Appendix 4

Medium Term Financial Strategy - 2019 to 2023					
Years	**2019-20 £'000**	**2020-21 £'000**	**2021-22 £'000**	**2022-23 £'000**	
Budget (Opening Balance)	12,518	12,518	12,738	13,168	
Cost Pressures / savings:					
Salaries costs		480	480	480	Assumes current 2-year pay award offer up to 2019-20 year continuing; plus cost of annual increments
Pensions costs - past cost fixed sum					
Pensions costs - 2019 revaluation (3 years from 1st April 2020)		150			2016 revaluation resulted in a cost increase; assumptions factored in as part of this revaluation have taken into account future forecasts. However, prudently built in £150k in case actual results differ from assumptions for 2019 triennial review.
Borrowing costs		140	(40)	100	Borrowing costs of £590k already in base - borrowing model forecast to 2022/23 (increase to £790k). Note: Without any further capital receipts this increases to £910k in 2024/25.
Safe Sleep Grant - removal of income 2020-21		45			Loss of grant as was only one-year funding for 2019-20.
Reserves:					
Vacancy savings target		40			Budget 2018-19 has a target of £200k (currently reporting £225k being achieved). For 2019-20 have increased this to £240k; the £40k adjustment in 2020-21 reduces the budget back down to £200k.
Executive contingency					Base Budget 2019-20 has a contribution of £62k - reserve balance @ 31 March 2019 estimated to be £71k.
Vehicle replacements					Base Budget 2019-20 has a contribution of £250k which is planned for fleet replacement. Assumption this continues for period.
Improvement programme					Base Budget 2019-20 has a contribution of £0k - reserve has sufficient balance @ 31 March 2019 estimated to be £250k.
New homes bonus reserve		(100)			One-off contribution to reserve in 2019-20 year reversed to mitigate potential changes to NHB scheme funding in 2020-21.
Savings Plans:					
Review of CCTV service		(35)			Review of CCTV service being carried out with a number of potential options. (£35k) of the lowest potential saving factored into 2019-20 budget (50%); with remainder built into 2020-21 year.
Works and Recycling (savings sharing scheme)		(75)			Original predicted figures from DCC of (£310k) through to 2025-26 resulting from the service changes implemented June 2017. Will not benefit from all the changes until the new organic contracts in place (October 2019). Part of the savings (£235k) included within the 2019-20 budget and in line with latest projections from DCC for element we will receive. Remainder of predicted savings (£75k) factored in from 2020-21.
Review of Fees and Charges		(275)			Review of fees and charges (car parks, garden waste, commercial waste)
Capital PAG bids revenue implications		(30)			Net savings generated from 2019 Capital business cases
Strategic grants		(10)	(10)	(10)	Reduced in line with 2019-20 year
Parish grants		(80)			2019-20 grants original plan was to reduce by 50%; Executive have now proposed to keep grants at current level. Proposal to fully remove 2020-21.
Council tax support grant to parishes		(30)			In line with previous year's reductions (2020/21 reduces grant paid out to zero)
Net Revenue Budget Requirement	**12,518**	**12,738**	**13,168**	**13,738**	

Medium Term Financial Strategy - 2019 to 2023

Funding	2019-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	
Government Settlement (SFA)					
Revenue Support Grant	16	0	0	0	Approved 4-year settlement (to 2019-20) from DCLG - year 4
Baseline Funding Level	2,943	3,011	3,080	3,151	Fair Funding Review and (SR19) for 2020-21 onwards will change the level of funding received. Baseline Funding will be reset following a review of relative needs and resources; with current growth to date reset and incorporated within overall Baseline Funding. (Current £1.5m is made up of; £1.0m growth; £0.4m renewable energy schemes; £0.1m pooling gain). Estimated that 50% of the £1.0m growth is reduced and remaining 50% factored into Baseline Funding.
Business Rates Retention - Growth / (decline)	1,502	1,007	1,007	1,007	
Other Funding:					
Rural Services Delivery Grant	310	310	310	310	Assuming RSDG continues into 2022/23
New Homes Bonus	1,446	1,446	1,446	1,446	Potential changes to scheme in 2020-21; details still to be released by MHCLG. If current 4-year scheme continues then based on current level of grant award would receive an estimated £1.522m (2020-21); £1.631m (2021-22) and £1.659m (2022-23). Prudently set lower funding of £0.076m-£0.213m over next 3 years.
Local:					
Council tax	6,224	6,410	6,602	6,799	2.99% increase for 2019/20; assuming 2.99% annual increase 2020-21 to 2022-23
Council tax - base	0	94	194	300	
Collection fund surplus / (deficit)	77	60	60	60	Prior year CF surpluses (2017-18 £46k; 2018-19 £69k; 2019-20 £77k)
Total Funding	**12,518**	**12,337**	**12,698**	**13,072**	
Budget Gap / (Surplus)	**0**	**401**	**470**	**666**	