

North East Derbyshire District Council

Cabinet

13 February 2019

Medium Term Financial Plan 2019/20 to 2022/23

Report of Councillor P R Kerry, Portfolio Holder with Responsibility for Finance

This report is public

Purpose of the Report

- To seek approval of the proposed budget for 2019/20 for the General Fund, Housing Revenue Account and Capital Programme as part of the Council's Medium Term Financial Plan covering the years 2019/20 to 2022/23.
- To provide Elected Members with an overview of the Council's financial position in order to inform the decision making process.

1 Report Details

Introduction

1.1 This report presents the following budgets for Members to consider:

- General Fund – **Appendix 1 and 2**
- Housing Revenue Account (HRA) – **Appendix 3**
- Capital Programme – **Appendix 4**

In particular financial projections are provided for:

- 2018/19 Estimated Outturn Position – current year budget, revised to take account of changes during the financial year that will end on 31 March 2019.
- 2019/20 Original Budget – proposed budget for the next financial year. For the General Fund, this is the budget on which the Council Tax will be based. The HRA budget also includes proposals on increases to rents and charges.
- 2020/21 to 2022/23 Financial Plan - In accordance with good practice the Council agrees its annual budgets within the context of a Medium Term Financial Plan

(MTFP). This includes financial projections in respect of the next three financial years for the General Fund, HRA and Capital Programme.

- 1.2 Once Cabinet has considered this report and the appendices, the recommendations agreed will be referred to the Council meeting of 18 February 2019 for members' consideration and approval.

General Fund

2018/19 Estimated Outturn

- 1.3 In February 2018, Members agreed a budget for 2018/19 to determine Council Tax. At this time there was a requirement to achieve efficiencies of £0.434m to balance the budget. It has therefore been necessary to actively manage budgets throughout the year and to remove savings from the budget once they have been agreed.
- 1.4 The Revised Budget was considered by Cabinet at its meeting on 28 November 2018. When taking account of in year cost reductions and/or income generation identified, the original efficiencies of £0.434m have been met in full as demonstrated in the table below:

	£000's
Vacancy Management	(194)
Waste Recycling Contract	62
Planning Fees	(120)
Income from commercial property	(44)
Renegotiation of insurance tender	(65)
Miscellaneous Expenditure Reductions/Income Generation	(73)
Total Increase in (Income) / Reduction in Expenditure	(434)

- 1.5 In addition, £1.516m in additional business rates income, the result of being a pilot authority in 2018/19, has also been included in the forecast.
- 1.6 The estimated in year surplus will be dependent on the actual financial performance out-turning in line with the revised budgets. Whilst these estimates reflect the position at the time of setting there can be some volatility from the budget to the outturn position. It was agreed that any surplus generated in the financial year be transferred to the Invest to Save Reserve to be available for financing future transformation plans and service developments.

2019/20 Original Budget and 2020/21 - 2022/23 Financial Plan

- 1.7 The proposed budget for 2019/20 currently shows a shortfall of £0.871m and the Council's first priority will be to balance next year's budget. However, given the scale of the challenge that faces the Council in future years it is important to ensure these savings are secured by underlying reductions in expenditure or increases in income. In

particular the Council needs to maintain the momentum on the growth and transformation agenda to put itself in a better position to secure the projected financial savings needed, which will be critical due to the level of savings needed over this medium term financial plan. Further shortfalls are also budgeted for future years being £1.769m in 2020/21, £2.399m in 2021/22 and £2.783m in 2022/23 (**Appendix 1**).

- 1.8 The financial projection in respect of 2019/20 – 2021/22 was approved by Members in February 2018. The table below shows the movement from the February 2018 position to the updated figures now presented (at Appendix 1). The table also shows the movement on the estimated outturn for 2018/19.

	2018/19 Estimated Outturn £000	2019/20 Forecast £000	2020/21 Forecast £000	2021/22 Forecast £000
Opening Budget (surplus)/Budget Shortfall	545	1,390	1,723	2,046
Council Tax Increase 18/19	(111)	(111)	(111)	(111)
NNDR (Growth)/Loss - BR Reset	(1,516)	(500)	144	117
Transformation, Income Generation/Cost Reduction /Business Redesign	(240)	(330)	(263)	(263)
Vacancy Management	(194)	(224)	(174)	(174)
Cost Pressures	0	646	190	265
Expected Loss of New Homes Bonus	0	0	765	1,024
General Fund (surplus)/Budget Shortfall	(1,516)	871	2,274	2,904
NNDR Growth reserve	1,516	0	(505)	(505)
Closing Budget (surplus)/Budget Shortfall	0	871	1,769	2,399

- 1.9 The main factors taken into account in developing the Council's financial plans are set out below.

Level of Government Funding

- 1.10 The current financial year (2018/19) is the third year of the four year settlement announced in December 2015. The Provisional Local Government Finance Settlement, announced in December 2018, provided an update and further clarity with respect to funding for 2019/20. The key issues affecting the Council are:

New Homes Bonus

- 1.11 The provisional allocations for New Homes Bonus have now been received for 2019/20 and have been included in the budget. The provisional allocation for 2019/20 is £0.926m
- 1.12 New Homes Bonus is not confirmed beyond 2019/20 and there is a real risk that the scheme will either be ended in 2020, or its value eroded over the next spending review period. So, estimates for 2020/21 exclude any new allocations for new homes bonus. This means that in 2020/21 the allocation drops to £0.402m, then £0.182m in 2021/22 and £0.111m in 2022/23. This loss of funding creates a significant budget pressure in the medium term financial plan.

Business Rates Retention

- 1.13 Members will be aware that the Council has been a member of the Derbyshire Business Rates Pool since its establishment in 2015/16. Being a member of the pool allows us to retain more of our Business Rates income locally.
- 1.14 As part of the changes to Business Rates Retention the Government sought bids from local authorities to be Business Rates pilots for 2019/20. The Derbyshire pool was successful in 2018/19 and a further bid was submitted for 2019/20. Unfortunately, as announced in the Settlement, the bid was unsuccessful but it has been confirmed that the previous pooling arrangements will be reinstated for 2019/20 for Derbyshire. The income from business rates included in the budget is therefore on this basis, updated for revisions from the settlement. Due to the timing of its completion, the forecast does not at this stage take account of the NNDR1 return. Any changes resulting will be accounted for during quarter 1 of 2019/20.

The National Funding Settlement 2020/21

- 1.15 As reported in the 2018/19 quarter 1 budget monitoring report, a number of fundamental changes to local authority funding are currently being considered by the Government for incorporation into the 2020/21 Financial Settlement. The Fair Funding Review and the Business Rates Reset are both likely to have a negative impact on district councils.

Fair Funding Review

- 1.16 A further consultation paper on part of the Fair Funding Review was issued in December 2018 and it is still too early to say with any clarity what the impact of the Fair Funding Review will be but initial modelling is showing that resources will be directed to councils based on "highest need" which will impact negatively on most shire districts.

- 1.17 The risk of losses from the Fair Funding Review is also much greater for those councils who can raise income from council tax. This puts a greater burden on local decision making with regards to council tax setting each year.
- 1.18 As the review is still at consultation stage a full estimate of the likely impact of the Fair Funding Review has not been included in the medium term financial plan at this time. Members will be updated on the impact as soon as this becomes available.

Business Rates Reset

- 1.19 A consultation paper was released in December 2018 on Business Rates Retention Reform. The review focuses on resetting the business rates baseline therefore building any growth into a new baseline, effectively wiping out any growth gained since 2013/14. The local share for business rates retention is also likely to increase from 50% to 75% as part of this review, however it is likely that county councils will benefit most from this.
- 1.20 Modelling of the likely impact of the business rates reset has been performed and included in the medium term financial plan from 2020/21. It must be stressed these are just initial estimates and therefore subject to change following consultation.
- 1.21 To help mitigate against the losses caused by the business rates reset a transfer of £0.505m per annum from the NNDR Growth Protection Reserve into the General Fund has been made from 2020/21.

Expenditure, income levels and efficiencies

- 1.22 In developing the financial projections covering the period 2019/20 -2022/23, a number of assumptions have been made:
- A pay award of 2% has been included in pay budgets.
 - Employer superannuation contributions are fixed throughout the plan.
 - Inflation specific budgets such as energy costs and fuel have been amended to reflect anticipated price changes.
 - With respect to planning fees, a base level for income has been included for all future years of £0.400m. Where income levels and the associated workload increase above this level, then part of the additional income may be used to fund additional costs such as agency staff in order to maintain performance levels.
 - Fees and charges – service specific increases as agreed by Members.

Additionally, the Council's transformation programme seeks to contribute to the financial challenges faced through the progression of innovative and forward thinking ideas.

Appendix 2 details the net cost of each cost centre by Directorate.

- 1.23 No provision has been made in the budget for costs that may be incurred as a result of Brexit. Should there be any significant impact on the Council's resources as a result this will be addressed at that time.

Council Tax Implications

Council Tax Base

- 1.24 In preparation for the budget, the Chief Finance Officer under delegated powers has determined the Tax Base at Band D for 2019/20 as 30,957.85

Council Tax Options

- 1.25 The Council's part of the Council Tax bill in 2018/19 was set at £186.39 for a Band D property. This was an increase of 1.99%.
- 1.26 The Council has a range of options when setting the Council Tax. The Government indicate what upper limit they consider acceptable. For 2019/20, District Councils are permitted to increase their share of the Council Tax by 3% or £5, without triggering the need to hold a referendum.
- 1.27 The table below shows some of the options and the extra revenue generated.

Increase	New Band D £	Annual Increase £	Weekly Increase £	Extra Revenue £
1.00%	188.25	1.86	0.03	57,702
1.50%	189.19	2.80	0.05	86,553
1.75%	189.19	3.26	0.06	100,979
2.00%	189.65	3.73	0.07	115,404
2.99%	191.96	5.57	0.10	172,529

- 1.28 The level of increase each year affects the base for future years and the proposed increase for 2019/20 is x%, generating additional revenue of £x.

Financial Reserves – General Fund

- 1.29 The Council's main uncommitted Financial Reserves are the General Fund Working Balance of £2.0m and the uncommitted element of the Invest to Save Reserve of £2.3m. Due to the uncertainty surrounding local authority income, particularly in relation to the national financial settlement from 2020/21, and the fact that the Council has reduced budgets to a minimal level, it is important that the Council continues to review whether we have an acceptable General Fund Working Balance.

Housing Revenue Account (HRA)

2018/19 Estimated Outturn

- 1.30 In February 2018, Members agreed a budget for 2018/19 including setting of rent levels in line with Government regulations with a reduction of 1%, effective from 1st April 2018. HRA fees and charges were also set, effective from the same date.

- 1.31 The Revised Budget was considered by Cabinet at its meeting on the 28 November 2018. A surplus of £0.930m was estimated, which was £0.526m higher than the current budget.
- 1.32 The estimated surplus in the year will be dependent on the actual financial performance out-turning in line with the revised budgets. The surplus will be utilised to fund additional homes and/or improved services to Council tenants in future financial years and it was agreed that all surpluses be transferred to the HRA Development Reserve.
- 1.33 The working balance brought forward from 2017/18 was £3.0m. This will be retained at £3.0m with the forecast surplus of £0.930m being transferred to the Development Reserve.

2019/20 Original Budget and 2020/21 to 2022/23 Financial Plan

- 1.34 The proposed budget for 2019/20 currently shows a balanced position with a surplus of £0.762 being transferred to the Development Reserve. Based on the current information held future years will also generate surpluses which, it is proposed are also transferred to the Development Reserve. **(Appendix 3)**.
- 1.35 The HRA budget makes the same assumptions as the General Fund budget for staff costs and inflation. There are however, some additional assumptions that are specific to the HRA. The main factors taken into account in developing the Council's financial plans for the HRA are set out within the sections below.

Level of Council Dwelling Rents

- 1.36 Government rent policy is currently that average rent levels will reduce by 1% per annum for four years from April 2016. Therefore 2019/20 is the final year of the reduction and income for dwelling rents has been included in the budget on this basis. For 2020/21 onwards rent policy reverts to CPIH +1% and this has been assumed in the forecasts.

Fees and Charges

- 1.37 Although the main source of income for the HRA is property rents, the HRA is also dependent for its financial sustainability on a range of other charges. These charges are set on the principle that wherever possible charges for services should reflect the cost of providing those services.
- 1.38 The Council currently receives income from the Supporting People Partnership (SPP) at Derbyshire County Council (DCC) towards the cost of the supported housing services, namely call monitoring and floating support. DCC advised Rykneld Homes Ltd, who deliver this service on the Council's behalf, last year that a full review of the services funded by the SPP was underway and that the current arrangements would end on 31 March 2019. However, the review has not progressed as quickly as planned and DCC have expressed an intention to extend the funding beyond the original end date but it is not clear whether funding will continue so it has been removed from the

estimates from 2019/20. The Council and Rykneld Homes are reviewing the implications of this for our tenants and will report the outcomes to Members as they become clearer.

- 1.39 As part of the budget setting, a review of non-dwelling rents has been undertaken to reflect demand, ensure consistency and meet costs incurred. The schedule of proposed charges is set out below:

	Weekly Charge 2018/19 £	Proposed Weekly Charge 2019/20 £	Proposed Weekly Charge 2020/21 £	Proposed Weekly Charge 2021/22 £	Proposed Weekly Charge 2022/23 £
Heating:					
Marx Court	7.22	7.51	7.81	7.95	8.15
Church Avenue	5.25	5.30	5.35	5.40	5.54
Garages:					
Private - new	9.60	9.60	9.60	10.00	10.25
Private - existing	9.60	9.60	9.60	10.00	10.25
Tenants - new	8.00	8.00	8.00	8.00	8.00
Tenants - existing	6.00	6.50	7.00	7.50	8.00
Garage Plots:					
Private - new	2.50	2.50	2.50	2.60	2.70
Private -existing	2.50	2.50	2.50	2.60	2.70
Garage Plots (annual):					
Private - new	170.00	170.00	170.00	180.00	180.00
Private - existing	160.00	170.00	170.00	180.00	180.00
Hard Standing	2.50	2.50	2.50	2.60	2.70
Garage in grounds	6.00	6.50	7.00	7.50	8.00

1.40 Rykneld Homes Ltd Management Fee

The majority of the funding available to Rykneld Homes is provided by way of a management fee from the Council for delivery of services in line with the Management Agreement. Whilst it is intended that this payment will form a regular source of income for Rykneld Homes against which it can effectively budget to meet its expenditure commitments it is recognised that on occasions the Council as sole shareholder may be required to contribute funds in order to help it manage any adverse cash flow issues which might arise.

- 1.41 The recommended management fee for 2019/20 remains at £9.902m. This is contained within two budgets on the HRA – Repairs and Maintenance (£5.028m) and Supervision and Management (£4.874m). The management fee is retained at the same level as the previous year to recognise growing budget pressures to the HRA mainly the continuing impact of the 1% rent decrease.

- 1.42 A further issue needs to be brought to the attention of Cabinet which concerns the fact that Rykneld Homes is a company wholly owned by the Council. As such the

company's external auditors seek from the Council on an annual basis at the time of the audit of the Company's accounts a Letter of Comfort from the Council as the parent company. That letter of comfort fundamentally seeks reassurance regarding the fact that the Council will continue to provide financial support to the company over the coming financial year (which in the case of the 2018/19 accounts will be the 2019/20 financial year). On the basis that this report is approved then it is reasonable to provide such a letter of comfort from the Council. In addition it may be the case that specific representations are required in order to support the Auditors view that the Company remains a going concern. The reasonableness of providing such assurances will need to be considered at that point in time when the Company's auditors approach the Council, and it is therefore recommended that delegated powers be granted to the Chief Financial Officer in consultation with the Portfolio Member for Finance to provide a response on behalf of the Council.

Financial Reserves - HRA

- 1.43 The Council's main uncommitted Financial Reserve for the Housing Revenue Account is the working balance of £3.00m. In addition to the Working Balance there are further reserves for the HRA specifically used to fund the Council's HRA capital programme. These are the Major Repairs Reserve and the Development Reserve.

Capital Programme

- 1.44 There will be a separate report to Council on 18 February 2019 concerning the Council's Treasury Strategies. The report will consider capital financing such as borrowing which enables the proposed capital programme budgets to proceed.

2018/19 Estimated Outturn

- 1.45 In February 2018, Members approved a Capital Programme in respect of 2018/19 to 2021/22. Scheme delays and technical problems can often cause expenditure to slip into future years and schemes can be added or extended as a result of securing additional external funding. All slippage from 2017/18 has been accounted for in the 2018/19 estimated outturn position.
- 1.46 The Revised Capital Programme was considered by Cabinet at its meeting on the 28 November 2018. An estimated outturn of £17.019m was proposed.

General Fund Capital Programme 2019/20 to 2022/23

- 1.47 The proposed Capital Programme for the General Fund totals £2.035m for 2019/20; £3.184m for 2020/21, £3.174m for 2021/22 and £1.219m for 2022/23.
- 1.48 The Council's assets require regular maintenance to ensure they remain safe and fit for purpose. It is also important for income generation that assets remain in a good condition and so remain lettable. The current capital programme allows for £0.150m a year to be spent on refurbishment of general fund assets. This really only allows for reactive work where need is greatest and doesn't address much of the work that needs to be carried out. A planned approach would however yield savings in running costs and energy efficiency benefits over time as works are completed and asset conditions improve. In December 2018, the Asset Management Group agreed that a recommendation be made to Cabinet to increase the capital

programme to £0.500m per annum from 2019/20 to allow a move to a planned approach for asset refurbishment.

HRA Capital Programme 2019/20 to 2022/23

- 1.49 The proposed Capital Programme for the HRA totals £10.140m in 2019/20 then £9.5m per annum for 2020/21 – 2022/23. This includes the management fee payable to Rykneld Homes Ltd for the capital works undertaken on behalf of the Council. The capital fee has been agreed at £1.1m for 2019/20.
- 1.50 A strategic review of the council's assets is planned for 2019/20. This will include an assessment of the level of capital spend needed within the HRA to maintain the Council's stock to an acceptable standard and the affordability of such spend in the context of the HRA 30 year business plan.
- 1.51 An analysis of all the schemes and associated funding are attached at **Appendix 4** to this report.

Robustness of the Estimates

- 1.52 Under the provisions of the Local Government Act 2003, the Council's Section 151 Officer is required to comment on the robustness of the estimates made and on the adequacy of the financial reserves.

The Council's Section 151 Officer (The Head of Finance and Resources) is satisfied that the estimates are considered to be robust, employee costs are based on the approved establishment, investment income is based on the advice of the Council's Treasury Management Advisors and income targets are considered to be achievable.

Likewise, the Section 151 Officer is satisfied that the levels of reserves are considered to be adequate to fund planned expenditure and potential issues and risks that face the Council.

2 Conclusions and Reasons for Recommendations

- 2.1 This report presents a budget for consideration by Cabinet. It seeks to ensure approval to budgets in respect of the General Fund, the Housing Revenue Account and the Capital Programme.

3 Consultation and Equality Impact

- 3.1 The Council is required to consult with stakeholders on the proposed budget. This consultation is part of the Council's service planning framework and has effectively been taking place throughout the financial year. These mechanisms include active participation in the Local Strategic Partnership, a range of meetings with local groups and associations and a performance management framework. These meetings help to inform the Council's understanding of what is expected of it by our local communities.
- 3.2 There are no equality impact implications from this report.

4 Alternative Options and Reasons for Rejection

4.1 Alternative options are considered throughout the report.

5 Implications

5.1 Finance and Risk Implications

5.1.1 Financial issues and implications are covered in the relevant sections throughout this report.

5.1.2 The Council has a risk management strategy and associated framework in place and the Strategic Risk Register is regularly reviewed through the Council's performance management framework. Strategic risks along with the mitigation in place to ensure such risks are manageable are reported to the Audit and Corporate Governance Scrutiny Committee at each meeting. The risk of not achieving a balanced budget is outlined as a key risk within the Council's Strategic Risk Register and is therefore closely monitored through these practices and reporting processes.

5.2 Legal Implications including Data Protection

5.2.1 The Council is legally obliged to approve a budget prior to the commencement of the new financial year in April 2019. This report together with the associated budget timetable has been prepared in order to comply with our legal obligations.

5.2.2 The recommended budget for the General Fund, Housing Revenue Account and Capital Programme complies with the Council's legal obligation to agree a balanced budget.

5.2.3 There are no Data Protection issues arising directly from this report.

5.3 Human Resources Implications

5.3.1 These are covered in the main report and supporting appendices where appropriate.

6 Recommendations

6.1 That all recommendations below are referred to the Council meeting of 18 February 2019.

The following recommendations to Council are made:

6.2 That the view of the Chief Financial Officer, that the estimates included in the Medium Term Financial Plan 2019/20 to 2022/23 are robust and that the level of financial reserves whilst at minimum levels are adequate, be accepted.

6.3 That officers report back to Cabinet and the Audit and Corporate Governance Scrutiny Committee on a quarterly basis regarding the overall position in respect of the

Council's budgets. These reports to include updates on achieving the savings and efficiencies necessary to secure a balanced budget for 2019/20 and future years.

GENERAL FUND

- 6.4 A Council Tax increase of £x is levied in respect of a notional Band D property (x%).
- 6.5 The Medium Term Financial Plan in respect of the General Fund as set out in **Appendix 1** of this report be approved as the Estimated Outturn Budget 2018/19, as the Original Budget 2019/20, and as the financial projections in respect of 2020/21 to 2022/23.
- 6.6 That any under spend in respect of 2018/19 be transferred to the Invest to Save Reserve.
- 6.7 On the basis that income from Planning Fees is anticipated to exceed £0.400m in 2019/20, the Chief Executive in consultation with the Leader be granted delegated powers to authorise such additional resources as are necessary to effectively manage the resultant increase in workload.

HOUSING REVENUE ACCOUNT

- 6.8 That Council sets its rent levels in line with Government regulations, reducing rent levels by a further 1% from 1st April 2019.
- 6.9 That the increases in respect of all other charges be implemented in line with the table shown at 1.30 above with effect from 1 April 2019.
- 6.10 The Medium Term Financial Plan in respect of the Housing Revenue Account as set out in **Appendix 3** of this report be approved as the Estimated Outturn Budget in respect of 2018/19, as the Original Budget in respect of 2019/20, and the financial projection in respect of 2020/21 and 2022/23.
- 6.11 That the Management Fee for undertaking housing services at £9.902m and the Management Fee for undertaking capital works at £1.1m to Rykneld Homes in respect of 2019/20 be approved.
- 6.12 That Members endorse the section in the current Financial Protocol which enables the Council to pay temporary cash advances to Rykneld Homes in excess of the Management Fee in order to help meet the cash flow requirements of the company should unforeseen circumstances arise in any particular month.
- 6.13 That Members note the potential requirement to provide Rykneld Homes with a 'letter of comfort' to the company's auditors and grant delegated authority to the Council's Chief Financial Officer in consultation with the Portfolio Member for Finance to agree the contents of that letter.

CAPITAL PROGRAMME

- 6.14 That the Capital Programme as set out in **Appendix 4** be approved as the Estimated Outturn in respect of 2018/19, and as the Approved Programme for 2019/20 to 2022/23.

7 Decision Information

<p>Is the decision a Key Decision?</p> <p>A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:</p> <p><i>BDC: Revenue - £75,000</i> <input type="checkbox"/></p> <p><i>Capital - £150,000</i> <input type="checkbox"/></p> <p><i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/></p> <p><i>Capital - £250,000</i> <input type="checkbox"/></p> <p><input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p>	No
<p>Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)</p>	No
<p>Has the relevant Portfolio Holder been informed</p>	Yes
<p>District Wards Affected</p>	All
<p>Links to Corporate Plan priorities or Policy Framework</p>	All

8 Document Information

Appendix No	Title
1	General Fund Summary
2	General Fund Detail
3	Housing Revenue Account
4	Capital Programme
Background Papers	
Budget working papers	
Report Author	Contact Number
Dawn Clarke - Head of Finance and Resources	01246 217658
Jayne Dethick - Chief Accountant	01246 217078

GENERAL FUND SUMMARY 2018/19 - 2022/23

	Estimated Outturn 2018/19	Original Budget 2019/20	Planning Budget 2020/21	Planning Budget 2021/22	Planning Budget 2022/23
	£	£	£	£	£
Place Directorate	2,679,958	2,676,408	2,781,446	2,844,317	2,917,262
People Directorate	8,747,011	9,416,884	9,557,421	9,901,162	10,136,171
Bad Debt Provision	35,000	40,000	40,000	40,000	40,000
Recharges to Capital and HRA	(527,500)	(527,500)	(527,500)	(527,500)	(527,500)
Savings Target	0				
Net Cost of Services	10,934,469	11,605,792	11,851,367	12,257,979	12,565,933
Investment Properties	(356,250)	(429,780)	(427,815)	(426,510)	(425,180)
Interest	17,135	(6,920)	18,641	51,469	61,994
Debt Repayment Minimum Revenue Provision	256,000	256,000	256,000	256,000	256,000
Parish Precepts	3,052,791	3,052,791	3,052,791	3,052,791	3,052,791
Parish Council Tax Support Grant	140,763	70,382	0	0	0
Transfer To Earmarked Reserves	1,925,812	78,555	0	0	0
Transfer from NNDR reserves	0	0	(505,175)	(505,175)	(505,175)
Transfer From Earmarked Reserves	(755,313)	(195,814)	(84,398)	(88,208)	(69,124)
Total Spending Requirement	15,215,407	14,431,006	14,161,411	14,598,346	14,937,239
Business Rates	(5,365,526)	(3,650,000)	(3,006,497)	(3,032,697)	(3,058,898)
Revenue Support Grant	0	0	0	0	0
New Homes Bonus	(920,291)	(926,218)	(401,959)	(182,480)	(111,260)
Collection Fund (Surplus)/Deficit - Council Tax	(162,817)	(160,812)	(160,812)	(160,812)	(160,812)
Collection Fund (Surplus)/Deficit - NNDR	0	0	0	0	0
NEDDC Council Tax Requirement	(5,713,982)	(5,770,183)	(5,770,183)	(5,770,183)	(5,770,183)
Parish Council Council Tax Requirement	(3,052,791)	(3,052,791)	(3,052,791)	(3,052,791)	(3,052,791)
Council Tax Requirement	(15,215,407)	(13,560,004)	(12,392,242)	(12,198,963)	(12,153,944)
Checks	0	871,002	1,769,169	2,399,383	2,783,295

includes £200k pool growth from 2020/21

**GENERAL FUND ACCOUNT - MEDIUM TERM FINANCIAL PLAN
2018/19 - 2022/23**

		Estimated Outturn 2018/19 £	Original Budget 2019/20	Planning Budget 2020/21	Planning Budget 2021/22	Planning Budget 2022/23
	<u>Place Directorate</u>					
	Joint Strategic Director Place					
1141	Joint Chief Executive - Place	60,257	39,390	40,170	40,965	41,775
5700	Joint Strategic Director - Place	52,327	53,346	54,407	55,488	56,591
	Joint Head of Service Housing and Community Safety					
1218	Community Safety	29,803	38,243	39,398	40,576	41,778
1220	Joint Head of Service - Housing & Comm Safety	3,558	3,594	3,631	3,667	3,667
1283	Emergency Planning	16,000	16,000	16,000	16,000	16,000
3400	Environmental Protection	72,462	79,009	81,268	83,598	87,066
3401	Food, Health & Safety	112,477	115,557	118,798	122,122	124,954
3402	Environmental Enforcement	89,281	92,713	95,915	97,765	101,406
3403	Community Outreach	0	0	0	0	0
3404	Licensing	(21,766)	(19,200)	(15,527)	(13,003)	(10,401)
3405	Pollution	85,665	86,908	88,499	90,179	91,892
3407	Pest Control	28,969	22,393	21,751	24,151	24,783
3408	Home Improvement	35,108	35,603	36,506	37,438	38,401
3409	EH Technical Support & Management	180,601	187,095	191,207	195,048	198,847
3410	Private Sector Housing	54,619	55,468	56,533	57,652	58,794
3419	Destitute Funerals	3,600	3,600	3,600	3,600	3,600
3420	Fly Tipping	3,000	3,000	3,000	3,000	3,000
3421	VARM (NE) Discretionary Fund	0	9,000	0	0	0
3422	Building Resilience Programme (Shirebrook)	0	0	0	0	0
3423	Air Quality Feasibility Study	(50,000)	0	0	0	0

Joint Head of Service Property and Commercial Services

3135	Drainage	15,222	16,329	17,469	18,631	19,817
3172	Engineers	80,323	92,692	96,826	100,437	103,621
3241	Car Parks	42,925	40,555	41,195	41,855	42,530
3247	Street Names/Lights	5,150	11,000	6,000	6,000	6,000
3249	Footpath Orders	(700)	(200)	(200)	(200)	(200)
3265	Dams And Fishing Ponds	(400)	1,800	(400)	(400)	(400)
3281	Clay Cross Depot	(2,010)	(1,405)	(770)	(115)	570
3283	Northwood	2,861	0	0	0	0
3811	Closed Circuit Television	400	420	440	460	480
4412	Midway Business Centre	(45,775)	(54,970)	(54,625)	(54,270)	(53,895)
4425	Coney Green Business Centre	(32,962)	(41,329)	(42,254)	(40,550)	(38,810)
4523	Estates Administration	247,432	276,662	283,905	291,341	297,149
5204	Jnt HoS Property & Commercial Services	36,982	37,711	38,455	39,213	39,987
5205	Mill Lane	228,150	232,929	237,689	242,607	247,686
5209	Facilities Management	115,360	125,460	115,460	115,460	115,460
5210	Pioneer House	(37,020)	(31,311)	(29,104)	(26,679)	(24,297)

Joint Head of Service Planning

4111	Applications And Advice	(492,400)	(372,400)	(372,400)	(372,400)	(372,400)
4113	Planning Appeals	172,750	0	0	0	0
4116	Planning Policy	425,759	267,997	271,324	278,758	284,004
4119	Neighbourhood Planning Grant	6,520	0	0	0	0
4311	Environmental Conservation	19,800	19,800	19,800	19,800	19,800
4511	Jnt Hos Planning	17,085	37,088	37,830	38,587	39,359
4513	Planning	514,878	546,730	556,543	569,714	582,641
4515	Building Control	58,000	58,000	58,000	58,000	58,000

Joint Head of Service Economic Development

3165	Housing Options Team	207,001	211,911	217,055	222,288	226,457
3740	Strategic Housing	82,600	85,136	86,733	88,362	90,025
3741	Housing Ambition Project	0	0	0	0	0
3748	Homelessness Grant	6,320	(6,555)	42,000	36,000	36,000
3749	Empty Properties	2,000	2,000	2,000	2,000	2,000
3750	Housing Growth	(15,078)	(1,627)	14,131	2,865	0

3751	Care Call System	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
4211	Tourism Promotions	18,500	18,500	18,500	18,500	18,500
4238	Working Communities Strategy	77,095	78,554	80,088	81,652	83,249
4240	Project X	0	0	0	0	0
4351	Alliance	3,350	3,350	3,350	3,350	3,350
4512	Growth Agenda	32,906	18,095	16,000	16,000	16,000
4516	Clay Cross OPE	0	0	0	0	0
4517	Economic Development	135,104	155,194	157,935	160,733	163,582
4519	The Avenue, Wingerworth	(30,000)	0	0	0	0
4526	Sheffield City Region	4,000	4,000	4,000	4,000	4,000
5750	Jnt HoS Economic Development	36,869	37,573	38,315	39,072	39,844

Total for Place Directorate	2,679,958	2,676,408	2,781,446	2,844,317	2,917,262
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People Directorate

Joint Strategic Director People

1142	Joint Chief Executive (People)	60,257	81,166	79,153	80,288	81,052
4500	Joint Strategic Director - People	59,752	62,529	63,591	64,675	65,780
5720	Supporting PA's	80,784	82,855	84,563	86,307	88,084

Joint Head of Service Partnerships and Transformation

1331	Strategic Partnerships	124,326	156,147	160,364	167,699	171,139
1332	Strategic Partnership Projects	4,500	0	0	0	0
1333	Healthy North East Derbyshire	(27,671)	27,754	28,889	17,616	0
1334	NE Derbyshire Business Growth Fund	14,790	0	0	0	0
1335	Big Local	0	0	0	0	0
4352	LEADER	0	0	0	30,456	31,089
4443	Elderly Peoples Clubs	4,000	4,000	4,000	4,000	4,000
4561	Leisure Centre Management	207,128	121,786	123,267	124,778	126,318
4600	Jnt Hos Partnerships & Transformation	20,448	33,932	35,627	37,377	39,182
4720	Sportivate	0	0	0	0	0
4722	Physical Inactivity Fund	0	0	0	0	0
4723	Generation Games	12,000	1,226	1,251	1,276	1,301
4726	Walking for Health	0	0	0	0	0

4727	Five 60	0	0	0	0	0
4731	Promotion Of Recreation And Leisure	29,412	29,684	30,280	30,887	31,506
4732	Schools Promotion	3,543	2,423	2,622	2,824	3,030
4736	Derbyshire Sports Forum	15,500	15,500	15,500	15,500	15,500
4742	Arts Development	2,800	2,800	2,800	2,800	2,800
5215	Telephones	32,100	32,100	32,100	32,100	25,500
5216	Mobile Phones and I pads	16,665	16,665	16,665	16,665	16,445
5221	Customer Services	357,232	367,902	378,315	384,714	394,019
5223	Franking Machine	59,960	59,960	59,960	59,960	59,960
5701	Joint ICT Service	0	0	0	0	0
5734	NEDDC ICT Service	537,727	546,315	547,354	560,554	564,056
5737	Corporate Printing Costs	18,000	18,035	20,980	21,020	21,060
5785	Contributions	132,835	132,835	132,835	132,835	132,835
5825	Concessionary Bus Passes	(9,940)	(9,940)	(9,940)	(9,940)	(9,940)
8441	Eckington Swimming Pool	185,280	191,926	216,942	240,425	258,457
8445	Eckington Pool Cafe	1,264	2,422	3,058	3,705	4,365
8451	Dronfield Sports Centre	(21,851)	(25,336)	(2,878)	24,506	46,026
8461	Sharley Park Sports Centre	300,536	310,898	340,569	368,339	391,609
8465	Sharley Park Sports Centre Outdoor	(2,150)	(2,150)	(2,150)	(2,150)	(2,150)
Joint Head of Service Corporate Governance						
1121	Member's Services	434,090	439,868	440,642	443,445	446,275
1123	Chair's Expenses	11,220	11,520	11,520	11,520	10,050
1131	District Elections	0	160,000	0	0	0
1133	Parish Elections	0	0	0	0	0
1137	Parliamentary Elections	0	0	0	0	0
1139	County Council Elections	0	0	0	0	0
1231	Corporate Training	11,835	45,980	45,980	45,980	45,980
1255	Strategy and Performance	96,303	100,901	103,574	105,973	108,044
1256	Corporate Consultation	14,203	14,265	14,523	14,780	15,042
1259	Corporate Groups	10,000	10,000	10,000	10,000	10,000
1311	Human Resources	183,288	188,672	192,612	196,765	200,202
1312	Payroll	50,646	53,019	55,538	57,201	58,895
1313	Work Well Team	30	2,200	0	0	0
1315	Design & Print	95,715	92,910	94,034	95,179	96,349
1321	Communications & Marketing	80,136	81,241	82,908	84,567	86,348

1323	NEDDC News	27,000	27,000	27,000	27,000	27,000
1329	Corporate Web Site	2,390	520	1,164	561	1,233
3121	Health & Safety Advisor	45,593	40,778	42,436	44,186	46,034
5219	Corporate Support	500	0	0	0	0
5249	Twinning Expenses	7,100	7,100	7,100	7,100	7,100
5273	Brass Band Concert	1,550	2,700	2,700	2,700	2,700
5313	Register Of Electors	149,416	165,356	167,843	170,401	173,034
5321	Jnt HoS Corporate Governance	38,821	39,550	40,294	41,052	41,826
5353	Legal Section	154,351	158,467	164,154	169,220	173,451
5354	Land Charges	(14,318)	(9,445)	(8,514)	(7,737)	(6,946)
5392	Scrutiny	49,238	49,659	50,674	51,708	52,764
5711	Democratic Services	169,869	188,100	192,426	196,882	201,474
Joint Head of Service Finance and Resources						
3176	Pool Car	1,000	1,970	2,930	2,930	2,930
3512	CBC Crematorium	(177,000)	(165,000)	(173,000)	(182,000)	(182,000)
5113	Unison Duties	14,487	14,645	14,962	15,284	15,613
5611	External Audit	43,510	43,510	43,510	43,510	43,510
5615	Bank Charges	86,000	86,000	86,000	86,000	86,000
5621	Contribution to/from HRA	(185,600)	(185,600)	(185,600)	(185,600)	(185,600)
5705	Jnt HoS Finance & Resources	36,384	37,088	37,830	38,587	39,359
5713	Audit	96,183	110,840	113,540	113,540	113,540
5714	Financial Support Services	4,100	4,112	4,125	4,135	4,150
5715	Procurement	42,335	39,191	40,109	41,045	42,000
5721	Financial Services	278,051	291,696	301,395	307,620	313,999
5723	Housing Act Advances	2,300	2,300	0	0	0
5724	Insurance	341,508	276,508	286,508	296,508	306,508
5725	Apprenticeship Levy	45,000	45,000	45,000	45,000	45,000
5727	Cost Of Ex-Employees	971,015	971,015	971,015	971,015	971,015
5741	Housing Benefit Service	199,425	340,407	381,782	420,882	456,555
5747	Debtors	48,473	48,735	49,752	50,790	51,848
5751	`NNDR Collection	(14,760)	(15,382)	(13,549)	(11,689)	(9,981)
5759	Council Tax Administration	187,141	220,626	231,765	243,102	253,949
5781	Village Hall Grants	14,870	14,870	14,870	14,870	0

Joint Head of Service Street Scene						
3174	Street Scene	284,459	286,295	294,148	301,516	308,345
3227	Materials Recycling	180,695	170,809	160,725	150,439	139,948
3231	Recycling Promotional Work	3,800	3,800	3,800	3,800	3,800
3244	Parks Derbyshire County Council Agency	(360,000)	(360,000)	(360,000)	(360,000)	(360,000)
3282	Eckington Depot	90,428	96,268	101,236	103,795	106,450
3285	Dronfield Bulk Depot	3,330	3,400	3,470	3,540	3,615
3511	Hasland Cemetery	(52,460)	(53,555)	(53,370)	(53,180)	(52,980)
3513	Temple Normanton Cemetery	(7,540)	(7,530)	(7,520)	(7,510)	(7,500)
3514	Clay Cross Cemetery	(43,685)	(43,685)	(43,685)	(43,685)	(43,685)
3516	Killamarsh Cemetery	(18,160)	(18,285)	(18,265)	(18,245)	(18,225)
3918	Dog Fouling Bins	(46,800)	(46,800)	(46,800)	(46,800)	(46,800)
3921	Street Cleaning Service	598,041	605,289	584,990	595,532	605,019
3943	Transport	386,311	431,493	444,350	455,554	468,192
3944	Grounds Maintenance	481,100	535,689	562,363	640,951	669,709
3945	Domestic Waste Collection	1,492,599	1,625,782	1,701,558	1,717,460	1,756,130
3946	Commercial Waste Collection	(130,432)	(128,412)	(126,848)	(125,233)	(124,120)
4436	The Avenue - Dowry	12,700	0	0	0	0
Total for People Directorate		8,747,011	9,416,884	9,557,421	9,901,162	10,136,171
Investment Properties						
4411	Stonebroom Industrial Estate	(44,000)	(42,580)	(42,410)	(42,230)	(42,040)
4413	Clay Cross Industrial Estate	(79,370)	(78,685)	(78,400)	(78,360)	(78,320)
4415	Norwood Industrial Estate	(208,530)	(208,195)	(207,810)	(207,560)	(207,310)
4417	Eckington Business Park	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
4418	Rotherside Court Eckington Business Unit	(10,850)	(21,735)	(21,290)	(20,830)	(20,360)
4423	Pavillion Workshops Holmewood	(70,150)	(66,260)	(66,145)	(66,075)	(66,005)
4432	Miscellaneous Properties	81,650	12,675	13,240	13,545	13,855
Total for Investment Properties		(356,250)	(429,780)	(427,815)	(426,510)	(425,180)

Appendix 3

Housing Revenue Account 2019/20 - 2022/23

	Estimated Outturn 2018/19	Original Budget 2019/20	Original Budget 2020/21	Original Budget 2021/22	Original Budget 2022/23
INCOME					
Dwelling Rents	(31,116,256)	(31,318,471)	(31,446,819)	(32,145,672)	(32,858,085)
Non-Dwelling Rents	(395,200)	(414,062)	(412,996)	(412,996)	(412,996)
Charges for Services and Facilities	(374,700)	(151,700)	(84,700)	(84,700)	(84,700)
Contributions Towards Expenditure	(180,000)	(50,000)	(50,000)	(50,000)	(50,000)
INCOME TOTAL	(32,066,156)	(31,934,233)	(31,994,515)	(32,693,368)	(33,405,781)
EXPENDITURE					
Repairs & Maintenance	5,176,349	5,175,749	5,105,749	5,105,749	5,105,749
Supervision & Management	6,858,428	6,884,976	6,918,022	6,952,472	6,987,788
Rents, Rates & Taxes	122,000	110,000	110,000	110,000	110,000
Depreciation	7,929,774	7,929,774	7,929,774	7,929,774	7,929,774
Provision for Doubtful Debts	250,000	250,000	250,000	250,000	250,000
Debt Management Expenses	11,500	11,500	11,500	11,500	11,500
EXPENDITURE TOTAL	20,348,051	20,361,999	20,325,045	20,359,495	20,394,811
NET COST OF SERVICES	(11,718,105)	(11,572,234)	(11,669,470)	(12,333,873)	(13,010,970)
Corporate & Democratic Core	185,450	185,450	185,450	185,450	185,450
NET COST OF HRA SERVICES	(11,532,655)	(11,386,784)	(11,484,020)	(12,148,423)	(12,825,520)
HRA Debt, and Reserve charges					
Interest Payable	5,240,092	5,246,300	5,238,022	5,212,599	5,219,410
Interest Receivable	(57,247)	(41,545)	(42,174)	(43,077)	(44,016)
Contribution to Major Repairs Reserve	1,070,226	1,070,226	1,070,226	1,070,226	1,070,226
Contribution to Development Reserve	929,584	761,803	867,946	1,558,675	2,229,900
Contribution to Insurance Reserve	50,000	50,000	50,000	50,000	50,000
Contribution to Debt Repayment Reserve	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000
(Surplus)/Deficit on HRA Services	0	0	0	0	0
Opening HRA Balance	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
Transfers (to)/from Balances	0	0	0	0	0
Transfers (to)/from Balances	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
Closing HRA Balance	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)

CAPITAL PROGRAMME 2018/19 to 2022/23

Capital Expenditure	Revised Budget 2018/19 £	Original Budget 2019/20 £	Original Budget 2020/21 £	Original Budget 2021/22 £	Original Budget 2022/23 £
Housing Revenue Account					
HRA Capital Works	9,606,000	9,000,000	9,000,000	9,000,000	9,000,000
Demolition of Houses in Renishaw	30,000	0	0	0	0
EWI Scheme - Grassmoor	395,000	0	0	0	0
Pine View, Danesmoor	300,000	600,000	0	0	0
North Wingfield New Build Scheme	1,977,000	0	0	0	0
Stock Purchase Programme (1-4-1)	1,482,000	0	0	0	0
Acquisitions and Disposals (RHL)	560,000	500,000	500,000	500,000	500,000
Car Park Resurfacing - Holmesfield	40,000	0	0	0	0
Car Park Resurfacing - Pilsley	0	40,000	0	0	0
HRA - Capital Expenditure	14,390,000	10,140,000	9,500,000	9,500,000	9,500,000
General Fund					
Private Sector Housing Grants (DFG's)	689,487	393,000	393,000	393,000	393,000
ICT Schemes	109,000	159,508	45,500	24,800	100,000
Clay Cross Football Pitch	10,554	0	0	0	0
Asset Refurbishment - General	150,000	500,000	500,000	500,000	500,000
Roller Shutter Doors	82,000	0	0	0	0
Eckington Pool Roof Replacement	270,000	0	0	0	0
Eckington Pool Refurbishment	32,000	0	0	0	0
Leisure Centre Kit Replacement	106,243	0	0	0	0
Replacement of Vehicles	1,138,000	982,500	2,245,000	2,256,000	226,000
Contaminated Land	42,001	0	0	0	0
General Fund Capital Expenditure	2,629,285	2,035,008	3,183,500	3,173,800	1,219,000
Total Capital Expenditure	17,019,285	12,175,008	12,683,500	12,673,800	10,719,000
Capital Financing					
	2018/19	2019/20	2020/21	2021/22	2022/23
Housing Revenue Account					
Major Repairs Reserve	(9,536,000)	(9,000,000)	(9,000,000)	(9,000,000)	(9,000,000)
Prudential Borrowing - HRA	(1,942,000)	(600,000)	0	0	0
External Grant - HCA	(730,000)	0	0	0	0
Development Reserve	(1,146,000)	(40,000)	0	0	0
Capital Receipts Reserve	(591,400)	(500,000)	(500,000)	(500,000)	(500,000)
1-4-1 Receipts	(444,600)	0	0	0	0
HRA Capital Financing	(14,390,000)	(10,140,000)	(9,500,000)	(9,500,000)	(9,500,000)

General Fund					
Disabled Facilities Grant	(669,487)	(373,000)	(373,000)	(373,000)	(373,000)
External Grant - Lottery Funded Schemes	(10,554)	0	0	0	0
External Grant - Contaminated Land	(42,001)	0	0	0	0
Prudential Borrowing - Vehicles	(1,138,000)	(982,500)	(2,245,000)	(2,256,000)	(226,000)
Prudential Borrowing - Eckington Pool Roof	(270,000)	0	0	0	0
RCCO - SPLC	(11,300)	0	0	0	0
RCCO - Roller Shutter Doors	(82,000)	0	0	0	0
RCCO - Vehicles	(61,220)	(35,739)	0	0	0
Useable Capital Receipts	(344,723)	(643,769)	(565,500)	(544,800)	(620,000)
General Fund Capital Financing	(2,629,285)	(2,035,008)	(3,183,500)	(3,173,800)	(1,219,000)
HRA Development Reserve					
Opening Balance	(1,480,718)	(1,264,302)	(1,986,105)	(2,854,051)	(4,012,726)
Amount due in year	(929,584)	(761,803)	(867,946)	(1,158,675)	(2,229,900)
Amount used in year	1,146,000	40,000	0	0	0
Closing Balance	(1,264,302)	(1,986,105)	(2,854,051)	(4,012,726)	(6,242,626)
Major Repairs Reserve					
Opening Balance	(825,921)	(219,921)	(219,921)	(219,921)	(219,921)
Amount due in year	(9,000,000)	(9,000,000)	(9,000,000)	(9,000,000)	(9,000,000)
Amount used in year	9,606,000	9,000,000	9,000,000	9,000,000	9,000,000
Closing Balance	(219,921)	(219,921)	(219,921)	(219,921)	(219,921)
Capital Receipts Reserve					
Opening Balance	(1,970,251)	(1,134,128)	(1,490,359)	(1,924,859)	(2,380,059)
Income expected in year	(2,000,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)
Allowable Debt/Pooling Expenses	1,900,000	1,000,000	1,000,000	1,000,000	1,000,000
Amount used in year	936,123	1,143,769	1,065,500	1,044,800	1,120,000
Closing Balance	(1,134,128)	(1,490,359)	(1,924,859)	(2,380,059)	(2,760,059)
Capital Receipts Reserve 1-4-1 receipts					
Opening Balance	(2,870,660)	(3,426,060)	(3,426,060)	(3,426,060)	(3,426,060)
Income expected in year	(1,000,000)	0	0	0	0
Amount used in year	444,600	0	0	0	0
Closing Balance	(3,426,060)	(3,426,060)	(3,426,060)	(3,426,060)	(3,426,060)
Total Capital Financing	(17,019,285)	(12,175,008)	(12,683,500)	(12,673,800)	(10,719,000)

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