life borrowing would bring savings of up to £0.800 million in future years.
- 2.20 It is proposed that the additional service specific grants are taken to reserves and applied under delegated powers, as outlined in 2.5 and 2.6.
- 2.21 Since January Cabinet, the Government has announced new capital grants for Highways maintenance and improvements: for Hertfordshire, an additional £3.571 million is available to improve local road networks. The funding must be used on additional schemes, and the amount has been added to the proposed capital programme. Officers are identifying schemes that could be met from this additional funding.
- 2.22 The general reserve has been reviewed and is considered sufficient at the current level of 4% of the Net Revenue Budget. The specific reserves maintained by the Council have also been reviewed and adjusted to reflect changed circumstances.
- 2.23 The Treasury Management Strategy (Part D) includes a proposed change to the Council's policy for calculating Minimum Revenue Provision, the charge required to be made to set aside funding for the repayment of borrowing. This will re-phase charges to reflect more accurately asset life and the present value of these costs, while releasing significant savings in the short and medium term.
- 2.24 Figures for total capital expenditure and borrowing, and related Prudential Indicators, have been revised within the Treasury Management Strategy to reflect the capital programme and funding changes detailed in section 4.2.
- 2.25 Details of significant changes to the revenue budget are given in section 4, and the summary position (assuming recommendations are agreed) is shown in Appendices 1 to 3.

3 Recommendations

Cabinet is recommended to:

- (a) approve the changes to the Integrated Plan [Parts A to D] as set out in sections 2.13 and 4.2 of the report, including the transfer of £2.253 million additional revenue funding to contingency in 2017/18 and the use of £3.577 million one-off funding for future capital financing; noting that amendments to the budget may be required once any outstanding grants have been announced by the Government; and
- (b) recommend to the County Council that the Integrated Plan for 2017/18 - 2019/20 (as amended above) be adopted, and specifically that:

In respect of all Parts:

- (i) the Director of Resources, in consultation with the Executive Member for Resources & Performance, be authorised to make any necessary amendments to ensure the final plan is in line with decisions taken by the County Council before publication;

In respect of Parts A to D:

- (ii) a Revenue Budget of £816.974 million and a Council Tax Requirement of £543.639 million be agreed as per the updated Revenue Budget Statements included at Appendix 1 to 3 of the report.
- (iii) a Band D Council Tax of £1,187.41 plus a Band D Social Care precept of £58.42 be agreed for the County Council in 2017/18, and that the amount of tax calculated for all bands be as follows

Band	Band 'D' Multiplier	2016/17 Council Tax & Social Care Precept	General Expenditure 1.99% Increase	Adult Social Care Precept 3.00% Increase	2017/18 Council Tax & Social Care Precept
A	6/9	791.08	15.74	23.73	830.55
B	7/9	922.93	18.36	27.69	968.98
C	8/9	1,054.77	20.99	31.64	1,107.40
D	1	1,186.62	23.61	35.60	1,245.83
E	11/9	1,450.31	28.86	43.51	1,522.68
F	13/9	1,714.01	34.10	51.42	1,799.53
G	15/9	1,977.70	39.35	59.33	2,076.38
H	18/9	2,373.24	47.22	71.20	2,491.66

- (iv) the precept amount of £543,638,850.44 be required from the district and borough councils as follows:

District	Precept Amount £
Borough of Broxbourne	42,935,288.46
Dacorum Borough Council	70,283,997.78
East Hertfordshire District Council	73,097,829.42
Hertsmere Borough Council	49,957,783.00
North Hertfordshire District Council	60,608,009.92
St Albans District Council	76,209,912.76
Stevenage Borough Council	33,257,556.43
Three Rivers District Council	47,107,448.54
Watford Borough Council	39,943,926.04
Welwyn Hatfield Council	50,237,098.09
TOTAL	543,638,850.44

- (v) a capital programme be agreed and financed as set out below:

{Replaces TABLE 4a: Capital Programme Expenditure 2017/18 to 2019/20 by portfolio – IP Page 14}

	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
Adult Care & Health	17,410	20,028	30,544	67,982
Children's Services	20,839	19,181	18,801	58,821
Community Safety & Waste Management	4,358	7,648	1,698	13,704
Enterprise, Education & Skills	53,177	39,378	37,315	129,870
Environment, Planning & Transport	39,119	23,350	11,450	73,919
Highways	70,938	98,537	71,279	240,754
Public Health, Localism & Libraries	2,304	2,719	1,896	6,919
Resources & Performance	14,713	4,701	4,132	23,546
Total	222,858	215,542	177,115	615,515

Replaces TABLE 4b: Financing of the Capital Programme 2017/18 to 2019/20 - IP Page 15

	2017/18	2018/19	2019/20	Total
	£'000	£'000	£'000	£'000
Borrowing	75,448	71,463	61,216	208,127
Capital Receipts	10,000	10,000	10,000	30,000
Grant	98,537	74,219	60,555	233,311
Contributions	36,037	58,860	43,594	138,491
Reserves	2,836	1,000	1,750	5,586
Total	222,858	215,542	177,115	615,515

- (vi) the Director of Resources, in consultation with the Executive Member for Resources & Performance and the Executive Members for the relevant service, be authorised to vary the capital programme during the year to include additional schemes that are wholly funded by grants or third party contributions and to vary existing schemes to match any changes in funding from grants or third party contributions;
- (vii) the Director of Resources in consultation with the Executive Members for Resources & Performance and Highways and the Chief Executive and Director of Environment, be authorised to approve schemes to be met from the Highways Productivity Grant in 2017/18;
- (viii) that the repayment of advances of £10 million made under the Local Authority Mortgage Scheme during 2017/18 be set aside as a reserve for funding investment in the proposed Property Company or other Invest to Transform initiatives to enable future savings or revenue streams, as outlined in part F section 2.3;
- (ix) that one off savings from the introduction of the revised policy for Minimum Revenue Provision (part D section 2.10b), estimated as £6.3 million in 2017/18, be set aside as a reserve to support capital financing and investment as outlined in part F section 2.3;
- (x) the schools budget be agreed at the level of the Dedicated Schools Grant (DSG) plus use of carry forward DSG (this is currently estimated at £919 million less deductions in respect of academies and post 16 high needs places), and that the Director of Resources in consultation with the Director of Children's Services, the relevant Executive Members and the Schools Forum, be authorised to amend the schools budget to match any changes to the Dedicated Schools Grant and the planned approach to balancing the schools budget in future years of the Plan;
- (xi) the Director of Resources in consultation with the Executive Member for Resources & Performance, the Executive Member for Children's Services and the Director of Children's Services be authorised to determine the allocation of budget from the £0.564 million balance of Special Education Needs Implementation grant in 2017/18;

- (xii) the Director of Resources, in consultation with the Executive Member for Resources & Performance, the Executive Member for Children's Services and the Director of Children's Services, be authorised to determine the allocation of budget from the £0.842 million School Improvement Monitoring and Brokering Grant in 2017/18;
- (xiii) the Chief Executive, in consultation with the Leader of the Council, be authorised to issue the Council Tax Information in accordance with demand notice regulations;
- (xiv) that, in the light of the requirement for further savings in future years, Chief Officers be asked to work with Executive Members and their Cabinet Panels to develop options at the earliest possible opportunity for the delivery of substantial additional savings;

In respect of Part D:

- (xv) the revised Minimum Revenue Provision policy and capital expenditure prudential indicators be approved (IP Part D, Section 2); and
- (xvi) the Treasury Management Strategy, including the Borrowing, Lending and Financial Derivative policies, the introduction of the new financial instruments and the treasury management prudential indicators be approved (IP Part D, Sections 4-8).

4 Integrated Plan 2017/18 – 2019/20 (Parts A to D)

4.1 There have been a number of announcements/changes since the publication of the draft Integrated Plan by the Cabinet on 23 January 2017. The key issues to note are:

- The new Schools Improvement Monitoring and Brokering Grant has been confirmed as £0.842 million for 2017/18, although the Department for Education (DfE) has not yet published detailed conditions for the use of this grant. At this stage it is prudent to assume it will be ring-fenced for education purposes and so should be set aside as additional funding.
- DfE have confirmed that SEN Reform Grant, which had been expected to cease in 2016/17, will be extended to 2017/18. Hertfordshire's allocation is £0.835 million. With this funding, a pressure of £0.271 million can be removed from the Children's Services budget. It is proposed that the grant be held in the SEN Reserve, with future budget allocations agreed under delegated powers.
- Some other grants remain unconfirmed at the time of writing, including the Extended Rights to Free Transport element of Local Services Support Grant.
- The final council taxbase estimates provided by district councils will increase council tax income by £8.877 million in 2017/18, compared with 2016/17. This is before the increased income from a 1.99% increase on the 2017/18 tax base, and is £1.945 million higher than assumed in January.

- Business Rates income estimates for 2017/18 received from district councils reflect the April 2017 revaluations; top up grant has been adjusted to ensure the equivalent level of income is delivered to meet baseline need.
- District councils have also provided details of forecast collection fund balances for both Council Tax and Business Rates as at March 2017, which will be paid to the Council in 2017/18. A one off surplus of £9.077 million is anticipated for Council Tax, which includes the impact of previous years' underestimation of growth. This is £3.577 million higher than January assumptions. For Business Rates, a deficit of £2.225 million has been notified, £0.775 million greater than previously forecast and due in part to the continuing impact of backdated appeals.
- Estimated sums due from Government via Section 31 grant (that compensates for changes introduced in previous Autumn Statements) are now expected to be in the region of £3.139 million (an increase of £0.587 million from the amount previously included in the draft IP to Cabinet in January). The net impact of an increase in taxbase for Hertfordshire and the total levy amounts set by the Lee Valley Regional Park Authority and the Environment Agency (Thames and Anglian Regions) has resulted in a decrease in required budget of £0.108 million.

4.2 The proposed Capital Programme has been amended to include the new Highways Productivity Grant, £3.571 million in 2017/18, to improve local road networks.

4.3 To reflect the changes above an updated Summary Budget Movement Statement (Table 1 - IP Part A page 7), Funding Statement (Table 2 – IP Part A page 8) and Service Revenue Budget Statement (Table 3 - IP Part G page 301) have been included in Appendix 1, 2 and 3 of this report respectively.

4.4 The Director of Resources has completed his review of the robustness of the budget and adequacy of reserves and is content that the statutory requirements are met.

4.5 All of the adjustments will be reflected in the final Integrated Plan.

5 Treasury Management (Part D)

5.1 No changes are proposed to the draft approved by Cabinet on 23 January 2017, other than Table 1 being updated to reflect the proposed Capital Programme (see Appendix 4 to this report; and indicator 1 Capital Expenditure similarly being updated (Appendix 4 in the Treasury Management Strategy).

6 Equality Implications

6.1 When considering proposals placed before Members it is important that they are fully aware of, and have themselves rigorously considered the equalities implications of the decision that they are taking.

6.2 Rigorous consideration will ensure that proper appreciation of any potential impact of that decision on the County Council's statutory obligations under the

Public Sector Equality Duty. As a minimum this requires decision makers to read and carefully consider the content of any Equalities Impact Assessment (EqIA) produced by officers.

- 6.3 The Equality Act 2010 requires the Council when exercising its functions to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and other conduct prohibited under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics under the Equality Act 2010 are age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief, sex and sexual orientation.
- 6.4 The Integrated Plan (Part C) includes information on the Council's commitment to equality and potential equality implications.
- 6.5 As part of the consideration of these issues Members should have regard to the mitigation measures proposed in the equality impact assessments which are intended to minimise the impact on any service user who may be adversely affected by the proposals.
- 6.6 There are no equality implications associated with the Treasury Management Strategy (Part D).
- 6.7 In addition to the need for Members to have due regard to the Public Sector Duty under the Equality Act 2010, they also need to be aware that the County Council when making decisions is under a general duty of Best Value to make arrangements to secure continuous improvement in the way in which its functions are exercised having regard to a combination of economy, efficiency and effectiveness.
- 6.8 Individual Departments will be making further decisions on how to take forward the budget proposals approved by Members. This will be done having considered the Public Sector Equality Duty, the Best Value Duty and having consulted as appropriate.
- 6.9 If after taking all relevant considerations into account Members conclude the proposals regarding the budget are not appropriate, officers can be requested to re-visit the budget.

Background information

- Draft Integrated Plan 2017/18 to 2019/20, Cabinet 23 January 2017, Agenda Item 4(ii)
- Provisional Local Authority Finance Settlement for 2017/18:
<https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2017-to-2018>
- Final Local Authority Finance Settlement for 2017/18 – to be announced
- Integrated Planning Process 2017/18 - 2019/20:

- Comments from Service Cabinet Panels at their meetings held between 28 January and 10 February 2017
- Scrutiny of the Integrated Plan Proposals 2017/18 - 2019/20, Overview and Scrutiny Committee, 26 January and 2 February 2017

Table 1: Summary Budget Movement Statement (2017/18 – 2019/20)

{Replaces TABLE 1: Summary Budget Movement Statement - IP Part A page 7}

2016/17 £m		2017/18 £m	2018/19 £m	2019/20 £m
828.732	Original Budget	822.182	822.182	822.182
(5.660)	Technical Adjustments	(2.542)	(5.803)	(7.050)
8.933	Inflation	4.834	19.734	34.634
832.005	Base Budget	824.474	836.113	849.766
	Pressures for change:			
0.025	Previous Policy Decisions	(0.250)	(0.200)	(0.250)
10.079	Demography	19.454	25.003	34.654
8.681	Legislative	5.758	10.037	14.620
0.342	Capital Financing	3.577	1.859	3.563
3.602	Other	4.961	8.241	10.093
22.729	Total Pressures for Change	33.500	44.940	62.680
854.734	Subtotal	857.974	881.053	912.446
	Savings:			
(16.263)	Existing efficiencies - ongoing impact	(2.461)	(6.760)	(9.673)
(0.281)	Existing Policy Choice - ongoing impact	(5.039)	(5.084)	(5.084)
(13.478)	New efficiencies	(22.663)	(27.996)	(28.500)
(2.530)	New Policy Choice	(10.837)	(11.406)	(11.950)
-	Further savings required (to close gap)	-	(20.894)	(41.863)
(32.552)	Total Efficiency / Business Transformation Savings	(41.000)	(72.140)	(97.070)
822.182	REVENUE BUDGET (excluding funding specifically allocated to service area)	816.974	808.914	815.376
(0.385)	Use of Reserves	-	-	-
821.797	Resultant Budget	816.974	808.914	815.376

Table 2: Funding Statement (2017/18 – 2019/20)

{Replaces TABLE 2: Funding Statement) - IP Part A page 8}

2016/17 £m		2017/18 £m	2018/19 £m	2019/20 £m
49.847	Business Rates Income	46.394	47.818	49.519
64.231	Business Rates Top-Up Grant	69.531	71.768	74.320
79.992	Revenue Support Grant	44.535	22.599	1.890
194.069		160.459	142.185	125.730
	<u>Non-ringfenced Grants:</u>			
	Compensation for impact of changes to			
2.552	Business Rates	3.139	2.552	2.552
12.009	Education Services Grant (ESG)	3.261	-	-
6.635	New Homes Bonus	5.648	4.100	3.934
0.263	New Homes Bonus Adjustment	-	-	-
0.746	SEN Reform	0.835	-	-
2.141	Independent Living Fund	2.070	2.005	1.944
7.760	Transition Grant	7.849	-	-
-	- Adult Social Care Support Grant	4.153	-	-
-	- School Improvement Grant	0.842	-	-
1.100	Other non-ringfenced grants	1.085	1.000	1.006
33.207		28.883	9.658	9.436
	<u>Ringfenced Grants:</u>			
34.504	Public Health Grant	33.659	32.784	31.932
15.543	Public Health - Health visitors	15.154	14.760	14.376
2.605	Adult Skills and Community Learning grant	2.605	2.605	2.605
1.111	Local Authority Bus Subsidy Grant (formally Bus Service Operators Grant)	1.111	-	-
1.122	Unaccompanied Asylum Seeking Children Grant (UASC)	1.122	1.122	1.122
1.837	Troubled Families Grant	2.467	2.217	2.267
1.258	Music Education Grant	1.258	1.258	1.258
0.815	Youth Justice Good Practice Grant	0.815	0.815	0.815
58.795		58.191	55.561	54.375
	<u>Other Income:</u>			
18.949	NHS funding - Better Care Fund	18.949	23.676	31.858
499.136	Council Tax	518.146	533.196	549.002
9.787	Council Tax relating to Social Care Precept (3% in 17/18 & 18/19, 0% 19/20)	25.493	42.138	42.475
9.907	Collection Fund Balance - Council Tax	9.077	4.000	4.000
(2.053)	Collection Fund Balance - Business Rates	(2.225)	(1.500)	(1.500)
535.727		569.441	601.510	625.835
821.797	TOTAL	816.974	808.914	815.376

TABLE 3 - SERVICE REVENUE BUDGET STATEMENT (2017/18 - 2019/20)

{Replaces TABLE 3: Service Revenue Budget Statement) - IP Part G page 301}

2016/17 Net Budget £'000		Children's Services £'000	Community Protection £'000	Environment £'000	Health & Community Services £000	Public Health £000	Resources £'000	Central Items £'000	Net Budget 2017/18 £'000	Forecast Net Budget 2018/19 £'000	Forecast Net Budget 2019/20 £'000
828,732	Original Budget	180,555	35,599	112,347	344,938	50,188	58,168	40,387	822,182	822,182	822,182
-	Restructuring / Internal Transfers	55	(202)	(4,832)	(11,813)	(87)	16,738	141	-	-	-
(5,660)	Technical Adjustments	(1,897)	-	-	(71)	(1,234)	-	660	(2,542)	(5,803)	(7,050)
823,072	Adjusted Budget	178,713	35,397	107,515	333,054	48,867	74,906	41,188	819,640	816,379	815,132
8,933	Inflation	1,316	534	1,584	(425)	32	1,793	-	4,834	19,734	34,634
832,005	Base Budget	180,029	35,931	109,099	332,629	48,899	76,699	41,188	824,474	836,113	849,766
25	Pressures for Change: <i>Previous Policy Decisions (2016/17 & Prior Years)</i>	-	-	-	-	-	(250)	-	(250)	(200)	(250)
10,079	<i>Demography</i>	2,034	-	31	17,389	-	-	-	19,454	25,003	34,654
8,681	<i>Legislative Changes</i>	-	-	287	5,596	-	(125)	-	5,758	10,037	14,620
-	<i>Capital Financing</i>							3,577	3,577	1,859	3,563
-	<i>One-off Capital Investment (revenue contribution to capital)</i>							-	-	-	-
3,944	<i>Other Pressures</i>	637	-	844	445	-	140	2,895	4,961	8,241	10,093
22,729	Total Pressures For Change	2,671	-	1,162	23,430	-	(235)	6,472	33,500	44,940	62,680
854,734	Standstill Budget	182,700	35,931	110,261	356,059	48,899	76,464	47,660	857,974	881,053	912,446
(32,552)	Savings	(10,805)	(736)	(2,625)	(11,663)	(32)	(3,899)	(11,240)	(41,000)	(51,246)	(55,207)
-	Further savings required								-	(20,894)	(41,863)
822,182	REVENUE BUDGET (before funding specifically allocated to service area)	171,895	35,195	107,636	344,396	48,867	72,565	36,420	816,974	808,914	815,376
(27,697)	Funding specifically allocated to service area	(5,662)	-	(1,111)	(21,554)	-	-	-	(28,327)	(26,966)	(27,016)
794,485	REVENUE BUDGET	166,233	35,195	106,525	322,842	48,867	72,565	36,420	788,647	781,948	788,360
(385)	Use of reserves								-		
794,100	NET REVENUE BUDGET	166,233	35,195	106,525	322,842	48,867	72,565	36,420	788,647		
	Add Income from:								-		
119,039	Sales, Fees & Charges	12,965	1,385	10,693	50,659	37	40,494	-	116,233		
54,133	Partner Contributions	236	584	2,009	13,707	-	1,771	-	18,307		
18,847	Other Ringfenced Grants	15,004	-	1,721	2,311	-	1,895	-	20,931		
192,019	TOTAL INCOME (excluding dedicated schools grant)	28,205	1,969	14,423	66,677	37	44,160	-	155,471		
27,697	Specific Grants (ringfenced)	5,662	-	1,111	21,554	-	-	-	28,327		
1,014,201	GROSS BUDGET (excluding schools)	200,100	37,164	122,059	411,073	48,904	116,725	36,420	972,445		
866,773	Dedicated Schools Grant	906,041							906,041		
1,880,974	GROSS BUDGET (including schools)	1,106,141	37,164	122,059	411,073	48,904	116,725	36,420	1,878,486		

Appendix 4

Treasury Management (Part D)

{Replaces TABLE 1: Capital Expenditure - IP page 239}

	2015/16	2016/17	2017/18	2018/19	2019/20
	Actual	Revised	Estimated	Estimated	Estimated
	£000s	£000s	£000s	£000s	£000s
Total Expenditure	163,047	183,496	222,858	215,542	177,115
Grants	(111,946)	(100,185)	(98,537)	(74,219)	(60,555)
Contributions (including S106 and from the LEP *)	(9,044)	(31,036)	(36,037)	(58,860)	(43,594)
Reserves	(20,095)	(7,747)	(2,836)	(1,000)	(1,750)
Revenue	(16,434)	(1,039)	0	0	0
Capital Receipts / MRP Savings Reserve)	(5,461)	(21,786)	(10,000)	(10,000)	(10,000)
Assets acquired under PFI ** contract	-	-	-	-	-
Borrowing Requirement	67	21,703	75,448	71,463	61,216

* LEP Local Enterprise Partnership

** PFI Private Finance Initiative