APPENDIX A

HIGH PEAK BOROUGH COUNCIL

MEDIUM TERM FINANCIAL PLAN 2018/19 to 2021/22

February 2018

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1. INTRODUCTION

1.1. The Medium Term Financial Plan (MTFP) is a key element of the Council's budget and policy frameworks. It aims to ensure that resources are directed effectively and efficiently towards delivery of the Council's Corporate Plan. It describes the financial direction of the Council for planning purposes and outlines the financial pressures the Council is likely to experience over the next 4 years.

1.2. The medium-term financial planning process establishes how available resources will be allocated to services in line with the Council's priorities which have been determined following consultation with residents, councillors and other stakeholders. The process facilitates the Council in planning the prudent management of its finances, in building resilience and in providing for the needs of residents over the long term.

1.3. The MTFP is updated regularly to fit in with the budget cycle. This review of the MTFP builds on the existing plan and updates assumptions to reflect known changes to income, costs and funding. The plan incorporates revenue and capital financial projections over the four years 2018/19 to 2021/22. It also includes an assessment of key risks and a presentation of longer-term financial issues which have the potential to impact on the Council.

1.4. The Council will demonstrate economy, efficiency and effectiveness in the application of its resources. Value for Money (VFM) is maximised when there is an optimum balance between economy, efficiency and effectiveness.

- Economy: the price the Council pays for providing its services
- Efficiency: how much the Council gets out of what's put in (productivity)
- Effectiveness: value of the impact achieved (quantitative or qualitative)

2. STRATEGIC PRIORITIES

2.1. The Medium Term Financial Plan is driven by local priorities. The Council's spending strategy is set out in the Corporate Plan formally adopted by members of the Council.

2.2. Following the elections in May 2015, there was a fundamental review of the Corporate Plan focussing on the period 2015-2019 (up to the end of the current political administration).

2.3. The Council's 4-year Corporate Plan (2015-2019) articulates the aims, objectives and priority actions, which the Council is working to achieve over this period. Its delivery is measured through the Performance Framework, which has at its centre the three pillars of value for money - efficiency, economy and effectiveness. It in effect determines the Council's commitments in the delivery of services and community leadership to the citizens of High Peak.

2.4. The Council's Corporate Plan has been developed after taking into account the views and aspirations of High Peak citizens and having come to a clear understanding of empirical evidence. The plan has taken due recognition of the national and regional policy framework. It has taken on board learning from the progress made by the Council and has benefitted from input from Members at a priority setting event which was held in July 2015.

2.5. The opportunity has now been taken, at the mid-point of the current administration, to reflect on the progress made during the first two years of the Plan and to reiterate the Council's commitment to the remaining objectives as well as adding any new areas of priority that have emerged since the Plan was first developed.

2.6. The Council's vision is expressed as:

"Delivering excellent services to High Peak residents and demonstrating value for money"

This vision is articulated further by four aims:

- Help create a safer and healthier environment for our residents to live and work
- Meet financial challenges & provide value for money
- Support economic development & regeneration
- Protect and improve the environment

2.7. These aims are supported by a number of objectives which also provide the framework for the delivery of service plans. The Council's objectives are summarised below:

	Aim	Objectives
1	Help create a safer and healthier environment for our residents to live and work	• Effective relationship with strategic partners • Fit for purpose housing stock that meets the needs of tenants • Effective support of community safety arrangements • Provision of high quality leisure facilities
2	Meet its financial challenges and provide value for money	• Effective use of financial and other resources to ensure value for money • Ensure our services are easily available to all our residents in the appropriate channels and provided 'right first time' • A high performing and highly motivated workforce • More effective use of Council assets
3	Support economic development and regeneration	• Encourage business start-ups and enterprises • Flourishing town centres that support the local economy • Promote tourism • High quality development and building control with an 'open for business approach'

	Aim	Objectives
4	Protect and improve the environment	• Effective recycling and waste management • Provision of high quality public amenities, clean streets and environmental health • Provision of quality parks and open spaces • Car parking arrangements that meet the needs of residents, businesses and visitors

2.8. The Council is committed to playing the lead role in championing the local area. In so doing the Council recognises its community leadership role. Fulfilling this role effectively means influencing partners in a number of key areas in order to ensure that services are shaped and delivered around the needs and aspirations of citizens. The priorities for the Council's influencing role will be focused in the following areas:

- Work with the private sector on regeneration schemes including: The Crescent and Torr Vale Mill
- Press for more regular and faster rail links and road infrastructure
- Provision of accessible health and social care
- Support the police in dealing with anti social behaviour
- Work with partners to bring additional funding into the Borough

2.9. The Plan identifies key priority outcomes, which will be the highest priority in the development of performance targets and key actions. A significant proportion of the Council's resources will be directed towards achieving them:

	Aim	Priority Outcomes
1	Help create a safer and healthier environment for our residents to live and work	• Good quality social housing provision • Improved health
2	Meet financial challenges and provide value for money	• Balanced and sustainable medium term financial position • Council services provide value for money • High level of resident and customer satisfaction
3	Support economic development and regeneration	• Sustainable towns and rural communities • Increased economic growth
4	Protect and improve the environment	• High recycling rates • Quality parks and open spaces and clean streets

2.10. The Council maintains a Strategic Alliance with Staffordshire Moorlands District Council, formed around the principle of shared services in the pursuit of efficiency and realisation of savings. The Strategic Alliance has enabled the implementation and transformation of a joint management structure and services, consequently realising significant efficiency savings.

2.11. The Council intends to continue to drive savings and service improvements through collaboration with its Alliance partner.

3. CURRENT SPENDING LEVELS

3.1. The starting point for the development of the MTFP is the current level of spending and the approved capital expenditure commitments.

General Fund Revenue Budget

3.2. The Council's current year (2017/18) General Fund budget can be summarised as follows:

Income and Expenditure	**2017/18 Budget**
	£
Employees	12,701,150
Premises	4,121,350
Transport	833,090
Supplies & Services	9,488,650
Benefits	82,460
Borrowing	1,425,230
Parish Grant	51,320
Financing Costs	191,000
Unachieved Effciencies (2014 -2017 plan)	431,200
Total Expenditure	**29,325,450**
Fees and Charges / Other Income	(11,600,320)
Interest Receipts	(64,720)
Capital Recharges	(231,240)
HRA Recharges	(6,633,300)
Net Expenditure	**10,795,870**

3.3. The net expenditure is financed as follows:

Financing	**2017/18 Budget**
	£
Council Tax	(5,431,520)
Government Funding	(580,100)
New Homes Bonus	(725,060)
Business Rates Retention	(3,050,510)
Collection Fund Deficit	(145,110)
Contribution to / (from) Reserves & Balances	(553,570)
Efficiency Requirement	(310,000)
Total Financing	**(10,795,870)**

Housing Revenue Account Budget

3.4. The Housing Revenue Account (HRA) is a 'ring-fenced' account that ensures the management and maintenance of the Council's housing stock is funded from the income generated by rents and other related sources.

3.5. The Council's current year (2017/18) Housing Revenue Account budget can be summarised as follows:

Budget Heading	2017/18 Budget
	£
Repairs & Maintenance	3,932,800
Supervision & Management	2,695,930
Rates, Rents, Taxes, Charges	115,320
Other Operating Expenditure	1,383,590
Depreciation & Impairment Charges	1,550,000
Interest & Debt Management Charges	3,381,630
HRA Contribution to Capital Programme	1,997,000
Total Expenditure	**15,056,270**
Dwellings Rents	(14,495,540)
Non - Dwelling Rents & Other Income	(617,730)
Total Income	**(15,113,270)**
(Surplus) / Deficit for year	**(57,000)**

General Fund Capital Budget

3.6. The medium-term projection for General Fund capital commitments approved by Council in February 2017 is detailed below:

Service Area	2016/17	201718	2018/19	2019/20	2020/21	Total
	£	£	£	£	£	£
New Housing Schemes	241,960	142,000	301,050	454,000	454,000	1,593,010
Asset Management Plan	580,300	4,953,780	2,079,630	1,130,000	455,000	9,198,710
Housing Grants	463,140	414,700	389,000	389,000	389,000	2,044,840
ICT Strategy	318,000	50,000	50,000	50,000	41,520	509,520
Other Schemes	431,230	304,130	45,000	45,000	45,000	870,360
Total Programme	**2,034,630**	**5,864,610**	**2,864,680**	**2,068,000**	**1,384,520**	**14,216,440**
Financed by:						
External Contributions	569,180	460,700	389,000	389,000	389,000	2,196,880
Capital Receipts	-	642,000	491,050	1,264,000	734,000	3,131,050
Capital Reserve	-	-	-	-	-	-
S106 Planning Obligations	308,080	10,000	-	-	-	318,080
Borrowing	1,157,370	4,751,910	1,984,630	415,000	261,520	8,570,430
Total Financing	**2,034,630**	**5,864,610**	**2,864,680**	**2,068,000**	**1,384,520**	**14,216,440**

Housing Revenue Account Capital Budget

3.7. The medium-term projection for Housing Revenue Account capital commitments approved by Council in February 2017 was as follows:

	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£	£	£	£	£	£
Planned Maintenance	2,908,300	3,036,000	3,036,000	3,036,000	3,036,000	15,052,300
Responsive Works	445,000	395,000	395,000	395,000	395,000	2,025,000
Aids & Adaptations	435,670	350,000	350,000	350,000	350,000	1,835,670
New Build	194,000	-	-	-	-	194,000
Commissioning Costs	155,000	155,000	155,000	155,000	155,000	775,000
Total Programme	**4,137,970**	**3,936,000**	**3,936,000**	**3,936,000**	**3,936,000**	**19,881,970**
HRA Contribution	1,580,970	1,997,000	2,078,640	2,325,000	2,386,000	10,367,610
Major Repairs Reserve	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000	7,750,000
Capital Receipts	509,000	389,000	307,360	61,000	-	1,266,360
Capital Investment Fund	498,000	-	-	-	-	498,000
Total Financing	**4,137,970**	**3,936,000**	**3,936,000**	**3,936,000**	**3,936,000**	**19,881,970**

4. TRANSFORMATION PROGRAMME

4.1. Introduction

4.1.1. The Council's 'transformation programme' incorporates all major projects which meet the strategic priorities of the Authority and have significant financial implications, including:

- The capital programme
- Housing Revenue Account review
- The efficiency and rationalisation strategy
- Member priority projects
- Alliance Environment Services (AES)

4.1.2. The delivery of transformation programme projects is monitored by a Transformation Board made up of Directors, Heads of Service along with key Corporate Service Managers and officers. A director is allocated as 'project executive' and a full business case appraisal is completed for each project.

4.1.3. The progress and current financial projections of the transformation programme is explored below along with any potential revenue consequences. Any further work required to identify the financial implications of the programme are discussed and will feed into the 2018/19 budget setting process.

4.2. General Fund Capital Programme

4.2.1. The General Fund Capital Programme approved by members in February 2017 has been reviewed, re-profiled and updated to reflect the latest position in terms of capital projections to 31st March 2022.

4.2.2. The latest capital projections, specifically identifying the major schemes, are summarised in the table below. Full detail is attached in Annex A.

Service Area	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£	£	£	£	£	£
Housing	142,000	301,050	597,000	340,000	340,000	1,720,050
Asset Management	3,221,360	2,738,440	2,452,640	455,000	2,137,800	11,005,240
Growth Fund	-	-	-	-	-	-
Housing Grants	443,510	482,730	421,000	421,000	421,000	2,189,240
ICT Strategy	104,310	9,640	9,640	9,640	9,640	142,870
Other Schemes	264,470	406,370	325,000	45,000	45,000	1,085,840
Total Programme	**4,175,650**	**3,938,230**	**3,805,280**	**1,270,640**	**2,953,440**	**16,143,240**
Financed by:						
External Contributions	508,990	482,730	421,000	421,000	421,000	2,254,720
Capital Receipts	142,000	801,050	787,000	849,640	750,000	3,329,690
Capital Reserve	-	-	-	-	-	-
S106 Planning	-	-	-	-	-	-
Borrowing	3,524,660	2,654,450	2,597,280	-	1,782,440	10,558,830
	4,175,650	**3,938,230**	**3,805,280**	**1,270,640**	**2,953,440**	**16,143,240**

4.2.3. The capital projections above include the carry forward of £258,650 capital budgets from 2016/17 as approved by Members.

Housing Revenue Account Capital Programme

4.2.4. The Housing Revenue Account Capital Programme approved by members in February 2017 has been reviewed, re-profiled and updated to reflect the latest position in terms of capital projections to 31st March 2022.

	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£	£	£	£	£	£
Asset Management works	3,652,200	3,638,000	3,441,000	3,441,000	3,441,000	17,558,200
Repairs Team Capital works	395,000	413,000	395,000	395,000	395,000	1,993,000
Commissioning Costs	100,000	100,000	100,000	100,000	100,000	555,000
Total Programme	**4,147,200**	**4,151,000**	**3,936,000**	**3,936,000**	**3,936,000**	**20,106,200**
Major Repairs Reserve	2,099,030	2,099,030	2,099,030	2,099,030	2,099,030	10,495,150
HRA Contribution	1,659,170	1,644,610	1,775,970	1,836,970	1,836,970	8,753,690
Capital Receipts	389,000	307,360	61,000	-	-	757,360
Major Voids Reserve	-	100,000	-	-	-	100,000
Total Financing	**4,147,200**	**4,151,000**	**3,936,000**	**3,936,000**	**3,936,000**	**20,106,200**

4.2.5. The capital projections above include an approved £211,200 carry forward of unused budget from the 2016/17 programme to 2017/18. The 2018/19 capital programme includes £100,000 for renovation works on two long-term empty properties to bring them back into use and a proposed £115,000 carry forward from 2017/18 to 2018/19.

Asset Management Plan (AMP) – General Fund

4.2.6. It is essential that the Council maintains an asset base, which delivers the ambitions of the Corporate Plan – however, this needs to be affordable. This is becoming increasingly difficult due to the age of a number of the Council's key buildings and the shrinking amount of financial resources available to support service delivery.

4.2.7. A condition survey has been undertaken on the Council's property assets. A report detailing the outcomes and actions emerging was presented to the Executive in July 2016. This included the potential capital and revenue financial implications of maintaining the Council's current property assets over a 30-year period. This was reviewed and updated in February 2017 to take account of any changes and updates to condition information since July 2016, and has subsequently been reviewed again and presented to the Asset Management working group in October.

4.2.8. The surveys confirmed that a number of the Council's operational assets are dated in appearance, have structural issues or urgent health and safety work requirements or the electrical and mechanical infrastructure require updating. The investment required to ensure the assets remain fit for purpose is significant over the 30 year period and would consequently impact on future revenue budgets.

4.2.9. Therefore, Executive agreed a number of options to be considered to either reduce the amount of capital expenditure or reduce the impact on revenue of the necessary capital spending:

- Asset rationalisation
- Shared use of assets
- Reduction in specification and functionality
- Generate additional capital receipts
- Identify grants to support investment
- Generate additional revenue from asset holdings

4.2.10. Additionally, the Executive agreed the review of a number of areas as detailed below, with the progress made to date (as reported to the Asset Management working group in October 2017):

Area of Review	Progress to date
Assess and confirm the approach that provides for the early year investments (including the proposed strategy) for each of the key buildings	The current level of essential works are included within the 30 year programme as detailed above. This includes significant upfront investment in key public buildings specifically:- - **Buxton Town Hall** (£1.4m allocated in MTFP timeframe)– options are currently being assessed into alternative usage for this building which aims to reduce the investment required and realise revenue savings - **Pavilion Gardens** (£3.3m allocated in MTFP timeframe) – essential works relating to the Octagon ring beam are currently underway. Options for alternative delivery of the Pavilion Gardens facility in order to reduce the revenue subsidy are currently being explored. - **Glossop Halls** (£2m allocated in MTFP timeframe) – The £2m represents the Council's contribution to the restoration and conversion of the Market Hall, Town Hall and Municipal Buildings.
Review the public convenience and car park provision with a view to disposal of assets that are surplus to requirements	The working group has to date agreed proposals to progress emergency building works which present significant hazards and the deferral of car parks works to focus on other priorities (with a small number of car parks which require early investment). Additionally, public convenience provision has been reviewed and a strategy agreed to maintain current standards in recently refurbished locations with a phased scheme of improvements at public conveniences which require investment. There are 4 public conveniences proposed for decommission and disposal. These assets do not generate revenue expenditure as they are currently closed and therefore are not in the work plan for 2017 due to other priorities. The disposal of these 4 assets will be reviewed in 2018 and outcome built into the AMP and MTFP
Review the Leisure asset portfolio in the context of the expiry of the existing leisure management	There is significant capital investment required in Leisure Centre assets over the 30 year period – £7.9m (26% of overall programme spend) which is based on the long term fit for purpose estimated costs. The current leisure centre operational contract with Places for People expires in 2019 – which coincides with the expiry of the operational contract at Staffordshire Moorlands D.C. Therefore providing the option to potentially have a joint arrangement in place. A review of leisure centre provision will be taking place during 2018, which may in turn result in an alternative delivery model – which then reduces the overall investment requirements and/or reduces the overall revenue subsidy.

Review the operational depot asset portfolio in the context of the expiry of the waste collection contract	The AMP includes £0.8m capital investment required in operational depots over the 30 year period – which is based on the long term fit for purpose estimated costs. As part of the new operational arrangements in place with Alliance Environment Services for Waste Collection, and planned transfer of Streets Scene and Grounds Maintenance (replicated at Staffordshire Moorlands D.C.), an operational depot review will be undertaken collectively. This will ensure facilities are fit-for-purpose, efficiency located and consequently rationalise the facilities. This is a longer-term project to progress once all relevant services have transferred.
Review the Council's strategic land holdings with a view to developing options to either generate additional capital receipts or opportunities to generate ongoing financial returns.	There has been a review of land holdings undertaken to inform a Land Disposal Strategy, with a primary focus on those sites that can be disposed/developed over the life of the MTFP. The review is to be completed April 2018. This may result in the capitalisation of associated costs in obtaining planning permission on the sites to generate higher capital receipts.

4.2.11. The current capital programme costs of the AMP include approved carry forwards from 2016/17, projected spend in 2017/18, revised estimates for 2018/19-2020/21 and the additional estimated costs of maintaining the asset portfolio in 2021/22. The current programme includes significant early investment in key public buildings: Pavilion Gardens, Buxton Town Hall and Glossop Halls.

4.2.12. Options are currently being assessed for an alternative usage for Buxton Town Hall (and options for alternative Council accommodation arrangements within the town) which aims to reduce the investment required and realise savings.

4.2.13. A second bid is being prepared for external funding towards the Glossop Halls renovation project, however, it is proposed that roofing works are progressed in the meantime utilising the current £2 million provision in the capital programme.

4.2.14. The most significant capital expenditure over the 4 year period of the MTFP is in relation to Pavilion Gardens. The phase 1 project to undertake works required to the Octagon building is currently progressing. The resultant revenue implications of borrowing for this scheme have been calculated and a programme of cost saving measures at the Pavilion Gardens has been identified with the aim of covering these additional costs. Alternative delivery options for the facility are also being explored in order to reduce the overall subsidy provided.

4.2.15. Phase two works at Pavilion Gardens (as detailed in a report to the Executive on 21st July 2016) are also being considered for progression once the Octagon works are complete. A provision for these works is already included in the capital programme.

4.2.16. The table below illustrates the capital investment requirements on the Council's property portfolio and revenue consequences (cost of borrowing) over a 30 year period **as reported in <u>July 2016</u>**:-

HPBC - Capital Investment Required	**2016-17 - 2019-20 (MTFP)**	**2020-21 - 2045-46 (26 Years)**	**TOTAL**
Public Buildings	8,450,983	6,188,951	**14,639,934**
Car Parks	120,000	3,754,462	**3,874,462**
Public Conveniences	123,400	949,300	**1,072,700**
Waterways & Infrastructure Assets	671,360	1,230,000	**1,901,360**
Leisure Centres	45,000	6,825,129	**6,870,129**
Depots and Parks Buildings	144,700	1,301,785	**1,446,485**
TOTAL	**9,555,443**	**20,249,627**	**29,805,070**
Revenue Consequences	**295,619**	**592,838**	**888,457**

4.2.17. The AMP and consequent financial implications were then updated within the Budget & MTFP in February 2017 to take account of any more up-to-date asset data and the forecast outturn position in 2016/17.

4.2.18. The table below reflects the updated capital investment requirements as at **<u>February 2017</u>** which had increased by £300,200 over the 30 years which marginally increased the revenue consequences:

HPBC AMP Capital Investment & Revenue Consequence	**2016-17 (current year forecast) £**	**2017-18 – 2020-21 (MTFP) £**	**2021-22 – 2045-46 (25 years) £**	**TOTAL £**
Public Buildings	558,000	7,024,650	6,059,078	13,641,728
Car Parks		120,000	3,754,462	3,874,462
Public Conveniences		123,400	949,300	1,072,700
Waterways & Infrastructure Assets	22,300	1,053,310	1,105,000	2,180,610
Leisure Centres		245,000	7,736,945	7,981,945
Depots and Parks Buildings		52,050	1,301,785	1,353,835
TOTAL	**580,300**	**8,618,410**	**20,906,570**	**30,105,280**

4.2.19. This report provides an opportunity to update the capital investment requirements once again – taking into account the 2016/17 actual outturn position, further up-to-date asset data and any actions already taken as part of the asset review.

HPBC AMP Capital Investment & Revenue Consequence <u>(AS AT FEB 2018)</u>	2016-17 (Actuals) £	2017-18 (forecast) £	MTFP* 2018-19 – 2020-21 (MTFP) £	MTFP* 2021/22 £	2022-23 – 2045-46 (24 years) £	TOTAL £
Public Buildings	339,450	2,835,690	4,407,510	158,030	5,901,048	13,641,728
Car Parks	-	90,000	-	121,000	3,633,462	3,844,462
Public Conveniences	-	-	123,400	127,600	821,700	1,072,700
Waterways & Infrastructure Assets	51,280	190,270	864,060	100,000	1,005,000	2,210,610
Leisure Centres	540	100,000	204,460	1,631,170	6,045,775	7,981,945
Depots and Parks Buildings	-	5,400	46,650	-	1,301,785	1,353,835
TOTAL	**391,270**	**3,221,360**	**5,646,080**	**2,137,800**	**18,708,770**	**30,105,280**
Revenue Consequences	**-**	**30,950**	**261,010**	**20,690**	**522,400**	**835,050**

**The current MTFP capital programme costs of the AMP include approved carry forwards from 2016/17, projected spend in 2017/18,revised estimates for 2018/19-2020/21 & additional estimated costs of maintaining the asset portfolio in 2021/22.*

4.2.20. The overall 30 year programme remains consistent with the programme reported when setting the Budget and MTFP in February 2017. However, there has been some re-profiling of expenditure between financial years.

4.2.21. Although the programme has increased by £300,210 since the July 2016 report, the revenue consequences have marginally reduced over the 30 years in line with the latest interest rate forecasts provided by the Council’s treasury management advisors.

4.2.22. The revenue consequences remain significant and are front loaded – 50% of the £835,050 being incurred by 2024/25 (year 9 of 30) and therefore action is required in order to reduce the impact on the revenue budget.

4.2.23. Any positive revenue implications of the asset management plan, for example, reduced annual maintenance and utility costs due to fewer and/or more efficient buildings and income receipts from shared accommodation partners will be taken towards the efficiency programme.

Asset Management Plan (AMP) - Housing

4.2.24. The Executive agreed to complete a full condition survey on the Council’s portfolio of housing properties by March 2019. The last stock condition survey was undertaken in 2012 and was based on a 20% sample of properties. It is recognised that reliable and up-to-date stock condition data is critical for investment planning.

4.2.25. The stock condition surveys have now been completed and are now at the validation/assessment stage in order to understand the financial implications. Therefore, the full results will feed into the 2019/20-2022/23 MTFP November update. Stock condition requirements will need to be considered in line with the affordability of the HRA Business Plan

4.2.26. The HRA capital programme proposed within this update is based on current stock condition information held. The 2018/19 programme has been reviewed using existing internal data and prioritising schemes, consequently maintaining the base capital programme at £3.9m per annum. For 2018/19, an additional £100,000 has been included in the capital programme for renovation works to two long-term empty properties, and at this stage, a further £115,000 is proposed to be carried forward from 2017/18 in order to complete specific schemes.

Buxton Crescent

4.2.27. The Buxton Crescent Hotel and Thermal Spa construction stage is progressing. The smaller contract to refurbish the Pump Room reached practical completion in June. This will eventually become the hub for the proposed visitor centre.

4.2.28. The main contract to convert the Crescent and the Natural Baths into the hotel and spa is progressing well with a programmed completion in 2019.

4.2.29. Funding arrangements are in place for the project. It is, however, still necessary to identify the potential financial risks to the Council if the project failed to complete. The corresponding financial risks relate to mothballing costs and ongoing maintenance requirements of the building over a 5-year period (the estimated time to end the current project, procure a new partner, design and develop to the point of starting on site). Estimated costs are shown below:

Costs	HPBC Liability Cost over 5 years
	£
Mothballing costs (security, insurance, utilities)	257,500
Maintenance Costs	1,600,000
TOTAL	**1,857,500**

4.2.30. The above costs are not included in the MTFP, but flagged as a risk.

Housing Grants

4.2.31. The Borough Council is the duty holder under the Housing Grants, Construction and Regeneration Act 1996 for the mandatory Disabled Facilities Grant and this status remains despite changes to funding arrangements. All eligible applicants are entitled to receive mandatory funding for certain major adaptations to their properties. The funding for these adaptations has previously been given directly to the Council but from 2015/16, the funding was incorporated into the Better Care Fund (BCF) and paid to the County Council.

4.2.32. The Better Care Fund is a single pooled fund for all health and social care provision and covers the whole range of services including public health, social care services and clinical commissioning groups.

4.2.33. The mechanism for the payment of funds from the fund holder to the Borough Council year on year is now governed through the BCF Commissioning Group, which makes the award based on the newly developed Assurance Plans submitted annually by each Council. The Plans outline how the allocated budget will be spent; including any discretionary or innovative schemes agreed between the Councils and the County Council and identifies the monitoring programme. The Plan requires a quarterly progress update submission to the Commissioning Group, and these updates will inform the discussion around the subsequent year's allocation.

4.2.34. Currently, demand for mandatory funding at High Peak exceeds the value of the funding awarded, so provided spend is in line with commitment through the year, it is unlikely that the funding will be reduced. It may be, however, that High Peak will need to consider investing funds at a local level in future years, over and above the allocation for mandatory grants, should the level of demand continue to increase and if new discretionary or innovative schemes are to be funded. Funding received in 2017/18 includes £421,205 from the Better Care Fund and £40,755 direct from the DCLG; following their announcement of extra support being offered in December 2017.

ICT Strategy

4.2.35. The framework for the existing 3 year ICT Strategy was established in 2014/15. The key drivers of which are to support delivery of the Efficiency and Rationalisation Plan, provide the infrastructure to support joint working, support new ways of working and improve access to services for our customers. The Strategy is currently being reviewed and refreshed to take account of work undertaken to date and priorities going forward – which will then feed into the next update of the MTFP.

4.2.36. The aim of the current Strategy is to reduce the number of applications and software and consequently pressure on server space. The capital provision for this project was reprofiled to account for the acceleration of the infrastratucture and Microsoft compliancy phase of the project resulting in higher than originally anticipated expenditure in 2016/17 and forecast spend in 2017/18.

4.2.37. Capital investment is required to establish the infrastructure required to meet the key drivers. This in turn will identify the revenue consequences of capital purchases – increased costs including maintenance, updates and annual licence purchases, offset by savings resulting from better usage and consolidation of the Council's suite of systems.

New Capital Schemes

4.2.38. There are a number of new schemes which the Council is aiming to progress during the 4 year MTFP period. Projected costs are still to be finalised, but at this stage the following schemes and forecast budget have been included with the capital programme

- *Glossop Cemetery £200,000*

A £200,000 provision has been included in the capital programme profiled in 2018/19 & 2019/20 for the extension to Glossop cemetery; these works are to be fully costed including the cost of construction and applicable civil engineer fees/environmental costs. Prior to construction ground water testing may need to be undertaken for a period of 12 months.

- *Leisure Centre – pool dosing systems £90,000*

There is a requirement to upgrade the dosing systems to improve pool water quality at Buxton, Glossop and New Mills leisure centres, with costs estimated at £90,000.

- *MUGA- Multi Use Games Areas £100,000*

A £100,000 provision has been included to provide funding for improvements to recreation sites.

- *Accelerated Housing Delivery Programme / Land Disposal Strategy*

It is likely that there will be costs incurred associated in delivering the Council's accelerated housing programme and land disposal strategy going forward. However, these are still to be assessed (and may be revenue costs rather than capital costs) therefore no provision is included in the capital programme at this stage.

Funding the Capital Programme

4.2.39. The capital programme can be funded from a number of options which include external grants and contributions from third parties, comprising of Government and lottery funding streams; capital receipts from asset sales as part of the asset management plan and sale of council dwellings; earmarked revenue reserves and a planned annual contribution from the Housing Revenue Account to finance construction of and improvements to council dwellings.

4.2.40. Borrowing is undertaken to fund the shortfall after the other capital resources have been used. The current programme includes estimates of external funding of £2.255m towards General Fund projects; capital receipts of £4.087m (£3.330m General Fund + £0.757m HRA); Housing Revenue Reserves of £3.758m are forecast to be applied in 2017/18 and a further £15.591million of Housing Revenue Reserves over the following four years (subject to review – see 4.3).

4.2.41. Borrowing is the main funding option for the General Fund programme at £10.559m. The Treasury Management Strategy then considers whether this is funded externally or internally - both options have a consequence on revenue either through reduced investment income or increased external interest liability as highlighted in the table below.

4.2.42. The capital receipts applied to the General Fund include the one-for-one right-to-buy element used to fund capital expenditure on new housing properties. Under Government guidelines, these receipts can only represent 30% of overall expenditure, with a further 70% being required to be allocated. The current strategy is to fund this via a third party, i.e. a social housing landlord or developer, with the third party organisation providing the additional 70% expenditure.

4.2.43. The HRA can also apply capital receipts which are not subject to the same restrictions as the one for one receipts to the overall capital programme. Therefore these un-ring-fenced receipts have been applied to the overall HRA capital programme as a source of funding. There remains a balance held on un-ring-fenced capital receipts which can be applied to future spending. This will be reviewed as part of the HRA Business Plan update when the results of the stock condition surveys have been validated.

4.2.44. There remains a balance of £84,000 within the general fund earmarked reserve established specifically to fund capital projects. It is proposed to use this fund where an options appraisal on the acquisition of vehicles, plant and equipment has been carried out and suggests that the most financially viable option is to outright purchase. Similarly, an increase in the contribution to capital is proposed where it is best value to do so for the HRA.

Revenue Consequences of the Capital Programme

4.2.45. The capital investment proposals above will result in estimated revenue consequences as follows:

Revenue Consequences	2018/19	2019/20	2020/21	2021/22
	£	£	£	
Borrowing Costs	129,910	172,200	214,150	184,260
Other (Income)/Expenditure	-	-	-	-
General Fund	**129,910**	**172,200**	**214,150**	**184,260**
HRA contribution to Capital*	(252,390)	31,360	61,000	-
Borrowing Costs	-	-	-	-
Housing Revenue Account	**(252,390)**	**31,360**	**61,000**	**-**
Total	**(122,480)**	**203,560**	**275,150**	**184,260**

**dependent on stock condition survey results*

4.3. Housing Revenue Account Review

Background

4.3.1. In 2014, the Council made a commitment in its Corporate Plan to undertake a fundamental review of the Housing Revenue Account (HRA) business plan.

4.3.2. The business plan is being developed in the context of significant financial constraints. In 2015, government announced far reaching legislative and financial changes for the social housing sector, which have had significant implications for the Council and in particular a negative financial impact on the HRA. The financial impact of these changes, the most significant being the 1% rent reduction imposed over 4 financial years, is approximately £2.2 million by 2020/21.

HRA Business Plan Sub-Committee

4.3.3. The development of the business plan is being undertaken through a sub-committee established by the Corporate Select Committee. The work commenced in June 2016 and is expected to result in an updated sustainable business plan in preparation for the November 2018 MTFP update.

4.3.4. Given the significance of the financial position there has been an early focus on areas where reductions in financial provisions in the HRA can be made or additional income can be generated in order to ensure that the longer term financial position can be brought into balance.

4.3.5. The current sub-committee review schedule and the actions from each report (the financial implications of which are included in this MTFP where applicable) is summarised in the table below:

Month	Agenda Item	Action
August 2017	Revised Tenancy Agreement	• Consider amendments • Approve for consultation
18th October 2017	Radon	• Recommended approach for management of radon risk in dwellings
	Housing Systems	• Recommendations for systems rationalisation and improvement
	Void Policy	• Outcomes and recommendations from 90 day challenge
1st November 2017	Rent & Service Charge Policy and Leaseholder Charges	• Policy and recommendations including details of impact on income levels and charges • Recharging Proposals • Approve draft for consultation and subsequent implementation • Including garage rent policy • Proposals for revised approach to charging and communication with Leaseholders
	HRA Unoccupied Properties Review	• Consideration of bringing back into use a number of long term vacant properties
	Tenant Engagement	• Round table discussion with Linda Levin re Tenant Engagement Framework
January 2018	Financing Transactions	• Decision on debt repayment and other financial implications
	Neighbourhood Policies Suite	• Summary of policies, amendments and Impacts
	Housing Needs Report	• Context and data including Borough wide current supply and demand
February	Capital Programme	• Summary of 2017/18 projected outturn

Month	Agenda Item	Action
2018		• Proposals to feed into HRA Business Plan / Medium Term Financial Plan
	Sheltered Housing Delivery	• Recommendations for Sheltered housing • Approach to consultation • Carelink implications
	Housing Repairs Arrangements	• Review of current arrangements • Identification / consideration of alternatives • Recommendations for future service provision
	Stock Condition Survey	• Progress update and emerging findings for non traditional and sheltered stock • Timeline for completion & reporting/next steps
TBC 2018	DRAFT HRA BUSINESS PLAN	• Incorporating information from all items as appropriate

Financial Position

4.3.6. The MTFP summarises the latest financial forecasts and provides a detailed summary of the financial position from 2018/19 to 2021/22.

4.3.7. The original forecast 4-year deficit upon the announcement of the social sector rent reduction was some £2.2 million, which had been reduced to £770,430 (taking into account savings already achieved) by the end of 2020/21 as part of the MTFP presented in February 2017.

4.3.8. The HRA Financial Improvement Plan - which was presented alongside the MTFP in February 2017 – identified a further £1.2m in savings to be achieved over a four year period (see Annex B). The anticipated timing of the realisation of savings and further detail are shown within section 4.4.

4.3.9. Building in the £1.2 million savings plan, the HRA now shows a surplus position of £497,790 by 2021/22. However, this assumes a continuation of an annual capital programme of £3.9million.

4.3.10. The 30-year HRA business plan is based upon capital expenditure that is derived from the existing stock condition information. The plan also currently makes provision to repay outstanding debt at £1million per annum from 2018/19 (a reduction from the current £1.2million per annum as proposed in the HRA working group report presented in January 2018)

4.3.11. However, the capital programme requirements will not be fully understood until the stock condition surveys have been assessed. Therefore, there may be a requirement to increase the capital programme budget dependent on this information – at which point the financial impact will need to be assessed and future options considered.

4.3.12. The 30 year business plan will be updated with the inclusion of information coming out of the stock condition surveys. This will then feed into the November MTFP update.

4.4. Efficiency & Rationalisation Programme

General Fund Efficiency Programme

4.4.1. The current Efficiency and Rationalisation Strategy was approved by Members in February 2017, which identified a programme of £2.1 million (including £431,200 in unachieved efficiencies from the previous efficiency programme) in savings to be made over the period 2017/18 – 2020/21.

4.4.2. The Efficiency and Rationalisation Strategy has the effect of both reducing expenditure and increasing income. The need to grow income is now more of a priority as the Council moves more towards being self-financing i.e. not reliant on direct government funding such as revenue support grant.

4.4.3. The strategy has been developed with the underlying principles of protecting frontline service delivery. It is also intended that the strategy is a tool to enable the Council to ensure that its service spending is determined by the established priorities set out in the Corporate Plan.

4.4.4. There are five areas of focus:-

- **Major Procurements** - There is the opportunity to focus attention on a number of large service functions which are currently provided by an external contractor / supplier. A number of significant contracts are coming to an end. This will also allow a fundamental review of these services with proper consideration of the current financial constraints. The contract commitments have sometimes restricted the opportunity to align services across the alliance with Staffordshire Moorlands. The individual projects will focus on Waste Collection & Environment Services, Leisure Management and Facilities Management
- **Asset Management Plan** – continuation of the existing priority of rationalising the Council's asset base with a focus around priorities in order to allow for the necessary capital investment
- **Growth** – development of a clear focus upon housing and economic growth based upon the established Local Plan.
- **Income Generation** – focus on increasing the yield from existing sources on income and a drive towards identifying new sources of income
- **Rationalisation** – a commitment to reducing expenditure on non-priority areas of spend e.g. management arrangements, channel shift, non-statutory services

4.4.5. The below table summarises the financial savings requirements and profile for achievement (**ANNEX B** provides more detail of the savings plan):-

General Fund Efficiency Strategy	2017/18	2018/19	2019/20	2020/21	TOTAL
	£	£	£	£	£
Major Procurements	100,000	275,000	100,000	500,000	**975,000**
Asset Management	-	30,000	200,000	-	**230,000**
Growth	-	40,000	40,000	190,000	**270,000**
Income Generation	90,000	190,000	70,000	120,000	**470,000**
Rationalisation	120,000	46,000	20,000	-	**186,000**
TOTAL	**310,000**	**581,000**	**430,000**	**810,000**	**2,131,000**

4.4.6. To date, £225,250 in savings have been realised against the 2017/18 efficiency target. At this stage, it is anticipated that the 2017/18 efficiency target will be achieved.

4.4.7. However, continued progression against the efficiency programme is dependent on achieving significant savings as a result of the alternative delivery model for Waste, Streets and Parks via the transfer of services to trading company Alliance Environment Services, as well as a review of leisure provision. There are also significant income generation targets focusing on housing and economic growth as a result of implementing the Local Plan.

4.4.8. A further exercise reviewing the revenue underspends of recent years will also take place as part of the 2017/18 provisional outturn process. The review will identify areas, which have consistently underspent against the base budget, with a view to removing the excess provision. Any budget adjustments will be used to support the Efficiency & Rationalisation Strategy.

HRA Efficiency Programme

4.4.9. When setting the budget in February 2017, the HRA was in a deficit position of £770,430 by the end of 2020/21 due to the consequences of the four year 1% rent reduction.

4.4.10. Therefore, a HRA Financial Improvement Plan was approved as part of the MTFP which identified potential savings from a number of sources to be achieved over the period 2017/18 – 2020/21.

4.4.11. A HRA Review Progress report was presented to the HRA working group in April 2017 which further developed and provided more detail on the savings programme and likely profiling for the realisation of savings:

HRA Review Focus	Savings Description	Potential Annual Reduction			
		2017/18	2018/19	2019/20	2020/21
Capital Financing	Initial reduction in voluntary repayment of debt (currently £1.25 million per annum) – to be benchmarked – maximum annual reduction	250,000			
	*Further reduction dependent on stock condition survey information – i.e. if an increase in capital expenditure is required, reduction in MRP could offset		*potential further reduction		
Rental Income – introduction of new rent policy	New tenancies – commence at higher of 'social rent rate or 'assumed rent rate' (less 1% during rent reduction period) plus any service charges where calculated		30,000	30,000	30,000
	Review of services charges – ensuring full cost is rechargeable by accurately recording costs associated with specific properties/reducing costs of services provided De-pooling basic rent and service charges		5,000	5,000	
	Review of leasehold management arrangements (service charges) – to ensure we reflect the cost of providing services in the charging process and/or to highlight where costs are high and the service provided requires review		10,000	10,000	
	Other, for example: - annual rent amendments carried out in-house removing of consultant - review of payment methods - maximising garage rental income - Repairs recharges – ensuring all rechargeable repairs are billed correctly		15,000	15000	
Staffing structures – service review process	Post service review completion, removal of vacancies where responsibilities are now covered by joint service arrangements	200,000			
Repairs and Maintenance – overall reduction in expenditure	Productivity improvements (review of processes internally) increased on-contract expenditure, capturing back office savings post service review	85,000	50,000		
	Implementation of an alternative service delivery model and / or further improvements in productivity and procurement savnigs				150,000
ICT Costs – reduction in costs	Streamlining of systems, saving annual license/software fees, removing duplication and releasing Officer time. Focus on using the remaining systems more effectively.	25,000	25,000		
Voids review	Increased income from improvements in voids turn around times and review of tenancy commencements	20,000	20,000		
	Reduction in expenditure from a review of voids maintenance works carried out	30,000	30,000		
Tenancy Arrangements	Review of tenancy and neighbourhood management processes	15,000			
Stock Condition surveys	Disposal of surplus stock after consideration of net present value assessment following completion of stock condition survey				150,000
Total Annual Saving		**625,000**	**185,000**	**60,000**	**330,000**

4.4.12. Savings against the 2017/18 target of £625,000 have been realised – which is contributing to the projected underspend for the HRA in 2017/18.

4.4.13. In addition, a report was presented to the HRA working group which proposed a reduction to the annual voluntary minimum revenue provision (MRP) payment of £1.25million – which is set aside to repay debt. A reduction of £245,000 was proposed on a temporary 4 year basis to support with the realisation of the Financial Improvement Plan. This included an option to apply additional MRP if an in year surplus was achieved.

4.4.14. Consequently, by applying the £245,000 reduction to annual MRP, this achieves the 2018/19 and 2019/20 efficiency targets. Therefore the Financial Improvement Plan has been re-profiled:

HRA Review Focus	Potential Annual Reduction			
	2017/18	2018/19	2019/20	2020/21
Total Annual Saving	**625,000**	**245,000**	**-**	**330,000**

4.4.15. By including the four-year HRA Financial Improvement Plan targets as above in the HRA MTFP, this results in a £497,790 surplus position by the end of 2021/22. However, this is subject to progression against the savings plan and the result of the stock condition surveys in determining the capital expenditure requirements going forward.

4.5. Member Priority Projects

4.5.1. During the development of the Corporate Plan a number of priority actions have been identified and prioritised by members. These are as follows:

Member Priority Projects	Financial Implications			
	(y/n)	Firm - in plans	Costs understood - not in plans	Costs not known
Leader				
Review and improve our relationships with Strategic Partners Continue to influence the provision of accessible health and social care services through the Council's Scrutiny work programme	N			
Parks, Leisure & Recycling				
Establish a developer open space contributions plan	Y			✓
Work with ANSA and Cheshire East to launch Alliance Environmental Services Ltd, our new joint venture company, to deliver waste, streets and grounds maintenance services on behalf of the Council in order to achieve improved performance and value for money outcomes	Y	✓		
Implement the Council's new sport and physical activity strategy and carry out research into nil cost facility provision being achieved by other councils; in order to achieve improved health and value for money outcomes for the High Peak	N			

Member Priority Projects	Financial Implications			
	(y/n)	Firm - in plans	Costs understood - not in plans	Costs not known
Finance & Corporate Services				
Benchmark and review the Council's approach to customer complaints as part of the introduction of a new automated management system for complaint handling and reporting	N			
Deliver the Channel Shift Programme	Y	✓		
Undertake detailed process benchmarking with high performing / low cost councils with a view to identifying value for money improvements for Housing Benefit processing	Y			✓
Develop and implement a plan to identify new and innovative ways of generating income	Y			✓
Refresh and implement the Asset Management Plan, including a review of public estate, and ensure adequate facilities management arrangements are in place	Y	✓		
Undertake a review of the current CCTV system to look at its cost-effectiveness in preparation for the expiry of the maintenance contract in early 2018	Y	✓		
Tourism, Regeneration & Licensing				
Market test the commercial operation of the Pavilion Gardens, including a review of the Tourist Information Centre and Tourism Service	Y	✓		
Together with partners work for the delivery of the Crescent development	Y	✓		
Support the development of Glossop Halls	Y	✓		
Support the development of Torr Vale Mill	Y			✓
Undertake detailed process benchmarking with high performing / low cost councils with a view to identifying value for money improvements for planning application processing	Y			✓
Implement the accelerated business growth and employment programme	Y	✓		
Housing				
Complete and implement a Housing Management and Revenue Plan	Y		✓	
Implement the accelerated housing delivery programme	Y	✓		

4.5.2. Any costs or revenue associated with these actions will need to be included in the MTFP. The impact of a number of them is already included in this iteration of the plan but additional work will need to be undertaken to develop a number of the actions further and at the same time identify any financial implications.

4.6 Alliance Environment Service (AES)

4.6.1 Alliance Environmental Services (AES) is a company created with a vision to deliver waste, street cleansing and grounds maintenance services in the High Peak and Staffordshire Moorlands areas. The company has three shareholders: High Peak Borough Council, Staffordshire Moorlands District Council and Ansa, which is a wholly owned subsidiary of Cheshire East Council.

4.6.2 Phase 1 of the transfer of services commenced on 7th August 2017 to deliver High Peak Borough Council Waste services. This followed the end of the previous contract with Veolia Environmental Services.

4.6.3 Overall savings of £1.2 million are forecast to be achieved (shared between HPBC/SMDC) by the end of 2021/22. £64,000 will be achieved by the end of 2017/18, with a further £240,000 forecast for 2018/19.

4.6.4 The contract fee for 2018/19 is to be agreed by the AES Board (including representatives from the two Councils and ANSA). This will be based on the 2017/18 contract fee (as agreed on the formation of the Company) plus an inflation allowance for 2018/19. It will also include any additional fees for early ‘risk’ items (such as pension costs) and costs associated with temporary vehicle spot hire whilst longer term procurement options are being appraised. Any additional short-term costs will be offset by future efficiencies.

5. FINANCIAL FORECASTS

5.1. Interest Rates

5.1.1. The Bank of England Base Rate was increased from 0.25% to 0.50% at the Monetary Policy Committee (MPC) meeting on 2nd November 2017. This was a reversal of the post-EU Referendum emergency monetary stimulus implemented in August 2016 when the Base Rate was cut from 0.50% to 0.25%.

5.1.2. The MPC also gave forward guidance that they expected to increase Bank Rate only twice more in the next three years to reach 1.0% by 2020. Commentary continues that economic forecasting remains difficult with so many external influences weighing on the UK, therefore forecasts are likely to be subject to change.

5.1.3. The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently. Borrowing should be considered where appropriate to the strategy with a view to locking in lower rates and the cost of carry as trends begin to rise.

5.1.4. Based on the current forecasts, and the refinancing assumptions, changes in investment income and borrowing costs are highlighted below:

	2018/19	2019/20	2020//21	2021//22
	£	£	£	£
General Fund				
Changes in Investment Income	(75,220)	(66,120)	(106,750)	(58,590)
Changes in Borrowing Costs	139,360	(39,550)	(76,070)	(155,850)
HRA				
Changes in Investment Income	(63,770)	(38,360)	(49,240)	(39,470)
Changes in Borrowing Costs	(164,260)	(88,130)	(8,070)	11,440

5.2. Inflationary Projections

5.2.1. The Retail Price Index (RPI) and Consumer Price Index (CPI) 12 month rate, as at November 2017, stood at 3.88% and 3.16% respectively. Inflation forecasts are made reflecting the composition of the Council's expenditure, resulting in an inflation rate specific to the Council.

5.2.2. The MTFP presented to members in November 2017 have been updated, where appropriate, to reflect the latest available information including the impacts of the 2 year pay deal offered by employers in December 2017. The additional costs to the Council arising from inflation are forecast in the table below.

Inflationary Changes	2018/19	2019/20	2020/21	2021/22
	£	£	£	£
Employee Costs	401,090	356,720	215,620	207,580
Premises Costs	74,820	61,760	72,980	65,760
Transport	2,970	5,530	7,520	10,030
Supplies and Services	151,830	134,940	134,600	131,880
In-Year Inflation Pressure	**630,710**	**558,950**	**430,720**	**415,250**
General Fund	501,930	436,770	321,360	309,210
Housing Revenue Account	128,780	122,180	109,360	106,040

5.3. Budgetary Demand

5.3.1. The Medium Term Financial Plan presented to Council in February 2017 analysed and projected forward both income and expenditure. This has been revised to reflect known increases and decreases in budgetary demand. A small number of additional items have been added to those presented in December.

5.3.2. The current known changes in budgetary demand are highlighted below:-

Increased / (Reduced) Budget Demand	2018/19	2019/20	2020/21	2021/22
	£	£	£	£
HRA pension past service deficit costs	(22,400)	(24,400)	(25,400)	(20,000)
Uniforms – Customer Services (cyclical)	2,500	(2,500)	2,500	(2,500)
Pavilion Gardens – Octagon closure	(59,000)	(59,000)	-	-
DWP – HB administration grant reduction	26,680	24,000	-	-
DCC – Discontinue on-street parking arrangement	24,580	-	-	-
Insurance – Increased Limits of Indemnity	8,500	-	-	-
Insurance – Cut in discount rate	10,000	-	-	-
Rates Revaluation – increased NDR charge	30,200	-	-	-
Water rates base increase	10,500	-	-	-
Abolished credit card charges	4,000	-	-	-
Customer Services redeployment	(10,660)	-	-	-
Carelink Support – HRA contribution	(38,000)	-	-	-
Car Park Income – base budget adjustment	(22,700)	-	-	-
Trade Waste Income – base budget adjustment	(23,000)			
Customer Services – e-bus	(10,000)			
Customer Services - post	(15,000)			
Procurement activity – base adjustment	(22,300)			
Local Council Tax Support administration grant	4,390	4,000		
End of WW1 commemorations	11,000	(11,000)		
Total – General Fund	**(90,710)**	**(68,900)**	**(22,900)**	**(22,500)**
HRA – Contribution to Carelink costs	38,000	**-**	**-**	**-**
HRA - Radon remediation works	110,000	(100,000)	-	-
HRA – Asbestos surveys and works	125,000	(115,000)	-	-
Total – Housing Revenue Account	**273,000**	**(215,000)**	**-**	**-**

5.4. Budget Growth

5.4.1. In previous years, few additions in respect of budget growth have been included in the MTFP. It was assumed in light of the financial pressures faced by the Council, that any local issues that necessitate budget growth will be financed by internal spending reductions elsewhere. Occasionally, however, it is necessary to include budget growth to meet spending commitments.

5.4.2. The following items of budget growth have been included in this version of the Medium Term Financial Plan.

Budget Growth	2018/19	2019/20	2020/21	2021/22
	£	£	£	£
Service strengthening - Tourism	15,200	-	-	-
Total	**15,200**	**-**	**-**	**-**

5.5. Pensions

5.5.1. The last triennial actuarial valuation of the Derbyshire Pension Fund took place in 2016. At this valuation, the High Peak portion of the Fund was in deficit by £25.9 million and was 69% funded.

5.5.2. The 2016 valuation determined the level of contributions necessary for the following 3 year period (2017 – 2020). The Council was required to contribute 12.4% of pensionable pay plus £1,779,000 per annum in secondary payments with effect from 2017/18.

5.5.3. In year 3 of the MTFP (2020/21) the Fund will be subject to a further revaluation scheduled to take place in 2019. At this stage it has been assumed that the current level of contributions arising out of this valuation will remain unaltered from the current high levels.

5.5.4. These additional pension costs are included in the employee inflation element of the Plan.

5.6. Housing Revenue Account – Other Operating Expenditure

5.6.1. There are a number of items that relate only to the HRA. They include some direct elements of income and expenditure as well as notional charges for asset depreciation and debt impairment.

5.6.2. Increase in Other Operating Expenditure - The updated HRA plan provides for a number of changes to operating expenditure as set out in the table below:

Expenditure / (Income)	2018/19	2019/20	2020/21	2021/22
	£	£	£	
Provision for Irrecoverable Debts	(2,650)	560	(1,320)	1,390
Charges for Depreciation	549,030	-	-	-
HRA Voluntary MRP Contribution	(249,400)	-	-	-
Past Service Pension Deficit Contribution	22,400	23,400	24,400	20,000
Increased / (Reduced) Other Operating Expenditure	**319,380**	**23,960**	**23,080**	**21,390**

5.6.3. A report was presented to the HRA working group in January 2018 which proposed reducing the annual voluntary MRP provision from £1.25million per annum to £1million per annum on a temporary basis for four years to support in the realisation of the HRA Financial Improvement Plan.

6. FUNDING & INCOME GENERATION

6.1. Council Tax

6.1.1. The Council has the capacity to vary Council Tax levels, following the abolition of capping. However the Council's ability to increase Council Tax by more than a certain percentage is subject to referendum. This threshold was increased to 2.99% in the recent finance settlement in order to better reflect CPI.

6.1.2. The MTFP assumes that a 2.9% Council Tax increase will be implemented in 2018/19. It is assumed that the level of increase will revert to 1.9% in each of the 3 remaining years covered by this Plan.

6.1.3. Provision has been made in the Plan to reflect the anticipated growth in Council Tax base over the next 4 years. The table below sets out the additional yield from Council Tax as assumed in the Medium Term Financial Plan:

Increased Council Tax Income	2018/19	2019/20	2020/21	2021/22
	£	£	£	£
Revenue from increased Council Tax	(157,510)	(106,970)	(110,410)	(113,960)
Revenue from Tax Base growth	(40,910)	(74,060)	(76,440)	(79,860)
Total	**(198,420)**	**(181,030)**	**(186,850)**	**(193,820)**

6.2. Business Rates Retention

6.2.1. Under the 50% Business Rates Retention system the Authority retains 40% of Business Rates less a tariff that is payable in to a pool of Derbyshire Authorities. This amount is then compared to a Funding Baseline and any amount in excess of this Baseline is subject to levy, or conversely if the amount of retained Business Rates is below this Baseline, the loss is capped by a safety net payment. The MTFP does not anticipate the Council falling below the Baseline.

6.2.2. As part of the Derbyshire Pool in the 50% retention scheme, the levy is made to the Pool instead of Central Government. If the Council was not in the Derbyshire Pool it would have to pay 50p in the £1 to the Government as a levy, effectively limiting the income the Council can gain from business rates growth. However, as part of the Pool, the Council is able to retain some of this levy. Under the Pool agreement, this amount will depend on the amount all members of the Pool pay in at the end of the year, and the proportional success of the Council against its own baseline.

6.2.3. The benefit to the Council of being part of the Pool arrangement is estimated to be approximately £200,000 in 2018/19 for this element of the retention arrangements.

6.2.4. In October 2015, the Government announced a forthcoming package of reforms to the Business Rates Retention System including a move to local government retaining 100% of the rates that they received with an end to RSG.

6.2.5. It was announced in December 2017 that Derbyshire was successful in its application for all authorities in the area to be a pilot for the 100% Business Rates Retention scheme. Therefore the authority's RSG allocation for 2018/19 has reduced to zero, with an equivalent amount being rolled into the Business Rates Baseline Funding level for the year (see 6.4.2). The authority's share of retention will increase from 40% to 50% and the levy rate will be zero.

6.2.6. The pilot is to be at 'no detriment' compared to the rates retention that would have been available to Authorities under the 50% scheme and as part of the existing Derbyshire pool. For the purpose of the MTFP, no financial assumptions have been included for the pilot as allocation arrangements are still to be finalised. This will be updated as more information becomes available.

6.2.7. It is understood that the pilot is only applicable to 2018/19 and the authority will return to a 50% rates retention scheme from 2019/20 pending further updates from DCLG.

6.2.8. The MTFP anticipates that Business Rates retention will be above the baseline. Net income is somewhat suppressed due to the award of reliefs including increased small business rate relief including the changes in thresholds, multiplier cap, supporting small businesses and local discretionary relief; and the increase in the provision for rateable value reductions on successful appeals.

6.2.9. To compensate for the loss of business rates income resulting from the reliefs, funding has to date been made available to Councils under Section 31 of the Local Government Act 2003. The MTFP assumes both the extension of reliefs and Section 31 grants will continue. The impact of the increased provision on the life of the plan is partially offset from the resulting decrease in levies payable and the prudent assumption that funding would not increase as a result of the 2017 revaluation.

6.2.10. Overall reduced levels of retention are seen most significantly in year 1 of the plan. This is a result of reductions in net income from successful appeals and new reliefs awarded as a result of the Chancellor's budget which were not known at the time of the 2017/18 budget setting. The reliefs are funded by S31 grants as described above – this creates a surplus on business rates retention in the current year on the general fund, but a collection fund deficit in year 1 of the plan. Therefore it is appropriate to ring fence the surpluses being forecast in the current year (2017/18) to fund the distribution of the deficit being created in year 1 (2018/19).

6.2.11. Changes in the level of the Council's business rates will be impacted by a range of factors, including business growth in the area. At this stage, predicted levels of business rates income are based on known and expected changes to the business rates listing.

Business Rates Retention	2018/19	2019/20	2020/21	2021/22
	£	£	£	£
In year:				
Baseline Funding	(2,523,320)	(2,328,080)	(2,379,720)	(2,432,500)
Achievement against Baseline	296,140	247,940	176,320	130,340
Section 31 Grant	(1,264,290)	(1,242,170)	(1,213,320)	(1,226,640)
	(3,491,470)	**(3,322,310)**	**(3,416,720)**	**(3,528,800)**
Change between years:				
Business Rates retained	(174,150)	(98,720)	(123,260)	(98,760)
Baseline adjustment	(245,760)	245,760		
Section 31 Grant	(21,050)	22,120	28,850	(13,320)
	(440,960)	**169,160**	**(94,410)**	**(112,080)**

6.3. Collection Fund

6.3.1. The Council maintains a Collection Fund to record the receipt of Council Tax and Business Rates and their distribution to precepting authorities. Any surplus or deficit generated is distributed or recovered from the preceptors in subsequent years.

6.3.2. It is expected that the High Peak's share of a surplus, in respect of Council Tax, will be £30,370 in 2018/19.

6.3.3. It is assumed that a deficit, after providing for appeals, of £2,668,600 will be distributed in 2018/19 in respect of retained Business Rates generated in the current and previous years. High Peak's share of this deficit will be £1,067,440. It is assumed the Business Rates element of the collection fund will break even in future years, leaving no surplus or deficit for distribution.

6.3.4. These and future year movements are set out in the table below:

Changes in Collection Fund Income	2018/19	2019/20	2020/21	2021/22
	£	£	£	£
Council Tax	34,330	(3,910)	(8,260)	(2,490)
Business Rates	1,147,850	(1,067,440)	-	-
Total	**1,182,180**	**(1,071,350)**	**(8,260)**	**(2,490)**

6.4. Income from Government Grants

Revenue Support Grant

6.4.1. The current MTFP, reported to Council in February 2016, includes the phased elimination of Revenue Support Grant (RSG) announced by the Government in October 2015.

6.4.2. This revision of the MTFP amends the profile of RSG reduction, proposed by the Government as part of the 4 year settlement, to take into account Derbyshire's success in its bid for pilot status in respect of 100% retention of Business Rates. This brings forward the RSG reduction proposed for 2019/20 into 2018/19; meaning that the Council will lose its remaining RSG funding (of £580,180) next year, a year earlier than previously planned. This loss is offset by a corresponding increase in the 2018/19 NDR baseline funding, which allows the Council to retain more of the business rates collected next year.

New Homes Bonus

6.4.3. New Homes Bonus (NHB) is aimed at encouraging local authorities to grant planning permission for the building of new houses, in return for additional revenue.

6.4.4. Consultation on the future format of New Homes Bonus was carried out in 2016 with the outcome being included in the settlement details released in December 2016. The main changes to the scheme, which came into effect on 1st April 2017, were incorporated into the February 2017 MTFP. These were:-

- The reduction in the number of years for which the Bonus is paid from the current 6 years to 5 years in 2017/18; to be followed by a further reduction to 4 years in 2018/19;
- The removal of New Homes Bonus paid on development below a 0.4% baseline; representing the percentage of housing that would have been built anyway.

6.4.5. Further changes, proposed in the consultation, have been put on hold to be considered for future implementation. These include:

- Withholding the Bonus from areas where an authority does not have a Local Plan in place; and
- Abating the Bonus in circumstances where planning permission for a new development has only been granted on appeal.

The 2018 settlement confirmed these measures would not be implemented in 2018/19

6.4.6. Under the new rules; the Council expects to receive New Homes Bonus of £110,300 in respect of 2018/19. This has been incorporated into the MTFP together with anticipated receipts of £167,910 in respect of 2019/20; £267,520 in respect of 2020/21; and £125,220 in respect of 2021/22. These amounts assume no detrimental increase in the Government's (0.4%) baseline.

6.4.7. The total New Homes Bonus included in the MTFP over the 4 year period is £2.39 million. This is on a diminishing trend as the more generous early years awards drop off over the medium term. The MTFP anticipates £531,810 in 2018/19; £540,360 in 2019/20; £644,880 in 2020/21; and £670,960 in 2021/22.

6.4.8. The Efficiency and Rationalisation Programme includes £120,000 in additional New Homes Bonus over the next 4 years, arising out of stimulated housing growth. The year-on-year growth anticipated in 6.4.9 will be applied against this element of the Efficiency Plan.

6.4.9. The Council's commitment to encouraging the building of new homes also has the effect of generating additional revenue from an increase in the council tax base. However, increased costs are potentially incurred in servicing the needs of the additional properties.

Local Council Tax Support Scheme

6.4.10. The Council operates a scheme whereby funding received from central Government in respect of Local Council Tax Support is passed onto the parishes by means of an annual grant. The allocation of this grant is based on the eligibility of parish residents for council tax discounts.

6.4.11. The level of resources made available for this grant has remained constant in spite of reductions in overall Government funding. The MTFP assumes that this approach will continue. This comes at a cost to the Council, which in 2018/19 equates to £29,580.

Summary of Income from Government Grants

6.4.12. The table below summarises the assumed level of and movement in Government funding:

Government Grant (gain) / loss of funding	2016/17 (baseline)	2017/18 (actual)	2018/19 (forecast)	2019/20 (forecast)	2020/21 (forecast)	2021/22 (forecast)
	£	£	£	£	£	£
Revenue Support Grant	(1,124,580)	544,480	580,100	-	-	-
New Homes Bonus	(773,320)	48,260	193,250	(8,550)	(104,520)	(26,080)
Change in Govt Funding	**(1,897,900)**	**592,740**	**773,350**	**(8,550)**	**(104,520)**	**(26,080)**

6.4.13. The changes shown in the table above mean that the Government grant funding received by the Council will have reduced to £670,960 by 2021/22 compared to the £1,897,900 received in 2016/17.

6.5. Fees and Charges

General Fees and Charges

6.5.1. Charging for local services makes a significant contribution to the Council's finances. The Council also uses charging to influence individual choices and behaviour, and to bring other benefits to local communities. The Council's Charging Policy sets out the following principles for establishing the level of fees and charges:

- The cost of providing services should be fully met by income
- There is a standard approach to concessions for those on low incomes
- Where a subsidy is agreed, this should be used to support the development of Council services in accordance with priorities
- Subsidies should be reconfirmed annually

6.5.2. Services have completed the fees and charges templates, the financial outcomes of the process are shown in ANNEX E. The summary includes categorisation of charges and identifies where fee-earning services are provided at a subsidy.

6.5.3. The Medium Term Financial Plan currently projects that the Council will increase fees and charges (and other income) broadly in line with inflation. However, it is also recognised that certain income streams (such as car parking, planning receipts) may not increase each year and that other income streams (such as grants and rental income) are fixed or subject to periodic review. In the December Finance Settlement the Government announced that the 20% increase to statutory planning fees, first proposed in the housing white paper last year, will come into effect on January 17th. An additional £40,000 has been built into the MTFP on the back of this change. This increase is premised on a commitment to invest the additional income in the wider planning service.

6.5.4. The underlying annual total expected from inflationary increases to fees and charges has been reduced from £100,000 recognising the significant overlap with income generation projects included in the Efficiency and Rationalisation Programme (see 4.4 above).

6.5.5. An increase in planning fees of £45,000 is anticipated over the next 4 years arising out of increased activity levels.

6.5.6. The projected revenue from increased fees and charges (and other income) is summarised in the table below:

Increased Fees and Changes	2018/19	2019/20	2020/21	2021/22
	£	£	£	£
Revenue from increased Fees and Charges	(80,000)	(75,000)	(70,000)	(65,000)
Increase in statutory planning fees	(40,000)	-	-	-
Increase in planning income (activity led)	(10,000)	(25,000)	(10,000)	-
Total	**(130,000)**	**(100,000)**	**(80,000)**	**(65,000)**

Housing Revenue Account – Rent Charges

6.5.7. As detailed in section 4.3, the Government announced in July 2015 far reaching legislative and financial changes for the social housing sector, the most significant financially being the announcement to reduce by 1% per annum from April 2016 for 4 years.

6.5.8. The Government announced in October 2017 that after the four year 1% rent reduction ends in 2019/20, Authorities will then be able to increase rents from 2020/21 by CPI +1%.

6.5.9. Therefore, the current HRA Plan projects an average rent decrease on dwellings 1.0% in 2018/19 – 2019/20, with a 1.5% increase assumed from 2020/21. It also assumes that 'Other Charges', including garages and service charges, will increase in 2018/19 – 2021/22 by a maximum of 5% for current tenants.

Reduced Rental Income	2018/19	2019/20*	2020/21	2021/22
	£	£	£	
Reduced revenue from Rental Income and Other Charges	264,920	(55,900)	131,730	(138,820)

**53 week rent year*

6.5.10. As part of the HRA review, a draft rent policy has been presented to the HRA working group, which would potentially increase income targets (and partially offset the HRA Financial Improvement Plan savings targets).

6.5.11. This included a review of current service charges to ascertain the cost to the Council in providing services (for example, Scheme Managers, communal lighting, cleaning, window cleaning, door entry systems, grounds maintenance etc) The review has revealed that the cost in providing services is higher than the service charge currently paid by tenants.

6.5.12. It is proposed therefore, to increase service charges paid by current tenants by a maximum of 5% per annum – to limit the financial impact (this would be the equivalent of a maximum of £1.07p per week) up to the point the actual service charge matches the actual cost.

6.5.13. It is also proposed that for new tenants, 'formula' rent is charged – which in most cases is slightly higher than current rent. In addition, if any services are provided as part of the tenancy, the service charge will be based on the actual cost in providing those services. The rent and service charge will be fully advertised prior to a new tenant taking on a tenancy.

6.5.14. In September 2018, the Department of Works and Pensions will be rolling out its 'full' Universal Credit service in High Peak – meaning that all new claims from single people and families (of working age) of the six legacy benefits (including Housing Benefit) will be replaced by Universal Credit (UC).

6.5.15. Due to the many changes (UC is paid direct to the tenant rather than the Landlord, there have been some issues with waiting times on receiving payment etc) this may have a potential negative impact on rent collection. No reduction in rental income due to this has been included in this MTFP, but it is flagged as a risk at this stage.

7. RISKS, CONTINGENCIES & USE OF RESERVES

7.1. Risks and Contingencies

7.1.1. The early identification and management of risks is critical to the Medium Term Financial Planning process. Risks to the MTFP are assessed, mitigated and actively managed to ensure that the Council delivers its services effectively within the funding at its disposal. The principal risks to the Medium Term Financial Plan are summarised in ANNEX C.

7.1.2. The table below highlights specific financial risks that are embedded within this Medium Term Financial Plan:

Revenue Risks	Capital Risks
• Inflationary assumptions • Interest rates • Housing benefits • Fees and charges • Universal Credit • Business Rates • Council Tax collection • Housing Rent levels (HRA affordability) • Government grants • Financial benefits from partnerships / shared services • Pension costs • Outsourced waste contract • Outsourced leisure contract	• Interest rates • External funding • Capital receipts • Capacity to deliver capital programme • Project overspend • Project overrun • External factors (e.g. planning objections, judicial reviews etc. leading to project delay) • Housing finance • Weather

7.2. Contingencies

7.2.1. The Medium Term Financial Plan is underpinned by a number of assumptions. These assumptions have been made in the light of currently available information. New information, when it emerges, may require the Council to alter its assumptions with a consequential effect on the Council's financial position.

7.2.2. Key risk areas will be closely monitored and reviewed on an ongoing basis and remedial action taken. Members will receive quarterly updates on performance against the budget. The Council will carry adequate reserves as a contingency against risks that cannot be fully mitigated.

7.2.3. The Council carries reserves as a contingency for situations where risks cannot be fully mitigated. Section 25 of the Local Government Act 2003 requires the Chief Finance Officer (CFO) to report on the robustness of the estimates included in the budget and the adequacy of the reserves that the budget provides.

7.2.4. While there is no detailed guidance on calculating the level of general reserves the Council is encouraged to take into account the strategic, operational and financial risks facing the Council. The table below present analysis undertaken by the Council in calculating the minimum level of general reserve required:

Item	Calculation Factor	Value	Amount of Reserve
		£m	£
Expenditure Items (gross) – Employee Related	2% of value	10.04	201,000
Expenditure Items (gross) – Other	2% of value	10.86	217,000
New Budget Growth	Additional 10% of value	0.00	2,000
Housing Benefits (subsidy)	0.25% of value	14.48	36,000
Fees and Charges	3.5% of value	10.61	371,000
Interest Receipts / Payments	5% of net interest paid / received	1.55	78,000
Efficiency Provisions	30% of value	0.55	165,000
Council Tax Collection	1% of value	5.63	56,000
Business Rates Retention	5% of value	3.49	175,000
Development Services Income	5% of value	0.62	31,000
Local Land Charges	5% fall in income	0.12	6,000
Total Requirement			**1,338,000**

7.2.5. It is proposed that the minimum general reserve contingency balance should remain at £1,330,000 to meet unforeseen expenditure and/or shortfalls in income. The Council currently holds a contingency reserve of £2,832,100 (forecast to increase to £3,765,840 at year end)

7.2.6. The HRA working balance is made up of surpluses that have accumulated over a number of years. The Council retains a minimum of £1 million (approximately £250 per property) in order to cover unexpected events that could - if realised – trigger financial pressures.

7.2.7. The level and utilisation of reserves is determined formally by the Council, having received the advice and judgement of the Chief Financial Officer (CFO). The Chief Financial Officer’s advice is:

7.2.8. "In the view of the Executive Director & Chief Finance Officer (Section 151 Officer), the budget includes estimates which take into account circumstances and events which are reasonably foreseeable at the time of preparing the budget. The view is therefore held, that the level of reserves are adequate for the Council based on this budget and the circumstances in place at the time of preparing it"

7.2.9. [Note: A formal record of the Chief Finance Officer's advice is recorded in the minutes of the Council meeting. In the unusual event that a Chief Finance Officer's advice is not accepted by a Council, the rejection by a Council of the Chief Finance Officer's advice must be recorded in the minutes].

7.3. Use of Reserves and Balances

General Fund Reserves and Balances

7.3.1. The February 2017 Medium Term Financial Plan included a £6,550 contribution from General Fund Reserves in 2017/18 in respect of Section 106 (Commuted Sum). The assumed level of Section 106 reserve usage remains at £6,550 throughout the life of this plan.

7.3.2. The February 2017 MTFP also included the use of General Fund contingency reserves in 2017/18, 2018/19 and 2019/20 necessary to smooth timing differences in the delivery of the Efficiency Programme.

7.3.3. The use of reserves anticipated over the 4 years has been updated in this iteration of the plan, in line with revenue forecasts. The annual changes are shown in the table below:

Reserve / Balance	2017/18 (Budget)	2018/19	2019/20	2020/21	2021/22
	£	£	£	£	£
General Fund Contingency Reserve	(547,020)	(1,804,540)	(650,770)	188,660	305,500
Section 106 Monies	(6,550)	(6,550)	(6,550)	(6,550)	(6,550)
Total Reserve Usage	**(553,570)**	**(1,811,090)**	**(657,320)**	**182,110**	**298,950**
Change in use of reserves		(1,257,520)	1,153,770	839,430	116,840

7.3.4. The Quarter Three report forecasts that there will be a surplus against budget of approximately £1,260,760, in which case, there will be a net contribution to reserves of £713,740 in 2017/18. The improved reserve position at the end of 2017/18 will need to be ring-fenced to account for the increased use of reserve required in 2018/19 as a result of business rate accounting (for appeals and reliefs as discussed in section 6.2).

7.3.5. There remains a requirement to drawdown contingency reserves of £1.8m in 2018/19 and £0.65m in 2019/20 in order to balance the budget. Then, based on current forecasts, contributions of £0.19m will be made to contingency reserves in 2020/21 and £0.3m in 2021/22.

7.3.6. The table below shows the revised level of contingency reserves over the life of the MTFP:

Contingency Reserve	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£	£	£	£	£	£
As at February 2018:						
Balance at year-end	2,832,100	3,765,840	1,961,300	2,110,530	2,299,190	2,604,690
Minimum requirement (s7.2)	1,330,000	1,330,000	1,330,000	1,330,000	1,330,000	1,330,000
Headroom	**1,502,100**	**2,435,840**	**631,300**	**780,530**	**969,190**	**1,274,690**

7.3.7. Consequently, the forecast year-end detailed useable reserves position is shown below:-

Reserve / Balance	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£	£	£	£	£	£
General Fund Contingency	2,832,100	3,765,840	1,961,300	2,110,530	2,299,190	2,604,690
Earmarked Reserves	3,297,300	3,007,930	3,005,840	2,203,970	2,202,330	2,200,690
Total	**6,129,400**	**6,773,770**	**4,967,140**	**4,314,500**	**4,501,520**	**4,805,380**

7.3.8. The above position is subject to the realisation of the efficiency and rationalisation programme which stands at £1,615,000 over the four year life of the plan. It is also subject to the financial assumptions included in the plan – with Business Rates forecasting being particularly volatile due to the number of variables involved and the risk surrounding appeals.

HRA Reserves and Balances

7.3.9. The HRA balance is made up of surpluses that have accumulated over a number of years. The Council retains a minimum of £1 million (approximately £250 per property) in order to cover unexpected events that could - if realised – trigger financial pressures.

7.3.10. Due to the strict ring-fencing rules that apply to the HRA, any funds set aside form part of HRA reserves. The table below summarises the projected HRA reserves position for the duration of this MTFP.

- HRA Working Balance – this reserve is the excess of income after expenditure in any given year and is set aside to provide for capital expenditure demands in the future and to provide a contingency against unforeseen costs.

- Housing Reform / contingency reserve – this reserve was set aside to fund potential additional unforeseen costs of housing reform and self-financing.
- Stock Condition Reserve – this reserve has been set aside to fund the cost of providing a stock condition survey.
- Major Void Reserve – this reserve is a contingency against the costs of Void properties requiring external or structural major works.
- Capital Investment Fund – this reserve is used to smooth the cost of borrowing required to fund any capital expenditure

	2017/18	**2018/19**	**2019/20**	**2020/21**	**2021/22**
	£	£	£	£	£
HRA Reserves Brought Forward	9,448,832	10,463,820	10,740,160	11,136,390	11,594,760
Surplus/(Loss) for the year*	1,014,988	176,340	396,230	458,370	497,790
Transfers to / from reserves	-	100,000	-	-	-
HRA Working Balance	**10,463,820**	**10,740,160**	**11,136,390**	**11,594,760**	**12,092,550**
Housing Reform / Contingency Reserves	457,560	457,560	457,560	457,560	457,560
Stock Condition Reserve	300,000	300,000	300,000	300,000	300,000
Major Void Reserve	100,000	-	-	-	-
Total Working Balance carried forward	**11,321,380**	**11,497,720**	**11,893,950**	**12,352,320**	**12,850,110**
Capital Investment Fund carried forward	944,872	944,872	944,872	944,872	944,872
Total HRA Reserves carried forward	**12,266,252**	**12,442,592**	**12,838,822**	**13,297,192**	**13,794,982**

**subject to stock condition survey results*

7.3.11. It can be seen from the table above that the HRA balance is projected to exceed its £1 million contingency minimum over the next four years. This is subject to the financial implications of the recent stock condition surveys.

8. Budget 2018/19

8.1. The prospects for the 2018/19 Budget were considered by the Executive, as part of the update of the Medium-Term Financial Plan, on 7th December 2017 prior to the commencement of the budget exercise.

8.2. Budget preparation work has now been completed and an overall balanced budget position has been reached with the inclusion of a £549,000 efficiency target on the General Fund and a drawdown of £1,811,090 in reserves. The HRA is balanced with the inclusion of a £245,000 efficiency target, reduction to the overall capital programme pending stock condition survey information and a contribution to reserves of £176,340.

8.3. The proposed 2018/19 General Fund Budget is detailed below:

Budget Heading	2018/19 Projection
	£
Employees	13,143,140
Premises	4,383,410
Transport	848,180
Supplies & Services	9,824,360
Benefits	82,460
Borrowing	1,694,500
Parish Grant re Council Tax Support	51,320
Financing Costs	191,000
Total Expenditure	**30,218,370**
Fees and Charges / Other Income	(11,835,770)
Interest Receipts	(139,940)
HRA Recharges	(7,035,080)
Capital Recharges	(231,240)
Net Expenditure	**10,976,340**
Council Tax	(5,629,940)
Revenue Support Grant	-
Business Rates Retention	(3,491,470)
New Homes Bonus	(531,810)
Contribution to / (use of) Reserves	(1,811,090)
Collection Fund	1,037,070
Total Financing	**(10,427,240)**
Deficit / (Surplus)	**549,100**
New Efficiency Requirement	(549,100)
Total Efficiency Requirement	**(549,100)**
In-Year Deficit / (Surplus)	**-**

8.4. The proposed 2018/19 Housing Revenue Account Budget is detailed below:

Budget Heading	2018/19 Projection
	£
Repairs & Maintenance	3,905,060
Supervision & Management	3,201,800
Rates, Rents, Taxes, Other Charges	105,200
Other Operating Expenditure	712,110
Depreciation & Impairment Charges	2,099,030
Interest & Debt Management Charges	2,904,200
HRA Contribution to Capital Programme	1,744,610
Total Expenditure	**14,672,010**
Dwellings Rents	(14,230,620)
Non - Dwelling Rents & Other Income	(617,730)
Total Income	**(14,848,350)**
(Surplus) / Deficit for year	**(176,340)**

Council Tax and Rent Setting Requirement 2018/19

8.5. The tables below illustrate the Council Tax & Housing Rent requirement for 2018/19:

General Fund	2018/19 Budget
	£
Net Cost of Services	**10,427,240**
Revenue Support Grant	-
New Homes Bonus	(531,810)
Business Rates Retention	(3,491,470)
Use of Reserves	(1,811,090)
Collection Fund	1,037,070
Net Requirement from Council Tax	**(5,629,940)**

Housing Revenue Account	2018/19 Budget
	£
Net Cost of Services*	**12,044,150**
Plus:	
Borrowing Costs	2,904,200
Net Expenditure	**14,948,350**
Non - Dwelling Rents & Other Income	(617,730)
Use of Reserves	(100,000)
Net Requirement from Housing Rents	**(14,230,620)**

**includes contribution to balances of £179,340*

8.6. The overall Council Tax requirement contained within these proposals is summarised in the table below:

	Budget Requirement £	Tax Base	Band D Council Tax £	Increase/ (Decrease) %
Borough Council Tax	**5,629,940**	**30,210**	**186.36**	**2.9%**

8.7. The overall rent increase requirement contained within these proposals is summarised in the table below:

	Average Rents 17/18 £	Average Rents 18/19 £	Increase/ (Decrease) £	Increase/ (Decrease) %
HRA Rents (over 52 weeks)	**70.73**	**70.00**	**(0.73)**	**(1.04%)**
HRA Garage Rents (over 52 weeks)	**6.16**	**6.47**	**0.31**	**5.0%**

8.8. Charges made to recover fuel costs at various blocks have been reviewed and are charged on an individual block basis. The charge for 2018/19 is based on actual usage/prices in 2016/17 and 2017/18. Any adjustments relating to the charges made previously for 2016/17 and 2017/18 fuel charges will be calculated separately and applied on an individual block basis.

8.9. As detailed in section 6.5, an exercise has taken place to calculate the actual cost to the Council in providing services. For current tenants, a maximum 5% increase in 2018/19 is proposed to limit the financial impact of this exercise. For new tenants from 1st April 2018, it is proposed that ‘formula rent’ (less 1%) is applied plus any applicable service charge based on the actual cost of providing the service.

9. MTFP REVENUE POSITION

9.1. General Fund Revenue Position

9.1.1. The medium term General Fund revenue position is as set out in the table below:

Summary Revenue Position	2018/19	2019/20	2020/21	2021/22
	£	£	£	£
Revenue Consequences of Capital Spend (section 4.2)	129,910	172,200	214,150	184,260
Interest Rate Changes (section 5.1)	(75,220)	(66,120)	(106,750)	(58,590)
Borrowing Costs (section 5.1)	139,360	(39,550)	(76,070)	(155,850)
Inflation Pressures (section 5.2)	501,930	436,770	321,360	309,210
Increased / (Reduced) Budget Demand (section 5.3)	(90,710)	(68,900)	(22,900)	(22,500)
Budget Growth (section 5.4)	15,200	-	-	-
Increased Council Tax Income (section 6.1)	(198,420)	(181,030)	(186,850)	(193,820)
Business Rates Retention (section 6.2)	(440,960)	169,160	(94,410)	(112,080)
Changes in Collection Fund (section 6.3)	1,182,180	(1,071,350)	(8,260)	(2,490)
Reduction in Government Grant (section 6.4)	773,350	(8,550)	(104,520)	(26,080)
Additional Fees and Charges (section 6.5)	(130,000)	(100,000)	(80,000)	(65,000)
Contribution to Reserves & Balances (section 7)	(1,257,520)	1,153,770	839,430	116,840
In Year Change in Position	**549,100**	**396,400**	**695,180**	**(26,100)**
Efficiency & Rationalisation Plan (section 4.4)	(581,000)	(430,000)	(809,680)	-
Growth efficiencies realised	31,900	33,600	114,500	26,100
Budget (Surplus) / Deficit	**-**	**-**	**-**	**-**
Cumulative (Surplus) / Deficit	**-**	**-**	**-**	**-**

9.1.2. Annex D shows the projected General Fund revenue position in detail.

9.2. Housing Revenue Account Revenue Position

9.2.1. The medium term Housing Revenue Account revenue position is as set out in the table below.

Summary Revenue Position	2018/19	2019/20	2020/21	2021/22
	£	£	£	£
Budget surplus brought forward	(57,000)	(176,340)	(396,230)	(458,370)
Revenue consequence of Capital spend (section 4.2)	(252,390)	31,360	61,000	-
Interest Rate Changes (section 5.1)	(63,770)	(38,360)	(49,240)	(39,470)
Borrowing Costs (section 5.1)	(164,260)	(88,130)	(8,070)	11,440
Inflation Pressures (Section 5.2)	128,780	122,180	109,360	106,040
Increased / reduced budget demand (section 5.3)	273,000	(215,000)	-	-
Increased / reduced budget growth (section 5.4)	-	-	-	-
Increase in Other Operating Expenditure (section 5.6)**	319,380	23,960	23,080	21,390
Reduction in Rent and Other Charges (section 6.5)	264,920	(55,900)	131,730	(138,820)
In Year Change in Position	**448,660**	**(396,230)**	**(128,370)**	**(497,790)**
HRA Rationalisation Plan (section 4.4)*	(625,000)**	-	(330,000)	-
Budget (Surplus) / Deficit	(176,340)	(396,230)	(458,370)	(497,790)

**£245,000 of the Rationalisation Plan is achieved through the reduction in the voluntary MRP payment and has been included within the movements in other operating expenditure.*
***achieved in 2017/18, removed from budget in 2018/19*

9.2.2. Annex D shows the projected Housing Revenue Account revenue position in detail.

10. CONSULTATION

10.1. The Council is committed to consulting with residents and other stakeholders to help inform the budget setting process and spending priorities/non-priorities. A variety of techniques have been used and the approaches have been iterative, building year on year on what has gone before. The Council already holds comprehensive information gathered about residents' spending priorities. Much of this information was gathered in times of rising expenditure. The financial challenges for the Council are now very different.

10.2. The consultation process for 2018/19 has been undertaken via an online communication available on the Council's website, which summarises the finanicial challenges and invites comment on the plan. There was also reference included within the December e-newsletter issued by Regeneration to local businesses which included a brief narrative with links to on-line information.

10.3. It will be particularly important that the Council, as it makes difficult budgetary decisions, is able to evidence that it has considered the impact of its decisions on groups with 'protected characteristics'.

10.4. Going forward, the Council will be developing a timetable of consultation, which will focus on specific emerging issues that will potentially have a significant impact on the Council's finances over the medium term.

ANNEX A

Proposed Capital Projections (2017/18 to 2021/22) – General Fund

Capital Schemes	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£	£	£	£	£	£
Asset Management						
Public Buildings	2,835,690	2,024,870	2,382,640	-	158,030	7,401,230
Car Parks	90,000	-	-	-	121,000	211,000
Public Conveniences	-	123,400	-	-	127,600	251,000
Waterways Infrastructure	190,270	339,060	70,000	455,000	100,000	1,154,330
Leisure Centres	100,000	204,460	-	-	1,631,170	1,935,630
Depots & Park Buildings	5,400	46,650	-	-	-	52,050
	3,221,360	**2,738,440**	**2,452,640**	**455,000**	**2,137,800**	**11,005,240**
Growth Fund	-	-	-	-	-	-
Affordable Housing	**-**	-	-	-	-	**-**
Housing(RTB 1 for 1)	**142,000**	**301,050**	**597,000**	**340,000**	**340,000**	**1,720,050**
Housing Grants	**443,510**	**482,730**	**421,000**	**421,000**	421,000	**2,189,240**
ICT	**104,310**	**9,640**	**9,640**	**9,640**	**9,640**	**142,870**
Other Schemes						
Play Facilities	60,000	100,000	-	-	-	160,000
Country Parks	8,900	-	-	-	-	8,900
Cemeteries	-	10,000	190,000	-	-	200,000
Conservation/Heritage	58,610	45,000	45,000	45,000	45,000	238,610
Market Town Regeneration	136,960	251,370	-	-	-	388,330
Leisure Centres	-	-	90,000	-	-	90,000
	264,470	**406,370**	**325,000**	**45,000**	**45,000**	**1,085,840**
Total Programme	**4,175,650**	**3,938,230**	**3,805,280**	**1,270,640**	**2,953,440**	**16,143,240**
Funding of Programme						
External Contributions	508,990	482,730	421,000	421,000	421,000	2,254,720
Section 106 Planning Obligations	-	-	-	-	-	-
Capital Receipts	142,000	801,050	787,000	849,640	750,000	3,329,690
Capital Reserves	-	-	-	-	-	-
Borrowing	3,524,660	2,654,450	2,597,280	0	1,782,440	10,558,830
	4,175,650	**3,938,230**	**3,805,280**	**1,270,640**	**2,953,440**	**16,143,240**

ANNEX A

Proposed Capital Projections (2017/18 to 2021/22) – Council Dwellings (HRA)

Scheme	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Total
	£	£	£	£	£	£
ASSET MANAGEMENT WORKS:						
Roofing & External Works	228,000	228,000	228,000	228,000	228,000	1,140,000
Kitchens	380,000	450,000	450,000	450,000	450,000	2,180,000
Bathrooms	100,000	150,000	150,000	150,000	150,000	700,000
Central Heating	1,160,000	900,000	900,000	900,000	900,000	4,760,000
Electrical Works	748,000	788,000	788,000	788,000	788,000	3,900,000
Health & Safety	55,000	175,000	175,000	175,000	175,000	755,000
Aids & Adaptations	350,000	350,000	350,000	350,000	350,000	1,750,000
Sheltered Schemes Lightening Protection	40,000	-	-	-	-	40,000
HRA Shop Works	10,000	-	-	-	-	10,000
Retaining Wall at ALMA	33,200	-	-	-	-	33,200
Gladstone Street External Repairs	40,000	-	-	-	-	40,000
Unity Walk & Quarry Close Railing	5,000	30,000	-	-	-	35,000
Cross Street Structural	5,000	50,000	-	-	-	55,000
Commercial Boiler Renewal	248,000	80,000	80,000	80,000	80,000	568,000
Corbar Road Roofing Works	5,000	35,000	-	-	-	40,000
Scooter Stores	75,000	-	-	-	-	75,000
Stock Condition Survey Works	170,000	402,000	320,000	320,000	320,000	1,532,000
	3,652,200	**3,638,000**	**3,441,000**	**3,441,000**	**3,441,000**	**17,613,200**
REPAIRS TEAM CAPITAL WORKS						
Major Voids	100,000	118,000	100,000	100,000	100,000	518,000
Void Rewires	35,000	35,000	35,000	35,000	35,000	175,000
Void Kitchens	200,000	200,000	200,000	200,000	200,000	1,000,000
Void Bathrooms	60,000	60,000	60,000	60,000	60,000	300,000
	395,000	**413,000**	**395,000**	**395,000**	**395,000**	**1,993,000**
STAFFING						
Staffing Recharges/ Commissioning Costs	100,000	100,000	100,000	100,000	100,000	500,000
	100,000	**100,000**	**100,000**	**100,000**	**100,000**	**500,000**
TOTAL SPEND	**4,147,200**	**4,151,000**	**3,936,000**	**3,936,000**	**3,936,000**	**20,106,200**

ANNEX B

Efficiency and Rationalisation Programme (2017/18 – 2020/21)

Efficiency	2017/18	2018/19	2019/20	2020/21	TOTAL
	£'000	£'000	£'000	£'000	£'000
Major Procurements					
Waste Collection etc.	100	200	100	100	500
Leisure Centres	-	-	-	400	400
Facilities Management	-	75	-	-	75
	100	**275**	**100**	**500**	**975**
Asset Management					
Asset Rationalisation	-	30	200	-	230
	-	**30**	**200**	**-**	**230**
Growth					
Housing Growth	-	40	40	40	120
Business Growth	-	-	-	150	150
	-	**40**	**40**	**190**	**270**
Income Generation					
Fees & Charges	-	120	-	120	240
Pavilion Gardens	40	60	70	-	170
Advertising / Sponsorship	50	10	-	-	60
Enhanced Trading	-	-	-	-	-
	90	**190**	**70**	**120**	**470**
Rationalisation					
Management Staffing	100	-	-	-	100
Channel Shift	-	-	-	-	-
Parish Grants	-	26	20	-	46
Service Rationalisation	20	20	-	-	40
	120	**46**	**20**	**-**	**186**
TOTAL	**310**	**581**	**430**	**810**	**2,131**

HRA Financial Improvement Plan (2017/18 – 2021/22)

Budget Heading	Savings	Potential Annual Reduction
		£
Capital Financing	Reduction in voluntary repayment of debt (currently £1.2 million per annum) – to be benchmarked – maximum annual reduction	500,000
Rent Income	Introduction of new rent policy	150,000
Repairs and Maintenance	Reduction in repairs and maintenance expenditure due to implementation of an alternative service delivery model and / or improvements in productivity	250,000
ICT Costs	Reduction in costs of ICT systems	50,000
Rent Income / Repairs & Maintenance Expenditure	Savings from improvements in voids turn around times	100,000
Various headings	Disposal of surplus stock after consideration of net present value assessment following completion of stock condition survey	150,000
Total Annual Saving		**1,200,000**

ANNEX C

Medium Term Financial Plan – Principal Risks

Risk Category	Risk	Mitigation and Controls
Financial Implications	Robustness of financial assumptions within Efficiency and Rationalisation Strategy	Structured project management arrangements have been put in place with detailed business cases for each initiative – these will be strengthened in the service review process
Financial Implications	Additional financial pressures emerge – cost & income	The strategy is kept under constant review and adjustments will be made where necessary
Service Continuity	Interruptions to key services or performance standards	Resource implications and impact are identified as part of the business case process. Service continuity and maintenance of standards of service are key requirements of any new proposals
Corporate Governance	Maintaining stakeholder confidence; lack of clarity on accountability	Ongoing review of standards of internal control (e.g. Financial Procedure Rules reviewed and updated). Internal Audit Plan will be reviewed to account for the new approach proposed in the efficiency & Rationalisation Strategy
Management of Change	Management of corporate and local, cultural change; behavioural risks; residual effects of aggregation; proposed changes to organisational structure, roles & responsibilities	Progress with achievement of aims will be monitored through an effective performance management structure. Investment has been made in a new approach to Organisational Development.
People Risks	Impact of cultural changes; assessment of skills; recruitment & retention; capacity issues	Continuing communications process for the delivery of transformation programme
Key Projects & Partnerships	Managing changes to shared service delivery arrangements	The project management methodology provides for an adequate transition where there are changes in service delivery

Risk Category	Risk	Mitigation and Controls
Performance Management	Adequacy of framework to monitor transition	Risk management processes are embedded
Reputation and Relationship Risks	Maintaining existing partner confidence	Continuing communications process for the delivery of transformation programme
Programme Delivery	Delays in implementation of efficiency savings	Effective governance arrangements in place to monitor plans. Executive Directors and Senior Managers own delivery of efficiencies. Executive Director (Transformation) appointed as programme director.
Programme Delivery	A number of the efficiency / rationalisation initiatives are not achieved	Structured project management approach is in place for delivery including effective exception reporting The strategy is kept under constant review Identification of further efficiency / rationalisation opportunities through benchmarking / effective member working groups
Political Support	Lack of Members support for Plan.	Regular reporting and member briefings including effective scrutiny arrangements

ANNEX D

Proposed Revenue Projections (2018/19 to 2021/22) – General Fund

Budget Heading	2018/19 Projection	2019/20 Projection	2020/21 Projection	2020/21 Projection
	£	£	£	£
Employees	13,143,140	13,499,920	13,715,540	13,923,120
Premises	4,383,410	4,330,170	4,403,150	4,468,910
Transport	848,180	853,710	861,230	871,260
Supplies & Services	9,824,360	9,845,800	9,982,900	10,112,280
Benefits	82,460	82,460	82,460	82,460
Borrowing	1,694,500	1,827,150	1,965,230	1,993,640
Parish Grant re Council Tax Support	51,320	51,320	51,320	51,320
Financing Costs	191,000	191,000	191,000	191,000
Total Expenditure	**30,218,370**	**30,681,530**	**31,252,830**	**31,693,990**
Fees and Charges / Other Income	(10,415,650)	(10,546,650)	(10,626,650)	(10,691,650)
Interest Receipts	(139,940)	(206,060)	(312,810)	(371,400)
HRA Recharges	(8,455,200)	(8,386,780)	(8,521,540)	(8,647,580)
Capital Recharges	(231,240)	(231,240)	(231,240)	(231,240)
Net Expenditure	**10,976,340**	**11,310,800**	**11,560,590**	**11,752,120**
Council Tax	(5,629,940)	(5,811,030)	(5,997,880)	(6,191,700)
Revenue Support Grant	-	-	-	-
Business Rates Retention	(3,491,470)	(3,322,310)	(3,416,720)	(3,528,800)
New Homes Bonus	(531,810)	(540,360)	(644,880)	(670,960)
Contribution to / (use of) Reserves	(6,550)	(6,550)	(6,550)	(6,550)
Contribution to / (use of) Balances	(1,804,540)	(650,770)	188,660	305,500
Collection Fund	1,037,070	(34,280)	(42,540)	(45,030)
Total Financing	**(10,427,240)**	**(10,365,300)**	**(9,919,910)**	**(10,137,540)**
Cumulative Deficit / (Surplus)	**549,100**	**945,500**	**1,640,680**	**1,614,580**
Efficiency Requirement (cumulative)	(581,000)	(1,011,000)	(1,820,680)	(1,820,680)
Growth Efficiency realised (cumulative)	31,900	65,500	180,000	206,100
Cumulative Deficit / (Surplus)	**-**	**-**	**-**	**-**

ANNEX D

Proposed Revenue Projections (2018/19 to 2021/22) – Housing Revenue Account

Budget Heading	2018/19 Projection	2019/20 Projection	2020/21 Projection	2021/22 Projection
	£	£	£	£
Repairs & Maintenance	3,905,060	3,701,060	3,371,060	3,371,060
Supervision & Management	3,201,800	3,312,980	3,422,340	3,528,380
Rates, Rents, Taxes, Charges	105,200	105,200	105,200	105,200
Other Operating Expenditure	712,110	736,070	759,150	780,540
Depreciation & Impairment Charges	2,099,030	2,099,030	2,099,030	2,099,030
Interest & Debt Management Charges	2,904,200	2,777,710	2,720,400	2,692,370
HRA Contribution to Capital Programme	1,744,610	1,775,970	1,836,970	1,836,970
Total Expenditure	**14,672,010**	**14,508,020**	**14,314,150**	**14,413,550**
Dwellings Rents	(14,230,620)	(14,286,520)	(14,154,790)	(14,293,610)
Non - Dwelling Rents & Other Income	(617,730)	(617,730)	(617,730)	(617,730)
Total Income	**(14,848,350)**	**(14,904,250)**	**(14,772,520)**	**(14,911,340)**
(Surplus) / Deficit for year	**(176,340)**	**(396,230)**	**(458,370)**	**(497,790)**

ANNEX E

Fees & Charges

	HPBC Proposed Fees & Charges	Charging Policy Category							
Service Area	**2018/19**	**Full commercial**	**Fair charging**	**Cost recovery**	**Subsidised**	**Nominal**	**Free**	**Statutory**	**Total**
Environmental Health	Income	£13,883	£13,132	£1	£3,283		£0	£31,646	£61,945
	Surplus/ (Subsidy) after Costs	£4,254	£862	£0	-£1,382		-£24,228	£9,030	-£11,464
Licensing	Income			£92,900				£70,908	£163,808
	Surplus/ (Subsidy) after Costs			£5,427				£50,396	£55,824
Land Charges	Income			£192,325			£0	£0	£192,325
	Surplus/ (Subsidy) after Costs			-£1,965			£0	-£2,049	-£4,015
Planning	Income		£27,550	£5,782					£33,332
	Surplus/ (Subsidy) after Costs		£14,406	£3,669					£18,076
Building Control	Income			£4,315					£4,315
Street Naming	Income		£17,514						£17,514
	Surplus/ (Subsidy) after Costs		£15,080						£15,080
Waste	Income			£52,167	£5,595		£0		£57,763
	Surplus/ (Subsidy) after Costs			£9,520	-£2,099		£0		£7,422
Cemeteries	Income	£23,762	£185,727		£0	£0	£0		£209,489
	Surplus/ (Subsidy) after Costs	£19,308	£96,160		£0	£0	-£147		£115,322
Street Scene	Income		£6,953						£6,953
	Surplus/ (Subsidy) after Costs		£2,484						£2,484
Horticulture	Income	£8,361	£6,533		£548		£0		£15,442
	Surplus/ (Subsidy) after Costs	£6,401	£5,399		-£73		-£2,388		£9,339
Car Parks	Income		£1,195,156				£0	£118,450	£1,313,606
	Surplus/ (Subsidy) after Costs		£938,433				-£13,754	£0	£924,678
Markets	Income		£9,612						£9,612
	Surplus/ (Subsidy) after Costs		-£1,808						-£
Finance	Income		£187,560	£0					£187,560
	Surplus/ (Subsidy) after Costs		£671	£0					£671
Elections	Income					£1,600			£1,600
	Surplus/ (Subsidy) after Costs					£1,399			£1,399
Environmental Crime	Income							£15,585	£15,585
	Surplus/ (Subsidy) after Costs							£6,238	£6,238
Community	Income							£1,050	£1,050
	Surplus/ (Subsidy) after Costs							-£229	-£229
Carelink	Income		£614,204						£614,204
	Surplus/ (Subsidy) after Costs		£188,917						

Charging Policy	Policy Objective
Full commercial	Service is promoted to maximise revenue within an overall objective of generating a surplus from the service
Fair charging	Service is promoted to maximise income but subject to defined policy constraints including commitments made to potential customers on an appropriate fee structure
Cost recovery	Service generally available to all but without a subsidy
Subsidised	Service is widely accessible, but users of the service should make some contribution from their own resources
Nominal	Service to be fully available and a charge is made to discourage frivolous usage
Free	Service fully available at no cost
Statutory	Charges are set in line with legal obligations