

**Medium Term Financial Strategy - Summary Position 2016/17 - 2020/21**

**Appendix B**

|  | 2016/17<br>£000 | 2017/18<br>£000 | 2018/19<br>£000 | 2019/20<br>£000 | 2020/21<br>£000 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Prior Year (Surplus) / Deficit</b>                | <b>(565)</b>    | <b>0</b>        | <b>19,801</b>   | <b>35,645</b>   | <b>49,622</b>   |
| <b>Budget Increases</b>                              |                 |                 |                 |                 |                 |
| Investment in the capital programme                  | 1,000           | 1,400           | 900             | 900             | 900             |
| Staff pay award and capacity building                | 2,000           | 1,000           | 1,000           | 1,000           | 1,000           |
| ELWA levy increase                                   | 626             | 320             | 440             | 350             | 350             |
| Increased contribution to Pension Fund deficit       | 650             | 325             | 325             | 325             | 325             |
| Apprenticeship levy                                  | -               | 675             | -               | -               | -               |
| Non staff inflation                                  | -               | 2,100           | 2,100           | 2,100           | 2,100           |
| Delaying of interest costs                           | -               | 3,000           | -               | -               | -               |
| Children's demand led increase                       | 1,000           | 1,200           | 1,300           | 1,200           | 1,100           |
| Increased demand for Adult social care               | -               | 400             | 500             | 700             | 800             |
| Implications of the Care Act 2014                    | 1,044           | 219             | 45              | 377             | -               |
| Increase in employers' NI contributions              | 2,000           | -               | -               | -               | -               |
| Adults precept 2% Ctax increase                      | 890             | 919             | 949             | 980             | 1,012           |
| Delayed implementation of Leisure Trust              | 1,000           | (1,000)         | -               | -               | -               |
| Oracle and ICT hosting, LLW                          | 690             | -               | -               | -               | -               |
| National minimum wage - corporate contracts          | 120             | -               | -               | -               | -               |
| Potential impact of funding and levy changes         | 1,269           | -               | -               | -               | -               |
| Potential impact of new legislation                  | -               | 2,000           | 2,000           | 2,000           | 2,000           |
| Potential impact of demographic pressures            | -               | 981             | 1,225           | 1,133           | 1,760           |
| <b>Total Additional Costs</b>                        | <b>12,289</b>   | <b>13,539</b>   | <b>10,784</b>   | <b>11,065</b>   | <b>11,347</b>   |
| <b>Changes in Income &amp; Funding</b>               |                 |                 |                 |                 |                 |
| Government Grants                                    | 8,452           | 7,230           | 4,410           | 4,380           | 4,002           |
| Reduction in HB admin grant                          | 96              | -               | -               | -               | -               |
| Education Services Grant                             | (140)           | 1,440           | 1,000           | 1,000           | 270             |
| New Homes Bonus Grant                                | (3,184)         | -               | 2,137           | 100             | 428             |
| Reversal of Council tax and NNDR surplus             | 1,718           | -               | -               | -               | -               |
| Increase in rates retention income                   | (1,485)         | -               | -               | -               | -               |
| Council Tax and NNDR surplus                         | -               | -               | -               | -               | -               |
| 1.99% increase in Council Tax                        | (890)           | (919)           | (949)           | (980)           | (1,012)         |
| 2% increase in Council Tax Adult social care precept | (890)           | (919)           | (949)           | (980)           | (1,012)         |
| Increase in Council Tax Base                         | (3,346)         | (570)           | (589)           | (608)           | (628)           |
| Income from Business Rates Pooling                   | 300             | -               | -               | -               | -               |
| Transfer of industrial sites for residential use     | 500             | -               | -               | -               | -               |
| <b>Total Changes in Income</b>                       | <b>1,131</b>    | <b>6,262</b>    | <b>5,060</b>    | <b>2,912</b>    | <b>2,048</b>    |
| <b>Cumulative Budget Gap</b>                         | <b>12,855</b>   | <b>19,801</b>   | <b>35,645</b>   | <b>49,622</b>   | <b>63,017</b>   |
| <b>Savings</b>                                       |                 |                 |                 |                 |                 |
| Savings approved by Cabinet Dec 2014                 | (12,855)        | -               | -               | -               | -               |
| <b>Total Savings</b>                                 | <b>(12,855)</b> | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>-</b>        |
| <b>Cumulative Budget Gap Including Savings</b>       | <b>0</b>        | <b>19,801</b>   | <b>35,645</b>   | <b>49,622</b>   | <b>63,017</b>   |