

HERTFORDSHIRE COUNTY COUNCIL

**CABINET
MONDAY, 19 FEBRUARY 2018 AT 2.00 PM**

**COUNTY COUNCIL
TUESDAY, 20 FEBRUARY 2018 AT 10.00 AM**

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

**INTEGRATED PLAN 2018/19 - 2021/22
(incorporating the Strategic Direction and Financial Consequences and the
Treasury Management Strategy)**

Report of Chief Financial Officer

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Executive Member: David Williams, Leader of the Council (as responsible for
Resources, Property & the Economy portfolio)

1. Purpose of report

1.1 To propose the Integrated Plan for 2018/19 – 2021/22 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);
- the Treasury Management Strategy (Part C);
- the Capital, Asset Management and Investment Strategy (Part D);
- the Insurance and Risk Strategy (Part E)
- an Equalities Impact Assessment (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 22 January 2018 Cabinet agenda).

1.3 The final determination will be by the County Council on 20 February 2018.

2. Summary and Background

- 2.1 The Integrated Plan (IP) brings together the financial impact of service plans and the available funding to resource these, over the next four years. These plans have been set in the context of the difficult challenges that the council faces, including:
- Increasing demand for services from our growing and ageing population and increasing complexity of needs of existing service users, for example within social care related services; and
 - Further reductions in grant funding expected over the IP period.
- 2.2 The Integrated Plan has been extended to 2021/22, to enable forward planning to deliver the necessary service change to maintain a balanced budget. However, while funding to 2019/20 falls within the Government's four year settlement agreement, subsequent years will depend on future changes to local authority financing, along with the Government's wider economic strategy. The IP includes core funding in line with the four year settlement: a £22 million reduction in Revenue Support Grant (RSG) compared with 2017/18, to £22.6m; and a further reduction to £1.89 million by 2019/20.
- 2.3 The Provisional Settlement for 2018/19, announced in December, confirmed these core funding reductions to 2019/20. Other grant reductions, including New Homes Bonus and the cessation of Education Services Grant, have also been confirmed.
- 2.4 In the Provisional Settlement, the Secretary of State announced an increase in the council tax referendum threshold, allowing local authorities to increase general council tax in 2018/19 by up to 3% before triggering a referendum. The 2017/18 IP had assumed an increase in general council tax of 1.99% per year, along with raising the permitted 3% additional Adult Social Care precept in 2018/19.
- 2.5 Given the budget pressures and ongoing savings gap, the IP proposes to take up the additional 1% increase in general Council Tax, to give an increase of 2.99% for 2018/19 and 2019/20 (the Government have indicated their intention to retain the higher threshold for 2019/20, although this is not guaranteed).
- 2.6 From 2016/17, the Government has allowed social care authorities to raise a precept equal to 8% of council tax income, over the period to 2019/20. The Council has raised a 2% precept in 2016/17 and 3% in 2017/18. Given the continued demographic and cost pressures (e.g. living wage) on social care, the IP proposes to raise the remaining 3% in 2018/19. This will deliver an additional £16.7m income to help meet adult social care pressures.
- 2.7 This report provides an update on changes in available funding notified since January Cabinet, including details of the Final Local Government Finance Settlement and final council tax and business rates information that has recently been provided by the ten District and Borough Councils in Hertfordshire. It sets out proposals for use of both this funding and of other budgets that, whilst included in the draft IP published in January, were flagged

as provisional pending confirmation of the then outstanding details of the final funding settlement.

- 2.8 This report also summarises key decisions on the financing of the capital programme and related budgets, and provides detail on the use of capital receipts and reserves to support this expenditure.
- 2.9 The Director of Resources has reviewed the level of general reserves and has confirmed his view that the current level of 4% of the Net Revenue Budget is appropriate. The specific reserves maintained by the Council have also been reviewed and adjusted to reflect changed circumstances.
- 2.10 Details of changes to the revenue budget since January 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 section 4.7 of this report; 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 2018/19 - 2021/22 (as amended above) be adopted, and specifically that:

In respect of all Parts:

- (i) the Director of Resources, in consultation with the Leader of the Council (as Executive Member for Resources, Property & the Economy portfolio), 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 & B:

- (ii) a Revenue Budget of £844.793m and a Council Tax Requirement of £582.977m 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 £1,224.67 plus a Band D Social Care precept of £95.79 be agreed for the County Council in 2018/19, and that the amount of tax calculated for all bands be as follows:

Band	Band 'D' Multiplier	2017/18 Council Tax	2018/19 Council Tax (2.99%+3.00%)		
		Total	General Expenditure	Adult Social Care Precept	Total
A	6/9	£830.55	£816.46	£63.85	£880.31
B	7/9	£968.98	£952.51	£74.51	£1,027.02
C	8/9	£1,107.40	£1,088.60	£85.14	£1,173.74
D	1	£1,245.83	£1,224.67	£95.79	£1,320.46
E	11/9	£1,522.68	£1,496.83	£117.07	£1,613.90
F	13/9	£1,799.53	£1,768.96	£138.37	£1,907.33
G	15/9	£2,076.38	£2,041.13	£159.64	£2,200.77
H	18/9	£2,491.66	£2,449.34	£191.58	£2,640.92

- (iv) the precept amount of £582,977,081.91 be required from the district and borough councils as follows:

District	Precept Amount £
Borough of Broxbourne	45,740,074.17
Dacorum Borough Council	74,927,654.06
East Hertfordshire District Council	78,703,113.29
Hertsmere Borough Council	53,736,978.00
North Hertfordshire District Council	64,859,014.51
St Albans District Council	81,388,004.61
Stevenage Borough Council	35,729,666.91
Three Rivers District Council	50,499,276.10
Watford Borough Council	42,774,849.19
Welwyn Hatfield Council	54,618,451.07
TOTAL	582,977,081.91

- (v) a capital programme totalling £819.883m for the period 2018/19 to 2021/22 be agreed and financed as set out in the Integrated Plan Part A tables 4a and 4b (p16):
- (vi) the Director of Resources, in consultation with the Leader of the Council (as Executive Member for Resources, Property and the Economy portfolio) 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 schools budget be agreed at the level of the Dedicated Schools Grant (DSG) plus use of carry forward DSG (this is currently estimated at £944m 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;
- (viii) the Director of Resources, in consultation with the Leader of the Council (as Executive Member for Resources, Property & the Economy portfolio) and the relevant service Executive Member and Chief Officer, be authorised to determine the allocation of Adult Social Care Support Grant to budgets within Adult Care Services; and the use of any other non-ringfenced grants not yet allocated to services;
- (ix) the Director of Resources in consultation with the Leader of the Council (as Executive Member for Resources, Property & the Economy portfolio), the Executive Member for Environment, Planning and Transport, the Executive Member for Highways and the Director of Environment, be authorised to determine the allocation of budget from the £2m Infrastructure, Investment & Sustainable Transport Fund;
- (x) that, consistent with the approval in the 2017/18 IP of the transfer of one off savings from the revised Minimum Revenue Provision policy into the Investment Reserve set aside to support the capital financing, borrowing and investment plans, the £6.4m that will be realised from this policy in 2018/19 be transferred to the Investment Reserve, as outlined in paragraph 4.18;
- (xi) 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;
- (xii) that, in the light of the requirement for delivery of further savings in future years, Chief Officers be commissioned 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 C:

- (xiii) the Minimum Revenue Provision policy and capital expenditure prudential indicators be approved (IP Part C, Section 2); and
- (xiv) 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 C, Sections 4-8).

4 Integrated Plan 2018/19 – 2021/22

Revenue Budget

- 4.1 The Final Local Government Finance Settlement for 2018/19 was announced on 6th February. This confirmed the overall funding indicated in the Provisional Settlement, with a small (£0.133m p.a.) decrease in Business Rates top up grant, following the revision of some tax base figures for the impact of April 2017 revaluations.
- 4.2 The Final Settlement also included some additional funding through a one year extension of the Adult Social Care Support Grant that was provided as one off funding in 2017/18. Hertfordshire's allocation for 2018/19 is £2.584m. The Ministry of Housing, Communities and Local Government (MHCLG) have stated that this is to be used to build on progress in supporting sustainable social care markets. The draft IP identified a risk for Sleep In duty payments, following a legal judgement that these should be set at an average rate that meets the conditions of the National Living Wage (Part 2 p12). Since January, a significant element of this risk has crystallised and is now expected to add a £1.5m p.a. cost pressure. It is proposed that this be a first call on the additional funding. Given the late announcement of this grant, it is proposed that the £2.584m grant is initially held centrally and will be allocated to Adult Care Services under delegated powers.
- 4.3 Since the report to January Cabinet, Districts have provided forecasts for Council Tax Base and Collection Fund balances for 2018/19 onwards. There has been growth in the Council Tax base (including some improvement in collection rates), and increased one-off surpluses on collection. Latest figures show an additional £1.011m of ongoing income from Council Tax and the Social Care Precept, above previous assumptions: forecast growth had been increased from 0.8% to 1%, based on information available in November. The Council Tax Collection Fund forecast shows an additional one-off amount of £4.698m income in 2018/19, compared with the previous estimates.
- 4.4 In January, business rates income had been assumed at MHCLG's assessed baseline level, and in line with 2017/18 estimates. Actual income for 2018/19 will reflect any local growth or reduction against baseline. Figures provided by Districts at the end of January show estimated income for 2018/19 of £48.665m, £0.828m higher than baseline. Districts are also forecasting an improved position on the Business Rates Collection Fund: a deficit of £1.5m had been assumed in the draft IP, but the latest figures show an overall surplus of £0.918m, providing a one off increase of £2.418m. There has also been some movement in S31 grants that compensate for business rates changes introduced in previous Autumn Statements, along with the change from RPI to CPI: these grants have increased by £2.138m from previous assumptions for 2018/19.
- 4.5 A number of ringfenced and non-ringfenced grants have been confirmed. Where grants are given for specific service areas, but have non ringfenced conditions, they are held centrally and released under delegated powers, once detailed plans for this spend are agreed. £0.160m new funding for Supported

Internships has been announced and will be taken to central reserve until spending plans are confirmed.

- 4.6 The net impact of funding changes since the draft IP approved by Cabinet in January is an increase in ongoing revenue funding of £1.835m per annum, plus one-off income totalling £9.254m from collection fund balances and S31 grants relating to Business Rates; and £2.584m from the extended Adult Social Care Support Grant. These are shown in Table 1 below:

Table 1: Changes to Revenue Funding from January IP

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
Tax Base Growth – additional council tax and related social care precept	1.011	1.011	1.011	1.011
NNDR income growth above baseline	0.824	0.824	0.824	0.824
Additional Core Revenue Funding	1.835	1.835	1.835	1.835
Plus One Offs and additional service specific grants:				
Council Tax Collection Fund balance from previous years	4.698			
Business Rates Collection Fund balance – move to surplus	2.418			
Business Rates – S31 grant	2.138			
Adult Social Care Support Grant	2.584			
Additional One Off income	11.838			
Total Additional Funding	13.673	1.835	1.835	1.835

- 4.7 It is proposed that this additional funding be allocated as set out in Table 2 below:

Table 2: Use of Additional Funding and Provisional Budgets, 2018/19

	£m
Adult Social Care Additional ASC Support Grant will be used to help support local care markets, including funding the additional costs of paying Sleep In duties	2.584
Invest to Transform Fund (ITT) A major bid for Adult Social Care transformation is being considered (£4.9m over four years, elsewhere on this agenda). If approved, and no new money is added to ITT, the balance on ITT will fall to £10.66m by end of 2021/22. This is before any other new bids. Given the extent of budget gaps still outstanding, the wide range of uncertainties and risks that affect our funding after 2019/20 and the extent of change still expected in the future (eg responses to Adult Social Care green paper; new local government funding model; ongoing technological and digital change; continued demographic increases etc) retaining sufficient funding to support ongoing	4.789

	£m
transformation is essential.	
Transition Fund Creation of a new transition fund, ahead of the implementation of a new local government financing model, to be released between 2019/20 and 2021/22, to contribute to the closure of remaining savings gap in those years whilst continuing to minimise the requirement for front line service policy changes	6.300
Total	13.673

In addition to these proposals for the allocation of new ongoing and one-off funding, the draft IP included £3.491m of one off Infrastructure and Investment funding which was proposed for use in a number of ways including the development of major infrastructure and sustainable transport projects, service transformation, and to meet other requirements including the need to replenish the Insurance Fund. The exact use of this budget was to be confirmed, once further information on any additional funding was known. The final IP proposes allocating £1m of this budget to replenish the Insurance Fund and £2m to an Infrastructure and Investment Fund, to support the newly created Growth & Infrastructure team's work on developing proposals related to infrastructure and sustainable transport investments. The balance of £0.491m, less £0.048m minor movements in other budgets, is proposed for allocation to the Invest to Transform Fund, to help meet future projects. This, with the allocation above, would give a total contribution of £5.232m in 2018/19.

- 4.8 The draft IP also included a £2m increase in general contingency for 2018/19, which was also flagged as requiring confirmation once final funding levels were known. This has been included unchanged in the proposed IP, bringing the 2018/19 contingency budget to £6.022m. This is comparable to 2017/18 (£6.3m) and is an increase from the £4m provided in previous years and at present assumed for 2019/20 onwards.
- 4.9 For 2019/20 onwards, the additional ongoing funding of £1.835m is proposed to reduce the outstanding budget savings gap for those years. Even with these changes, this remains challenging: the savings gap is £6.253m in 2019/20 rising to £27.860m by 2021/22.
- 4.10 It is proposed that any further movements in general funding be taken to / from contingency, under delegated powers; and any movements in service specific grants are taken to reserves and applied under delegated powers.
- 4.11 If required, decisions to meet any shortfall in income, or to use any additional funds, will be brought to members during 2018/19, for approval by Cabinet in accordance with financial regulations.
- 4.12 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.

- 4.13 The IP Pack will be amended for the above changes and for the following items that had not been reported in the correct Portfolio at January:
- Budget pressure, Driver Training income £0.2m – move from Environment, Planning and Transport to Highways portfolio
 - Savings in Libraries - £0.5m pa from 2019/20, and Hertfordshire Archives and Local Studies (HALS) - £0.05m from 2021/22: move from Resources, Property and the Economy to Education, Libraries and Localism portfolio.
- 4.14 The Director of Resources reviewed the robustness of the budget and adequacy of reserves in the draft IP (Part A p14-15); following the Final Settlement and other latest information, he is content that the statutory requirements are met. £1.2m of specific reserves have been identified as no longer required for their original purpose, and will be released to support the 2018/19 budget.

Capital Programme

- 4.15 The Capital Programme is unchanged from that presented to January Cabinet. Recommendations in this report include delegated powers to allow the programme to be varied in year for any schemes met by external funding.
- 4.16 The funding of the Capital Programme includes the use of £10m capital receipts p.a., to reduce the need to borrow and hence to reduce the revenue costs of capital. These receipts will be used to fund short life assets, where capital financing costs charged to revenue are especially high in the medium term (as the repayment of principal borrowed has to be charged over the life of the asset).
- 4.17 The Spend to Achieve Capital Receipts fund is used to meet expenditure that helps generate or optimise future capital receipts. In previous years the fund has been replenished from capital receipts received, and it is proposed that up to £4.5m of capital receipts received in 2018/19 be transferred to this fund, to meet expected spend in year. The amount will be determined once bids are approved and timing of spend confirmed. Bids for spend above £150,000 are approved by Cabinet, and below this level by the Director of Resources in consultation with the Leader of the Council (as Executive Member for Resources, Property and the Economy portfolio).
- 4.18 While a number of sites are being taken forward for disposal, timing of receipts depends on a number of external factors, and there is some risk that insufficient receipts will be received in 2018/19 to fund the planned £10m capital programme funding and to provide the necessary replenishment to the Spend to Achieve fund. The 2017/18 IP approved the creation of an Investment Reserve using one off savings from the change in capital financing MRP policy. £6.3m savings were approved to be transferred in 2017/18 and a further £6.4m savings will be available in 2018/19. Rather than increase borrowing, it is proposed that any shortfall in Capital Programme or Spend to Achieve funding be met from this Reserve, the final decision to be taken at end 2018/19, when other capital financing information is available. The Reserve may also be used to substitute for planned borrowing, providing important

flexibility to help manage potential interest rate risks related to the borrowing necessary to support the planned capital programme.

5 Treasury Management (Part D)

- 5.1 The draft Treasury Management Strategy (Part C) was been prepared as required by statutory guidance, and with regard to changes introduced in the new Prudential Code for Capital Finance in Local Authorities and the Treasury Management Code of Practice, both published by CIPFA in late December 2017. At the time of writing, guidance notes on the new Codes, including details of new Treasury Management indicators, are continuing to be published: MHCLG guidance on Local Authority Investments was published on 6th February. The Treasury Management Strategy will be reviewed in the light of all guidance, once available, and should any changes be required these will be brought to Council for approval during 2018/19. The proposed Treasury Management Strategy is therefore unchanged from January, apart from updating references to the timing of guidance. This approach is as recommended by the Council's treasury advisers.

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 F) 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 C).

- 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 2018/19 to 2021/22, Cabinet 22 January 2018, Agenda Item 4(ii)
- Provisional Local Authority Finance Settlement for 2018/19:
<https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2018-to-2019>
- Final Local Authority Finance Settlement for 2018/19:
<https://www.gov.uk/government/collections/final-local-government-finance-settlement-england-2018-to-2019>
- Integrated Planning Process 2018/19 - 2021/22:
 - Comments from Service Cabinet Panels at their meetings held between 30 January and 14 February 2018
 - Scrutiny of the Integrated Plan Proposals 2018/19 - 2021/22, Overview and Scrutiny Committee, 24 January and 1 February 2018

Table 1: Summary Budget Movement Statement (2018/19 – 2021/22*{Replaces TABLE 1: Summary Budget Movement Statement - IP Part A page 6}*

2017/18 £m		2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
822.182	Original Budget	816.974	816.974	816.974	816.974
(2.542)	Technical Adjustments	(2.992)	(7.646)	(9.161)	(9.161)
4.834	Inflation	8.141	24.809	41.343	58.206
824.474	Base Budget	822.123	834.137	849.156	866.019
	Pressures for change:				
(0.250)	Previous Policy Decisions	0.050	-	-	-
19.454	Demography	10.642	21.211	31.929	42.737
5.758	Legislative	6.029	10.491	15.834	16.074
3.577	Capital Financing	1.095	2.868	4.708	6.470
4.961	Other	28.636	20.487	21.495	24.247
33.500	Total Pressures for Change	46.452	55.057	73.966	89.528
857.974	Subtotal	868.575	889.194	923.122	955.547
	Savings:				
(2.461)	Existing efficiencies - ongoing impact	(5.013)	(5.807)	(5.786)	(5.807)
(5.039)	Existing Policy Choice - ongoing impact	(0.563)	(1.157)	(1.862)	(1.912)
(22.663)	New efficiencies	(21.200)	(31.305)	(42.763)	(54.812)
(10.837)	New Policy Choice	(3.306)	(7.237)	(7.728)	(8.953)
-	Further savings required *	(0.000)	(6.253)	(22.106)	(27.860)
(41.000)	Total Savings	(30.082)	(51.759)	(80.245)	(99.344)
-	Transfer to reserve - set up Transition Reserve	6.300	-	-	-
816.974	REVENUE BUDGET (before funding specific to service area)	844.793	837.435	842.877	856.203
	<i>* Savings gap before use of Transition Reserve</i>				
	Savings Gap if Transition Reserve applied equally 2019/20 - 2021/22		(4.153)	(20.006)	(25.760)

Table 2: Funding Statement (2018/19 – 2019/22)

Replaces TABLE 2: Summary Budget Movement Statement - IP Part A page 7

2017/18 £m		2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
46.394	Business Rates Income	48.665	49.607	50.567	51.545
69.531	Business Rates Top-Up Grant	71.350	73.068	74.828	76.630
44.535	Revenue Support Grant	22.599	1.890	(5.829)	(13.610)
160.459		142.614	124.565	119.565	114.565
	<u>Non-ringfenced Grants:</u>				
3.139	Compensation for impact of changes to Business Rates (S31 grant)	4.937	4.406	4.406	4.406
3.261	Education Services Grant (ESG)	-	-	-	-
5.648	New Homes Bonus	3.474	2.999	2.524	2.049
0.835	SEN Reform	0.605	-	-	-
2.070	Independent Living Fund	2.005	1.944	1.944	1.944
7.849	Transition Grant	-	-	-	-
4.153	Adult Social Care Support Grant	2.584	-	-	-
0.842	School Improvement Grant	-	-	-	-
1.085	Other non-ringfenced grants	1.175	1.020	1.020	1.020
28.883		14.780	10.369	9.894	9.419
	<u>Ringfenced Grants:</u>				
33.659	Public Health Grant	32.798	31.926	31.926	31.926
15.154	Public Health - Health visitors	14.760	14.376	14.376	14.376
2.605	Adult Skills and Community Learning grant	2.744	2.744	2.744	2.744
1.111	Local Authority Bus Subsidy Grant (formally Bus Service Operators Grant)	1.111	1.111	1.111	1.111
1.122	Unaccompanied Asylum Seeking Children Grant (UASC)	1.122	1.122	1.122	1.122
2.467	Troubled Families Grant	1.515	1.515	-	-
1.258	Music Education Grant	1.258	1.258	1.258	1.258
0.815	Youth Justice Good Practice Grant	0.815	0.815	0.815	0.815
58.191		56.123	54.867	53.352	53.352
	<u>Better Care Fund:</u>				
18.949	iBCF - old	24.722	32.904	32.904	32.904
-	iBCF - new	11.656	5.819	-	-
18.949		36.378	38.723	32.904	32.904

2017/18		2018/19	2019/20	2020/21	2021/22
£m		£m	£m	£m	£m
	<u>Council Tax and Collection Fund Balances:</u>				
518.146	Council Tax	540.686	563.697	581.521	599.891
25.493	Council Tax relating to Adult Social Care Precept (3% 2018/19; 0% 2019/20)	42.291	42.714	43.141	43.572
9.077	Collection Fund Balance - Council Tax	11.002	4.000	4.000	4.000
(2.225)	Collection Fund Balance - Business Rates	0.918	(1.500)	(1.500)	(1.500)
<u>550.492</u>		<u>594.897</u>	<u>608.911</u>	<u>627.162</u>	<u>645.963</u>
816.974	TOTAL	844.793	837.435	842.877	856.203

Note: Totals may differ to sum of individual items due to roundings

Table 3: Service Revenue Budget Statement

Replaces TABLE 3: Summary Budget Movement Statement - IP Part G page 312

2017/18 Net Budget £'000		Children's Services £'000	Community Protection £'000	Environment £'000	Adult Care Services £000	Public Health £000	Resources £'000	Central Items £'000	Net Budget 2018/19 £'000	Forecast Net Budget 2019/20 £'000	Forecast Net Budget 2020/21 £'000	Forecast Net Budget 2021/22 £'000
822,182	Original Budget	171,895	35,195	107,636	344,396	48,867	72,565	36,420	816,974	816,974	816,974	816,974
-	Restructuring / Internal Transfers	1,163	(11)	-	(1,152)	-	(500)	500	-	-	-	-
(2,542)	Technical Adjustments	(618)	-	-	1,120	(1,255)	-	(2,239)	(2,992)	(7,646)	(9,161)	(9,161)
819,640	Adjusted Budget	172,440	35,184	107,636	344,364	47,612	72,065	34,681	813,982	809,328	807,813	807,813
4,834	Inflation	1,523	40	1,417	(1,127)	-	419	5,869	8,141	24,809	41,343	58,206
824,474	Base Budget	173,963	35,224	109,053	343,237	47,612	72,484	40,550	822,123	834,137	849,156	866,019
	Pressures for Change:											
(250)	<i>Previous Policy Decisions (2017/18 & Prior Years)</i>	-	-	50	-	-	-	-	50	-	-	-
19,454	<i>Demography</i>	1,233	-	64	9,345	-	-	-	10,642	21,211	31,929	42,737
5,758	<i>Legislative Changes</i>	-	-	310	5,730	-	(11)	-	6,029	10,491	15,834	16,074
3,577	<i>Capital Financing</i>							1,095	1,095	1,859	3,563	3,563
4,961	<i>Other Pressures</i>	3,525	-	2,168	13,511	-	1,203	8,229	28,636	21,496	22,640	27,154
33,500	Total Pressures For Change	4,758	-	2,592	28,586	-	1,192	9,324	46,452	55,057	73,966	89,528
857,974	Standstill Budget	178,721	35,224	111,645	371,823	47,612	73,676	49,874	868,575	889,194	923,122	955,547
(41,000)	Savings	(4,027)	(241)	(2,803)	(16,048)	-	(2,734)	(4,229)	(30,082)	(45,506)	(58,139)	(71,484)
	Further savings required								-	(6,253)	(22,106)	(27,860)
	Transfer to reserve - Transition Reserve							6,300	6,300	-	-	-
816,974	REVENUE BUDGET (before funding specifically allocated to service area)	174,694	34,983	108,842	355,775	47,612	70,942	51,945	844,793	837,435	842,877	856,203
(28,327)	Funding specifically allocated to service area	(4,710)	-	(1,111)	(34,395)	-	-	-	(40,216)	(33,268)	(25,934)	(25,934)
788,647	NET REVENUE BUDGET	169,984	34,983	107,731	321,380	47,612	70,942	51,945	804,577	804,167	816,943	830,269
	Add Income from:											
116,233	Sales, Fees & Charges	14,462	1,842	9,964	53,778	37	37,968	-	118,051			
18,307	Partner Contributions	390	586	2,059	15,185	-	2,925	-	21,145			
20,931	Other Ringfenced Grants	8,502	-	110	2,122	-	1,895	-	12,629			
155,471	TOTAL INCOME (excluding dedicated schools grant)	23,354	2,428	12,133	71,085	37	42,788	-	151,825			
28,327	Specific Grants (ringfenced)	4,710	-	1,111	34,395	-	-	-	40,216			
972,445	GROSS BUDGET (excluding schools)	198,048	37,411	120,975	426,860	47,649	113,730	51,945	996,618			
906,041	Dedicated Schools Grant	938,322							938,322			
1,878,486	GROSS BUDGET (including schools)	1,136,370	37,411	120,975	426,860	47,649	113,730	51,945	1,934,940			