

Medium Term Financial Strategy - Summary Position 2018/19 - 2020/21

Appendix B

|  | 2018/19<br>£000 | 2018/19<br>£000 | 2019/20<br>£000 | 2020/21<br>£000 |
|--|-----------------|-----------------|-----------------|-----------------|
|  | Feb' 17         | Revised         | Revised         | Revised         |
| <b>Prior Year (Surplus) / Deficit</b>              | -               | -               | <b>15,790</b>   | <b>19,723</b>   |
| <b>Budget Increases</b>                            |                 |                 |                 |                 |
| <b>Roll Forward of 2017-18 budget gap</b>          | 8,129           | 8,129           |                 |                 |
| Investment in the capital programme                | 900             | 900             | 900             | 900             |
| Staff pay award and capacity building              | 1,000           |                 | 1,000           | 1,000           |
| ELWA levy increase                                 | 440             | 440             | 350             | 350             |
| Increased contribution to Pension Fund deficit     | 650             | 650             | 325             | 325             |
| Apprenticeship levy                                | -               | -               | -               | -               |
| Non staff inflation                                | 2,100           |                 | 2,100           | 2,100           |
| Delaying of interest costs                         | 2,000           | 2,000           | -               | -               |
| Children's demand led increase                     | 1,300           | 1,300           | 1,200           | 1,100           |
| Increased demand for Adult social care             | 500             |                 | 700             | 800             |
| Homelessness demand pressures                      | -               | -               | -               | -               |
| Implications of the Care Act 2014                  | 45              | 45              | 377             | -               |
| Increase in employers' NI contributions            | -               | -               | -               | -               |
| Adults precept 3% Ctax increase                    | 1,629           | 1,629           |                 |                 |
| Participatory City                                 |                 |                 |                 |                 |
| Crowd Funding Programme                            | (120)           | (120)           |                 |                 |
| Events team and programme                          |                 |                 |                 |                 |
| Clean and Green Establishment Pressure             | -               | -               | -               | -               |
| Potential impact of new legislation                | 2,000           |                 | 2,000           | 2,000           |
| Potential impact of demographic pressures          | 1,226           | 96              | 1,133           | 1,760           |
| Land development acquisition                       | 500             | 500             |                 |                 |
| London Living Wage April 2017                      | -               | -               | -               | -               |
| Children's Care and Support Pressure               |                 | 1,000           |                 |                 |
| Community Solutions Demand Pressures               |                 | 880             |                 |                 |
| Waste and Cleaning Budget Support (Public Realm)   |                 | 1,009           |                 |                 |
| CCTV income shortfall                              |                 | 1,000           |                 |                 |
| Commissioning Structure                            |                 | 400             |                 |                 |
| Court Costs Income Shortfall                       |                 | 300             |                 |                 |
| Healthy Lifestyle and Leisure                      |                 | 550             |                 |                 |
| Customer Access Strategy                           |                 | 380             |                 |                 |
| Adult's Care and Support inc Disabilities Pressure |                 | 47              |                 |                 |
| <b>Total Additional Costs</b>                      | <b>22,299</b>   | <b>21,135</b>   | <b>10,085</b>   | <b>10,335</b>   |

|  |                 |                |                 |                 |
|--|-----------------|----------------|-----------------|-----------------|
| <b>Changes in Income &amp; Funding</b>               |                 |                |                 |                 |
| Government Grants                                    | 4,456           | 4,456          | 7,380           | 7,002           |
| Reduction in HB admin grant                          | -               | -              | -               | -               |
| Education Services Grant                             |                 | -              |                 |                 |
| Better Care Fund Grant                               |                 |                |                 |                 |
| <b>ESG Transitional Protection</b>                   |                 |                |                 |                 |
| <b>New Homes Bonus Grant</b>                         | 1,722           | 1,722          | 703             | 2,173           |
| <b>ASC Grant 2017-18</b>                             |                 | -              |                 |                 |
| 1.99% increase in Council Tax                        | (1,081)         | (1,081)        | (1,119)         | (1,158)         |
| 3% increase in Council Tax Adult social care precept | (1,629)         | (1,629)        |                 |                 |
| Increase in Council Tax Base                         | (589)           | (589)          | (608)           | (628)           |
| Income from Business Rates Pooling                   | -               | -              | -               | -               |
| Extra cost of Capital borrowing                      | 1,120           | 1,120          | 275             | 95              |
| <b>Total Changes in Income</b>                       | <b>3,999</b>    | <b>3,999</b>   | <b>6,631</b>    | <b>7,484</b>    |
| <b>In year Budget Gap</b>                            | <b>26,298</b>   | <b>25,134</b>  | <b>16,716</b>   | <b>17,819</b>   |
| <b>A2020 Savings</b>                                 |                 |                |                 |                 |
| Savings approved by Cabinet                          | (11,344)        | (11,344)       | (12,784)        | (14,538)        |
| Non-Delivery of Savings                              |                 | 2,000          |                 |                 |
| <b>Total Savings</b>                                 | <b>(11,344)</b> | <b>(9,344)</b> | <b>(12,784)</b> | <b>(14,538)</b> |
| <b>In Year Budget Gap Including Savings</b>          | <b>14,954</b>   | <b>15,790</b>  | <b>3,932</b>    | <b>3,281</b>    |
| <b>Other Adjustments</b>                             |                 |                |                 |                 |
| <b>Revised Budget Gap after other adjustments</b>    | <b>14,954</b>   | <b>15,790</b>  | <b>3,932</b>    | <b>3,281</b>    |
| <b>Cumulative Budget Gap including Savings</b>       | <b>14,954</b>   | <b>15,790</b>  | <b>19,723</b>   | <b>23,003</b>   |