

# MEDIUM TERM FINANCIAL PLAN – 2015/16 to 2017/18

COUNCIL : 23rd February 2015

# BUDGET PROCESS

- Considered by Audit Cttee 5<sup>th</sup> February
- Recommended from Cabinet (18th February) to Council (23<sup>rd</sup> February).
- All precepts and Council Tax for District (Inc DCC, Parish, Police, Fire and District Council ) to Council on 2nd March.

# BUDGET OVERVIEW

- Council needs to set a ‘balanced budget’ based upon reasonable assumptions.
- CFO needs to give assurance re robustness of the budget. Effective scrutiny of budget is part of that process.
- Does budget process fully inform Members of the Council’s financial position?

# BUDGET OVERVIEW

- Covering Report and 3 Appendices
- General Fund
- Housing Revenue Account (HRA)
- Capital Programme
- Generally seen as too long, too much detail – but it gives Elected Members the information to challenge the budget.
- Needs to stand up to External Scrutiny

# BUDGET OVERVIEW

- These are 'roll forward' budgets – nothing new, no surprises.
- Assumes continuation of existing service standards
- Major Issues (eg restructuring) will be considered in separate reports.

# General Fund

- 2015/16 position robust but resources for 2016/17 onwards less certain.
- Savings Target

2015/16	2016/17	2017/18
£0.500m	£1.349m	£0.850m
£0.500m	£1.849m	£2.699m

# General Fund Assumptions

- Have plans to secure 2015/16 target – unlikely to present major issues (need to address 2016/17 target as well).
- Derbyshire NNDR Pool only assumed for next year
- NNDR (£0.6m) and New Homes Bonus (£0.9m by 2016/17)

# General Fund Assumptions

- Council Tax – accept freeze grant
- Need to recognise that ‘freeze grant’ only assists for one or two years. Council Tax provides an underlying increase in the level of resources.



# Savings Targets

	2015/16 (£000's)	2016/17 (£000's)	2017/18 (£000's)
Projected Shortfall	500	1,849	2,699
Growth	(100)	(200)	(300)
Vacancies	(75)	(75)	(75)
Transformation, Secondments, Joint Working	(195)	(195)	(195)
Debt Repayment	(105)	(105)	(105)
Property Rationalisation	(25)	(25)	(25)
To be Identified	0	(1,249)	(1,999)

# GENERAL FUND ASSUMPTIONS

## 2014/15 Outturn

- General Fund Reserve – increase to £1.6m (by £60k)
- £100k into Invest to Save (Figure)
- Level of General Fund Risk £1.570m
- Continuation of policy of minimising costs.
- General Fund approaches Autumn 2015  
Statement in a good position, reflects hard work over past 5 years.

# HRA

- HRA assume a commitment to maintain current service levels and homes in 'good condition'
- £127m 'debt' from Government
- key decisions on rental levels.
- Government has now ended rent 'convergence policy'

# HRA

- Recommendation to follow new Government rent setting policy (CPI plus 1%)
- 2.2% increase to average rent of £85.62 a week (48 weeks) from £83.78
- HRA balances to one £2.4m (£300 a property, or 3.5 weeks rent)

# HRA

- HRA generally more stable in terms of resources than General Fund
- Risk is change in legislative framework (End of Rent Convergence, RTB changes, Welfare Reform)
- Supporting People Changes
- Level of Risk in risk register £1.6m.

# Capital Programme

- A capital Programme of some £10m a year
- Mill Lane Regeneration Programme Offices completed March, Phase 2 regeneration Summer 2015.
- Refuse Vehicles £2m next year
- Size of HRA Programme reduced by £20m from Decent Homes years.

# Capital Programme

- Key is to maintain Homes at Decent Homes standard
- Dependent upon revenue generated within the HRA
- External Wall Insulation £5m programme – now 20% of Non Traditional properties addressed.