



<u>Committee and Date</u>	<u>Item</u>
Council	15
15 December 2016	
10.00am	
	<u>Public</u>

FINANCIAL STRATEGY 2017/18 – 2019/20

Responsible Officer James Walton

e-mail: james.walton@shropshire.gov.uk Tel: 01743 255011

1. Summary

Shropshire Council continues to manage its budget within the confines of significantly reducing resources as a result of government cuts. A model of growth in costs over the next three years was created and demonstrated that the Council could not afford, for example, to fund the growth in Adult Social Care based on the resources that would be available. A review of Adult Social Care expenditure attempted to model, in detail, how spend is expected to grow in future years as a result of demographic change and an aging population. The level of growth in the budget necessary to reflect the model was in the order of £15m in 2016/17 and growth of £8m to £10m every year thereafter. A series of savings proposals in other areas of the Council were put forward to enable this level of growth to be redirected to Adult Social Care, but the resultant impact on other statutory and discretionary services was considered to be unachievable. As a result, a funding gap was identified and reported to Council.

We have a legal obligation to deliver statutory services such as Adult Social Care, and we also have a statutory duty to set a legal budget. As a result, the Financial Strategy attempts to accurately reflect the level of spend we are due to undertake in future years reflecting the services we believe we have a duty to deliver. To produce a balanced budget, the gap between this estimated level of spend and our estimated level of resources has been bridged by the use of one-off funds. The outcome (regardless of how it is described within the budget process) is that the growth in Adult Social Care and the costs of other statutory responsibilities of this council are not affordable under the current funding model. This Financial Strategy sets out the planning in the short and medium term to address this.

Council approved the Financial Strategy in July 2016 setting out the funding and spend position for the Council over the Medium Term and agreed an approach whereby a mix of base budget savings would be implemented alongside the use of one-off proposals to deliver a balanced budget plan for the 2017/18 and 2018/19 Financial Years. In July Council approved these base

budget proposals, and in September Cabinet approved the one-off proposals that would be implemented to bring the budget into overall balance. In November Cabinet also received Revenue and Capital monitoring reports updating the current year position and identifying implications and movements necessary for future years and have considered this revised Financial Strategy on 30 November 2016.

This report provides an update on the Council's base budget position including; a review of delivery timescales and values for savings proposals, the implications of information supplied to Cabinet via the Revenue and Capital Monitoring reports, a review of overall resources including Business Rates and Council Tax Taxbase and an update of assumptions around one-off resources such as investment funding, ear-marked reserves, core grants and capital receipts.

Although the overall extent of the changes within this report do not represent a significant shift from the financial implications previously agreed by Council and Cabinet, this revised report does provide updated figures, and a more robust overview of budget planning over the next two years. This report continues to adopt the approach agreed by Council in July 2016, and provides the updated information necessary to enable consultation on the budget plan to be undertaken, with a view to feeding back and building in any implications before Council meets to formally set the budget for 2017/18 in February 2017. The Council's Performance and Management Scrutiny Committee (PMSC), and the Financial Strategy Budget Setting Task and Finish Group, have taken the opportunity to scrutinise the proposals brought forward over the year. The approach outlined above was agreed by PMSC on 16 November 2016.

2. Recommendations

It is recommended that members:

- A. Approve the revised projections for expenditure and resources, as set out in Appendices 1 and 2, for the Financial Years 2017/18 and 2018/19
- B. Approve the revised savings proposals as set out in Appendices 4 and 5.
- C. Note the revised funding gap and approve the revised proposals to deliver a balanced budget in 2017/18 and 2018/19 as set out in Appendix 3, including the release of earmarked reserves as set out in Appendix 6.
- D. Approve the virement of funding allocations as set out in paragraph 4.4.
- E. Approve the draft outline Revenue Budget as set out in Appendix 7, and the draft outline Capital Programme as set out in Appendix 8, which together will form the basis for Budget Consultation for 6 weeks from 7 December 2016 to 18 January 2017, which has been amended by one week from the dates previously agreed by Cabinet.

REPORT

3. Risk Assessment and Opportunities Appraisal

3.1. The development and delivery of the Council's Financial Strategy is the key process in managing many of the Council's strategic risks. The opportunities and risks arising are assessed each time the document is refreshed for Cabinet consideration. The Council's Strategic Risks are reported separately, but the Financial Strategy makes specific reference to the Council's ability to set a sustainable budget (the highest of the Council's key strategic risks). Other risks associated with or mitigated by the setting of an approved Financial Strategy are listed below:

- ICT Provision
- ICT Digital Transformation
- Future Funding Levels

Financial Uncertainty

3.2. There is a significant risk that the Council's financial position will impact on service delivery, both statutory and non-statutory in future years. It is still unclear as to the extent of this impact as a great deal of work, including consultation where necessary, is required to move from the production of savings proposals to actual changes in service delivery seen on the ground. Nevertheless, we will continue to identify proposals for service reductions that are necessary to deliver a balanced budget over the medium term. This approach needs detailed consideration to ensure the Council is not placed at risk of being unable to deliver statutory functions to an appropriate quality or being unable to meet the needs of the most vulnerable. The impact of the Finance Settlement (Provisional in mid-December 2016, Final in early February 2017) is unknown at the present time, but could have a bearing on our medium term plans and also our ability to deliver a Sustainable Business Model in the longer term.

3.3. The Autumn Statement was announced on 23 November 2016. The statement confirmed that as the deficit remains so high, the government is committed to spending plans as set out in the Spending Review 2015. The Statement confirmed the national living wage increases identified previously and therefore these changes have already been considered and built into earlier Financial Strategies. Changes were announced however to business rate relief, specifically for those businesses subject to rural rate relief, however no confirmation was made that local government will be compensated via a Section 31 grant for the costs of this change. Therefore,

there is a risk that the implementation of this, which for Shropshire would cost approximately £75,000, could add to the funding gap of the authority.

3.4. The Final Local Government Finance Settlement from February 2016 provided details for the financial years 2016/17 to 2019/20. In addition, Central Government offered to provide all local authorities with a confirmed multi-year offer (to 2019/20) where any Council was prepared to provide details of its efficiency statement before the deadline of 14 October 2016. Shropshire Council agreed to accept this offer and as a result the following allocations provided in the final settlement are now expected to be honoured:

- Revenue Support Grant (RSG)
- Rural Services Delivery Grant (RSDG)
- Transition Grant (2016/17 and 2017/18 only)
- Business Rates Top-Up Grant

The offer, however, did not cover the following key grants and as a result cannot be guaranteed despite being set out in the Final Local Government Settlement:

- New Homes Bonus (NHB)
- Improved Better Care Fund (IBCF)

3.5. To help mitigate risks all core grants identified in the two lists above have been considered as one-off funding. Reliance on these funds, however, has still been assumed over the medium term.

3.6. The Financial Strategy is based upon delivery of a balanced budget over the Medium Term. Each year the delivery of services and savings proposals is monitored and reported to Cabinet on a quarterly basis. The impact of significant additional pressures (for example, demographic pressures in Adult Services) and the non-achievement of savings proposals impact not only on the relevant financial year, but also in future years of the Strategy. In previous years there has been an ability to freeze spending elsewhere in the budget to compensate for these pressures. In the future, there is a significant risk that there will be insufficient controllable budgets left in the Council to mitigate pressures appearing elsewhere. This may mean that reserves held for emergencies instead become relied upon to cover known pressures. If reserves are depleted in this way, the Council's funding position will become unsustainable.

3.7. Detailed work has been undertaken to revise the growth projections for Adult Services. This work is influenced by numerous variables which are often non controllable. Each of these issues can lead to uncertainty in the base data or

assumptions which are then extrapolated. If the pressure in Adult Services in future years is understated this would lead to short term decision making to deliver a balanced budget. If this pressure is over stated in future years, this would lead to decisions being taken elsewhere in the Council's budget that may have been unnecessary. The risk of continued budget variances in this area have been reduced by allocating additional resources to model future spend projections and by attempting to model and identify all variables. Spending on Adults Services, however, still represents the Council's greatest risk area in terms of potential budget overspends. For this purpose, it is proposed to introduce a 'contingent budget' to reduce the risk of major variation in the short term. Additionally, the decision to utilise short-term resource in the following two financial years to mitigate and delay the impact of service reductions across the Council will enable greater time for assurance from the modelling in Adult Services Finances to be gained.

- 3.8. Setting the Financial Strategy and agreeing the detailed changes necessary to deliver the agreed budget for the next financial year, will take into account the requirements of the Human Rights Act, any necessary environmental appraisals and the need for Equalities Impact Needs Assessments and any necessary service user consultation.

4. 2016/17 Financial Year Implications for Future Years

- 4.1. On 9 November 2016 Cabinet approved the Revenue Monitoring report for Quarter 2 2016/17. This report projected an overspend of £0.635m by year end. The Council's General Fund Balance at 1 April 2016 was £18.370m and with no further action, the projected overspend would reduce this balance to £17.735m. It should be noted that the opening General Fund Balance was already below the risk assessed level (approved by Council in February 2016) of £28.196m. Additionally a national assessment of the value of general reserves held by local authorities (as at 31 March 2015) identified that as a percentage of net budget Shropshire Council was ranked 261 out of 353 local authorities i.e. in the lowest third nationally. Shropshire Council's General Fund Balance has increased by approximately £2.5m in the intervening period.
- 4.2. The report also identified that £23.054m savings had been identified for delivery in the 2016/17 Financial Year and that £1.314m of these savings were currently RAG-rated as Red. This means that there is a high probability that they will not be achieved in-year, but have been offset to some extent by other initiatives, hence the overall projected overspend of £0.635m for the Council. The implications of the non-delivery of these savings on future years has been taken into account in the revision of figures within this Financial Strategy Report.

- 4.3. The Revenue Monitoring Report also recognised that New Homes Bonus commitments should be revised and the proposals identified within the report were approved by Cabinet. These revisions impacted on the New Homes Bonus Reserve only and have no implications for the Council's Budget Plan over the next two years.
- 4.4. Cabinet also approved, and recommended to Council for formal approval, a virement of £9.699m to the Capital Programme for the previously approved Digital Transformation Programme. This funding has been identified in 2016/17 from one off funds including Corporate funding resources, budgets for cost pressures in 2016/17 that are being managed within existing service base budgets and unallocated Minimum Revenue Provision for prudential borrowing costs for new capital investments that are unlikely to materialise until 2017/18. As referenced in the Council's Financial Strategy approved in July, the authority has requested approval to make use of new powers for the use of capital monies. These powers alongside the uncommitted funding of £9.699m provide a value for money funding solution for a proportion of the Council's Digital Transformation Programme (for example by reducing the requirement for internal borrowing there is the potential to deliver cashable and non-cashable savings in base budget earlier within the estimated timeline). It is therefore proposed that a virement is processed to enable a revenue contribution to capital programme to be made to partially fund this programme.
- 4.5. Also on 9 November 2016, Cabinet approved the Capital Monitoring report for Quarter 2 2016/17. Within this report a number of areas were identified for disinvestment, totalling £8.4m. The basis for these decisions was to take a fresh look at the capital programme and free up funding for new investment opportunities. No decisions on how and where this funding will be invested have been made as yet, and work to develop the approach is mentioned in Section 6 of this report.
- 4.6. On 16 November 2016 Performance Management Scrutiny Committee reviewed the 9 November 2016 Cabinet Revenue and Capital Monitoring Reports and concluded that the approach undertaken was satisfactory.

5. 2017/18 and 2018/19 Proposed Budget Plans

- 5.1. On 27 January 2016 Cabinet received a Financial Strategy report identifying an approach to delivering a balanced budget for the financial years 2017/18 and 2018/19. This approach required the delivery of over £22.2m of savings which when assessed by officers were considered to have significant implications for service delivery across a number of areas (these were

referred to as Red-Ragged Savings). At the same time there was an indication of considerable uncertainty about the implications for Local Government Finances over the medium term following the announcement that Council's would at a future date retain 100% of their locally generated Business Rates alongside additional, undefined responsibilities that would need to be locally funded. The review of local government finances would need to take account of the provision of existing core grants, top ups and tariffs, safety-net implications and needs and redistribution of funds under a fair funding formula. Such a change would likely redistribute funding nationally between Councils, and theoretically at least, this could lead to different Councils becoming 'winners' or 'losers' financially. The result of these announcements was that it was now impossible to accurately forecast what the financial landscape for Shropshire Council would look like from 2019/20 onwards. Consequently, there was a desire to avoid taking decisions that could have significant, detrimental and long-term implications for service delivery at a time when there was no robust financial framework driving those decisions.

- 5.2. As a result, officers were tasked with the challenge to find alternative savings proposals from those initially put forward and consider the implications of utilising a combination of base budget savings, core funding grants and other one-off proposals (such as freeing up of earmarked reserves) to deliver a balanced budget for a limited period of time, i.e. as a minimum the Financial Years 2017/18 and 2018/19.
- 5.3. On 31 July 2016 Full Council approved the Financial Strategy Report, setting out the proposals to deliver a balanced budget in 2017/18 and 2018/19. The plan identified base budget savings proposals that could be delivered, and proposed the use of one-off initiatives and resources to cover any remaining gap to deliver a balanced budget.
- 5.4. On 28 September 2016 Cabinet approved a series of one-off proposals which would deliver a balanced budget in 2017/18 and reduce the funding gap to £2m in 2018/19. The overall position is provided in Table 1 below.

Table 1: Approach to Delivering a Balanced Budget 2017/18 and 2018/19

	2017/18 £'000	2018/19 £'000
Funding Gap	16,390	20,211
One-off Proposals	(16,390)	(18,211)

Unresolved Funding Gap	0	2,000
------------------------	---	-------

- 5.5. Since this date further work has been undertaken to consider the budget position for 2017/18 and beyond, taking account of any implications from the current year budget (as described in Section 4 above) and other pressures and initiatives known at this time. The key areas are described in the following paragraphs.
- 5.6. As at 31 March 2016, the triennial valuation of the Shropshire County Pension Fund was undertaken. While the implications of this are only provisionally identified at this point, they will impact from 2017/18 and it is prudent to consider the potential financial implications of the valuation at this point. The initial valuation suggests that the overall funding level for the Pension Fund has improved from 74% to 82%, although due to a number of changes in assumptions, employers' contributions for active members will need to increase from 13.5% to 14.8% and deficit contributions will also increase from £17.4m, incrementally to £21.2m by 2019/20. The financial impact of these increases could potentially be significantly reduced by prepayment of contributions, taking advantage of the Council's cashflow position at the present time. Additionally, it is proposed to utilise existing one-off resources over the current budget plan period to prevent the current Financial Strategy from being destabilised by any short term financial implications of the valuation. This approach has not been finalised, but is the planning proposal reflected within the revised resources and expenditure proposals within this report.
- 5.7. The Council tax taxbase calculations have been completed for 2017/18 and are being considered in a separate report on this Council agenda. In light of the increase in taxbase calculated for 2017/18, the assumptions for future years have been revised to reflect the growth in the taxbase that has occurred over the last four years and to bring our assumptions in line with national planning assumptions and averages. This has increased the available council tax to be generated in year, and thereby marginally reduced the funding gap each year.
- 5.8. Council approved saving plans to a value of £15,026,024 in the July Financial Strategy. Since this period, service areas have been further reviewing these savings proposals and refined the RAG rating on delivery of these savings. A small number of 2017/18 savings targets within Place and Enterprise have been revised, although the overall total required from the directorate remains the same. This has taken place in order to realign service area savings with recent changes to the directorate structure, as well as to reassign the saving required from the Council's Teme Leisure contract budget, which has now

been delayed and therefore will be made through alternative means in 2017/18. The directorate's policy is to increase income budgets where possible in order to avoid reductions in expenditure that would have a negative effect on service delivery, and therefore it is proposed that Theatre Services' income budget is increased further in 2017/18 in line with current levels of income received. Details of the revised savings proposals is provided in Appendix 4.

- 5.9. As highlighted in the Revenue Monitoring Reports to Cabinet, there are some savings within Children's Services that were planned for 2016/17 that will not be delivered in year. This is being managed by compensating one-off underspends elsewhere within the Council and these savings have been reviewed to consider if they are achievable for 2017/18. In the main these proposals are achievable, albeit with some caution as achievement of some savings is dependent on the numbers of looked after children and with minor delays in implementation for two of the specific savings. However, £262,960 cannot be achieved in relation to the Externalisation of County Training. This saving related to the non-controllable element of the County Training budget and the resulting decrease in support services delivery from the externalisation of this service has not been significant enough to generate this saving. Further details on the unachieved 2016/17 savings is provided in Appendix 5.
- 5.10. The resources and expenditure projections shown in Appendix 1 and 2 have also been updated to reflect the latest projection of government grant funding to be received. This particular change has had no impact on the funding gap as all changes to funding have been amended in both resources and expenditure to reflect the conditions attached to the grants.
- 5.11. The updated funding gap arising from all changes highlighted above is shown in Table 2 below:

Table 2: Revised Funding Gap for 2017/18 and 2018/19

	2017/18 £'000	2018/19 £'000
Funding Gap as at 28 Sept 2016	16,390	20,211
Improvement in Council Tax Projections	(1,055)	(2,221)
Impact of Pension Costs	2,424	2,194
2016/17 Unachievable Savings	328	263
Revised Funding Gap	18,086	20,447

- 5.12. It should be noted that whilst the funding gap has increased in the short term, actions taken have reduced the funding gap identified in the longer term. This is principally as a result of pre-payment of Pension costs and by factoring in additional council tax generation due to an increase in council tax base.
- 5.13. Proposals agreed by Cabinet on 28 September to close the funding gap with one-off resources still left a gap of £2m in 2018/19 (as shown in Table 1 above) and further work was necessary to identify a solution to this. With the revisions made in this report the funding gap has seen an increase in both years. Proposals have been put forward to revise allocations from one-off sources and further refine allocations from earmarked reserves that can be released to close the funding gap across the two financial years. Appendix 6 details the earmarked reserves confirmed as available for release and this provides one off funding of £5.141m. The estimated cost of the proposed pension increase will be funded through the conditional release of earmarked reserves on the basis that the Council will utilise the new statutory powers to use capital receipts for a revenue purpose. Whilst £13.341m of reserves have been identified for conditional release, the level of capital receipts necessary can only be generated from sales over a two-year period. As shown in Table 3 below, a lower total of £7.090m (£2.423m + £4.667m) is necessary to fund the gap in 2017/18 and 2018/19. As a number of assumptions have been applied to arrive at a balanced budget across two financial years, it is likely that a number of the figures shown in Table 3 will be adjusted.

Table 3: Short Term Proposals to fund the budget in 2017/18 and 2018/19

	2017/18 £'000	2018/19 £'000
Funding Gap (as per Table 2)	18,086	20,447
Use of One Off Grants:		
RSDG (Provisional Settlement)	(1,633)	(1,633)
Improved RSDG (Final Settlement)	(3,675)	(2,450)
Transition Grant (Final Settlement)	(586)	0
New Homes Bonus	(4,269)	(783)
Improved Better Care Funding	(217)	(4,329)
Applying existing savings proposals early	(890)	(9)
Delivering anticipated and managed underspends	(960)	0
Collection fund adjustments	0	(2,100)

Carry forward unapplied Adult Services Contingent Budget	0	(2,500)
Release Earmarked Reserves	(3,433)	(1,976)
Conditional Release of Reserves	(2,423)	(4,667)
Total Short Term Proposals	(18,086)	(20,447)

5.14. The Council's Performance Management Scrutiny Committee (PMSC) and the Financial Strategy Budget Setting Task and Finish Group have been kept apprised of all developments with the Financial Strategy over the summer and autumn periods and taken the opportunity to review a number of significant elements within the approach, with the findings and recommendations reported through to Cabinet for approval. At its meeting of 16 November 2016, PMSC was taken through the timetable and approach for the delivery of the 2017/18 budget in February 2017.

5.15. The timetable for delivery of the 2017/18 budget is set out in Table 4 below.

Table 4: Timetable - 2017/18 and 2018/19 Budget

Date	Group	Details (Subject to available information (e.g. Settlement))
15 December 2016	Council	Approve: Revised proposals to balance 2017/18 and 2018/19 budget using a mixture of base-budget savings, and also one-off funds and short-term proposals which will not contribute to closing the Core Funding Gap (as set out in Appendix 3 to this report).
21 December 2016	Cabinet	Consider latest information on Resource and Expenditure Projections and savings for 2017/18 and 2018/19 - subject to the Council receiving the Provisional Local Government Finance Settlement (due early December).
8 February 2017	Cabinet	Formally recommend the 2017/18 Budget for approval by Council including all 2017/18 Savings and any 2018/19 savings which can be agreed.
23 February 2017	Council	Approve the 2017/18 Budget.

6. Long Term Financial Strategy

6.1. The above proposals represent a significant departure from the original approach agreed by Cabinet in October 2015. At that point the Council was proposing to implement a Long Term Strategy based upon a Sustainable

Business Model which would identify future resources available and fit spending patterns within that financial envelope. This approach has been revised for two key reasons (as described in Section 5):

- The implications for service delivery into the future suggested that statutory duties could not be delivered in a sustainable manner within the projected financial envelope.
- The impact of 100% Local Business Rates Retention and as yet unidentified new burdens to be funded from locally raised resources from 2019/20 created new levels of uncertainty that rendered long term projections pure speculation.

6.2. The Sustainable Business Model, as a concept however, is still valid as it has the power to accurately describe the financial envelope within which a self-sufficient Council has to prioritise services and operate. The model will be modified and eventually will become the foundation of future Financial Strategy Reports, but not until the relevant parameters and necessary financial assumptions are adequately described, clarified and fully understood.

6.3. The development of the Council's Corporate Plan is an essential element of this approach and once adopted will provide the framework for Council priorities and strategic outcomes within which a Financial Strategy can be developed.

6.4. Alongside the Financial Strategy, the Corporate Plan will also be supported by a number of key strategy documents currently in different stages of development and refresh including:

- The Economic Growth Strategy
- The Commercial Strategy
- The Workforce Strategy
- The Digital Transformation Strategy
- The IT Strategy
- The Treasury Strategy

6.5. The development of the Economic Growth Strategy will enable the Council to produce a more developed Capital Investment Strategy, setting out the longer term aspirations of the Council in terms of development and regeneration. Following a review of the current Capital programme (as mentioned in Section 4 above) work will be undertaken over the winter period to set out the principles for a future aspirational capital investment strategy which will form an integral part of the developing Financial Strategy.

6.6. While it is too early at this stage to clearly set out the priorities that will be established within these strategic documents, the following considerations are likely to be developed further:

- Operating the most efficient services and being commercial in outlook across all that we do.
- Our population becoming the healthiest, to improve quality of life and reduce strain on services.
- Growing income from business rates and housing.
- Increasing investment income.
- Maximising the potential of our investment in IT and technology

6.7. The next draft of the Corporate Plan is due to be considered by Cabinet on 21 December 2016.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

- Financial Strategy 2017/18 – Cabinet 30 November 2016
- Revenue Monitoring Report – Quarter 2 2016/17 – Cabinet 9 November 2016
- Capital Monitoring Report – Quarter 2 2016/17 – Cabinet 9 November 2016
- Financial Strategy 2017/18 – 2019/20 – Cabinet 28 September 2016
- Financial Strategy Task and Finish Group - Final report – Cabinet 27th July 2016
- Financial Strategy 2017/18 – 2019/20 – Council 13 July 2016
- Financial Strategy 2017/18 – 2019/20 – Cabinet 13 July 2016
- Financial Strategy Task and Finish Group - Interim Report – Cabinet 13th July 2016
- Financial Strategy 2017/18 - 2018/19 – Cabinet 18 May 2016
- Financial Strategy 2016/17 – 2018/19 – Cabinet 17 February 2016
- Final Report from the Budget 2016/17 Task and Finish Group – Cabinet 10th February 2016
- Performance Management Scrutiny Committee: Scrutiny of the Financial Strategy: Summary of the Feedback from the Scrutiny Committees – Cabinet 9th December 2015

Cabinet Member (Portfolio Holder)

Malcolm Pate

Local Member

All

Appendices

Appendix 1 – Resource Projections

Appendix 2 – Expenditure Projections

Appendix 3 – Funding Gap

Appendix 4 – Savings Proposals 2017/18 & 2018/19

Appendix 5 – 2016/17 Savings Unachievable

Appendix 6 – Release of Earmarked Reserves

Appendix 7 – Draft Summary Revenue Budget 2017/18

Appendix 8 – Draft Summary Capital Budget 2017/18

Resource Projections

	2016/17 £	2017/18 £	2018/19 £	2019/20 £	Assumptions
Council Tax	127,068,947	134,251,314	141,839,457	149,857,179	1.6% increase in Taxbase p.a. and 3.99% increase in Band D p.a.
Business Rates:					
Business Rates Collected	38,746,737	39,447,278	40,160,485	40,886,586	Growth of 0.8% and multiplier increase of 1%
Estimated Reduction in Business Rates (s31 see below)		-3,860,000	-3,860,000	-3,860,000	
Top Up Grant	10,119,908	10,318,949	10,623,366	10,962,908	As per Local Government Finance Settlement 2016
RSG	31,565,931	20,447,511	13,301,166	6,119,050	As per Local Government Finance Settlement 2016
Collection Fund:					
Council Tax	2,987,003	500,000	500,000	500,000	
Business Rates	-5,961,407	-500,000	-500,000	-500,000	
NET BUDGET	204,527,118	200,605,052	202,064,474	203,965,723	
Grants included in Core Funding:					
Improved Better Care Fund	0	216,823	4,328,805	8,153,519	As per Local Government Finance Settlement 2016
New Homes Bonus	9,327,598	9,377,848	5,891,776	5,653,090	As per Local Government Finance Settlement 2016
Rural Services Delivery Grant	6,573,303	5,307,636	4,082,797	5,307,636	As per Local Government Finance Settlement 2016
Transition Grant	575,652	585,686	0	0	As per Local Government Finance Settlement 2016
s31 Business Rates Grants	0	3,860,000	3,860,000	3,860,000	
CORE FUNDING	221,003,671	219,953,045	220,227,852	226,939,968	
Local Income					
Fees and charges	66,020,470	62,759,146	63,836,175	65,040,521	
Other Grants and contributions	33,906,417	33,906,417	33,906,417	33,906,417	
Specific Grants (excluding Core Funding Grants above)	238,527,570	237,980,460	237,980,460	237,980,460	
Internal Recharges	10,563,760	10,563,760	10,563,760	10,563,760	
TOTAL FUNDING	570,021,888	565,162,828	566,514,664	574,431,126	

Appendix 2

Expenditure Projections

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Original Gross Budget Requirement	576,378,810	590,672,245	583,249,199	586,961,952
Inflationary Growth :				
Pay	1,991,292	1,361,007	1,166,054	996,311
Prices	5,006,995	1,861,804	1,669,604	1,717,763
Pensions	0	2,423,594	-229,111	-298,711
Demography	21,877,515	824,076	6,999,013	7,556,318
National Government Policy changes :				
NI	2,000,000			
Minimum Living Wage (included in pay and prices for adjusted)	1,000,000			
Apprenticeships	500,000			
Local Generated Pressures :				
Debt charges	1,000,000			
Elections		700,000	-700,000	
Grant loss/ grant rolled into Base funding	1,970,870			
Specific Grants Changes between years	2,600,576	-1,535,674	-1,184,618	4,810,868
Income Changes	-10,079,103			
All other changes in 2016/17	-7,236,317	2,084,336		
Adjustment to Gross budget offset by Income changes	4,536,807			
Adjust for Reduction to offset income reduction		-444,000	-320,242	
Savings:				
Add Savings carried forward from 2015/16 to be achieved	15,961,130			
Deduct ongoing Savings - 2016/17	-26,836,330			
Deduct ongoing Savings - 2017/18		-15,026,024		
Deduct ongoing Savings - 2018/19			-3,623,072	
2016/17 Savings not achievable		327,835	-64,875	
TOTAL EXPENDITURE	590,672,245	583,249,199	586,961,952	601,744,500

Appendix 3

Funding Gap

	<i>2016/17</i> £	2017/18 £	2018/19 £	2019/20 £
Resources	<i>570,021,888</i>	565,162,828	566,514,664	574,431,126
Expenditure	<i>590,672,245</i>	583,249,199	586,961,952	601,744,500
Gap in year	<i>20,650,357</i>	18,086,371	20,447,288	27,313,375
One Off Funding to be used:				
Financial Strategy Reserve	<i>9,355,970</i>			
Rural Services Delivery grant - Ongoing	<i>1,633,119</i>	1,633,119	1,633,119	
Rural Services Delivery grant - One Off	<i>4,940,184</i>	3,674,517	2,449,678	
Transition Grant - One Off	<i>575,652</i>	585,686		
New Homes Bonus - One Off	<i>4,145,432</i>	4,269,560	783,460	
Improved Better Care Funding		216,823	4,328,805	
Savings BF		890,462	8,851	
One off Monitoring underspends		960,000		
Adult Services Contingency			2,500,000	
Collection Fund Adjustments			2,100,000	
Earmarked Reserves - Freed up		3,432,610	1,976,355	
Free up Conditional Release Reserves			2,472,538	
Free up Conditional Reserves - Pensions		2,423,594	2,194,483	
TOTAL ONE OFF FUNDING	<i>20,650,357</i>	18,086,371	20,447,288	0

Savings Proposals 2017/18 & 2018/19

Analysis of Savings Proposals - Summary	2017/18	2018/19
	£	£
Green Savings:		
Adults	0	0
Childrens	-277,340	0
Place & Enterprise	-2,082,315	0
Public Health	0	0
Resources and Support	-3,609,635	1,216,654
	Total Green Savings	-5,969,290
		1,216,654
Amber Savings:		
Adults	0	0
Childrens	-1,787,500	-187,500
Place & Enterprise	-290,430	-1,068,387
Public Health	-368,849	-250,848
Resources and Support	1,286,079	-861,771
	Total Amber Savings	-1,160,700
		-2,368,506
Achievable Red Savings:		
Adults	0	0
Childrens	-125,733	0
Place & Enterprise	-1,701,820	-2,100,000
Public Health	0	0
Resources and Support	-200,000	-371,220
	Total Achievable Red Savings	-2,027,553
		-2,471,220
Corporate Savings:		
Adults	0	0
Childrens	0	0
Place & Enterprise	0	0
Public Health	0	0
Resources and Support	-5,868,481	0
	Total Corporate Savings	-5,868,481
		0
Total Savings Approved by Council	-15,026,024	-3,623,072
Cumulative by 2018/19		-18,649,096

Savings Proposals 2017/18 & 2018/19

Adult Services						
Ref	Portfolio	Council Function	2017/18 Savings Proposal (£)	2018/19 Savings Proposal (£)	Commentary	Status
Green Savings:						
None						
Amber Savings:						
None						
Achievable Red Savings						
None						
Corporate Savings						
None						
Total Savings			0	0		

Savings Proposals 2017/18 & 2018/19

Children's Services						
Ref	Portfolio	Council Function	2017/18 Savings Proposal (£)	2018/19 Savings Proposal (£)	Commentary	Status
Green Savings:						
C14	Children and Young People / David Minnery	Children with Disabilities	-170,000	0	Recommissioning provision	Approved Council 21/07/16
C19	Children and Young People / David Minnery	Foster Care Service - Fostering Placements	-107,340	0	Savings achieved through best value.	Approved Council 21/07/16
Total Green Savings			-277,340	0		
Amber Savings:						
C01	Children and Young People / David Minnery	Education Access and Equality	-150,000	0	School attendance monitoring function placed at risk	Approved Council 21/07/16
C02	Children and Young People / David Minnery	Education Improvement (including Early Years)	-200,000	0	Reduced provision available to support high quality educational outcomes, could impact on the outcomes for children and on the LAs capacity to support improvement	Approved Council 21/07/16
CO3	Children and Young People / David Minnery	Home to School Transport (including SEN Transport)	-187,500	-187,500	Further efficiencies are reliant on full implementation of personalisation policy, and fuel costs.	Approved Council 21/07/16
CO8	Children and Young People / David Minnery	Information Advice and Guidance	-250,000	0	The team would reduce significantly and would not be able to provide information advice and guidance across Shropshire. This could impact on the progression of young people, and the number of young people who are not in education employment or training	Approved Council 21/07/16
C25	Children and Young People / David Minnery	Children's Centres	-1,000,000	0	Early Help services prevents children wherever possible receiving children's social care interventions. Schools and other stakeholders will face pressure to meet demand.	Approved Council 21/07/16
Total Amber Savings			-1,787,500	-187,500		
Achievable Red Savings						
C31	Children and Young People / David Minnery	Special Educational Needs	-94,311	0	To deliver a further saving in 2017/18 the team will divert resources towards traded work.	Approved Council 21/07/16
C32	Children and Young People / David Minnery	Education Improvement (subject to ESG)	-31,422	0	Additional Saving proposed to be funded from traded work and review of the service.	Approved Council 21/07/16
Total Achievable Red Savings			-125,733	0		
Corporate Savings						
None						
Total Savings			-2,190,573	-187,500		

Savings Proposals 2017/18 & 2018/19

Place & Enterprise						
Ref	Portfolio	Council Function	2017/18 Savings Proposal (£)	2018/19 Savings Proposal (£)	Commentary	Status
Green savings:						
M01	Planning, Housing, Regulatory Services and Environment / Mal Price	Refuse collection and recycling	-250,000		0 Collection service redesign / contract renegotiation, £2m delayed until 2018/19	Approved Council 21/07/16 and Cabinet 28/09/16
M05	Planning, Housing, Regulatory Services and Environment / Mal Price	Planning	-140,000		0 Redesign of service areas	Approved Council 21/07/16
M06	Highways and Transportation / Simon Jones	Highways management, maintenance and street cleansing	-350,000		0 Energy efficiency, increased income and redesigning the workforce	Approved Council 21/07/16
M10	Corporate Support / Michael Wood	Commissioning directorate management team and support functions	-20,000		0 Efficiency savings and further redesign.	Approved Council 21/07/16
M11	Highways and Transportation / Simon Jones	Public transport - Council Delivery	-250,000		0 Redesign of functional areas	Approved Council 21/07/16
M13	Leisure and Culture / Stuart West	Leisure centres, swimming pools and sports development	-70,080		0 Combination of efficiency savings and local commissioning of functional areas	Approved Council 21/07/16
M14	Leisure and Culture / Stuart West	Theatre services	-132,570		0 Increases in income	Approved Council 21/07/16
M17	Leisure and Culture / Stuart West	Museums and tourism	-40,000		0 Further redesign of function.	Approved Council 21/07/16
M22	Rural Services and Communities / Cecilia Motley	Community development	-36,450		0 Efficiency savings and move to income generating model proposed at present.	Approved Council 21/07/16
M23	Leisure and Culture / Stuart West	Arts	-11,290		0 As per December 2015 proposals developed in consultation with stakeholders	Approved Council 21/07/16
R24	Corporate Support / Michael Wood	Corporate Landlord	-631,113		0 Redesign of service areas to deliver corporate savings.	Approved Council 21/07/16
R26	Corporate Support / Michael Wood	Other property services	-150,812		0 Redesign of service areas to deliver corporate savings.	Approved Council 21/07/16
Total Green Savings			-2,082,315	0		
Amber Savings:						
M05	Planning, Housing, Regulatory Services and Environment / Mal Price	Planning	0	-205,000	Redesign of service areas	Approved Council 21/07/16
M06	Highways and Transportation / Simon Jones	Highways management, maintenance and street cleansing	0	-150,000	Energy efficiency, increased income and redesigning the workforce	Approved Council 21/07/16
M08	Leisure and Culture / Stuart West	Parks, countryside and rights of way	-25,000		0 Outdoor Partnerships business plan for income generation should result in further savings being proposed later in the financial year, but at present an assessment of the proposals against the 2016/17 savings target is	Approved Council 21/07/16
M22	Rural Services and Communities / Cecilia Motley	Community development	-40,000		0 Efficiency savings and move to income generating model proposed at present.	Approved Council 21/07/16
M26	Business and Economy / Steve Charmley	Energy Company Work	-25,430	-132,000	Development of an energy company indicates net income generation for the Council.	Approved Council 21/07/16
R24	Corporate Support / Michael Wood	Corporate Landlord	0	-304,770	Redesign of service areas to deliver corporate savings.	Approved Council 21/07/16
R28	Corporate Support / Michael Wood	Shire Services	-200,000	-276,617	Redesign of service areas to deliver corporate savings.	Approved Council 21/07/16
Total Amber Savings			-290,430	-1,068,387		
Achievable Red Savings						
M01	Planning, Housing, Regulatory Services and Environment / Mal Price	Refuse collection and recycling		-2,000,000	Collection service redesign / contract renegotiation, £2m delayed until 2018/19	Approved Council 21/07/16 and Cabinet 28/09/16
M12	Business and Economy / Steve Charmley	Economic growth and business support	-159,040	-100,000	Combination of efficiency savings and local commissioning of functional areas	Approved Council 21/07/16
M16	Leisure and Culture / Stuart West	Leisure centres, swimming pools and sports development	0	0	25% saving on Teme Leisure contract to be negotiated. Will result in reduction in provision.	Approved Council 21/07/16
M17	Leisure and Culture / Stuart West	Museums and tourism	-40,000		0 Further redesign of function.	Approved Council 21/07/16
M20	Leisure and Culture / Stuart West	Libraries	-150,000		0 Transfer of one or more of the larger libraries to a commissioned model.	Approved Council 21/07/16
M21	Children and Young People / David Minnerly	Youth activities and youth centres	-118,400		0 50% reduction to LJC budgets for youth activities	Approved Council 21/07/16
M22	Rural Services and Communities / Cecilia Motley	Community development	-133,810		0 Efficiency savings and move to income generating model proposed at present.	Approved Council 21/07/16
M25	Highways and Transportation / Simon Jones	Car parks	-200,000		0 To be delivered through change to linear tariffs. Could be potential to increase this value later in the financial year.	Approved Council 21/07/16
M26	Business and Economy / Steve Charmley	Energy Company Work	-106,570		0 Development of an energy company indicates net income generation for the Council.	Approved Council 21/07/16
M27	Highways and Transportation / Simon Jones	Grey Fleet savings	-424,000		0 Review of grey fleet mileage claimed shows that potential savings can be released across the Council in 2017/18.	Approved Council 21/07/16
R24	Corporate Support / Michael Wood	Corporate Landlord	-370,000		Redesign of service areas to deliver corporate savings.	Approved Council 21/07/16
Total Achievable Red Savings			-1,701,820	-2,100,000		
Corporate Savings						
None						
Total Savings			-4,074,565	-3,168,387		

Savings Proposals 2017/18 & 2018/19

Public Health

Ref	Portfolio	Council Function	2017/18 Savings Proposal (£)	2018/19 Savings Proposal (£)	Commentary	Status
-----	-----------	------------------	------------------------------	------------------------------	------------	--------

Green savings:

None

Amber Savings:

M05	Planning, Housing, Regulatory Services and Environment / Mal Price	Environmental health, planning and trading standards	-140,000	0	Redesign of service areas	Approved Council 21/07/16
P02	Health & Wellbeing / Karen Calder	Registrars	-20,000	-20,000	The Department of Health is yet to announce the Public Health Grant for the next two years therefore it will not be clear until the end of January about the resources available to the council to meet its statutory commitments. In addition the Home Office is consulting on changes to the Marriage Legislation that may mean that the Registrars' Service may have a reduction in the sources of revenue that it receives through the licensing of venues and the related fees for conducting services. On that basis the saving plan has been given an overall rating of Amber until a detailed review of the factors outlined above can be assessed.	Approved Council 21/07/16
P07	Health & Wellbeing / Karen Calder	Help to Change	-80,349	-102,348		Approved Council 21/07/16
P09	Health & Wellbeing / Karen Calder	Multi-agency Drug and Alcohol Team	-25,000	-25,000		Approved Council 21/07/16
P11	Health & Wellbeing / Karen Calder	School Nurses	-56,000	-56,000		Approved Council 21/07/16
P17	Health & Wellbeing / Karen Calder	Community Safety	-47,500	-47,500		Approved Council 21/07/16

Total Amber Savings

-368,849 -250,848

Achievable Red Savings

None

Corporate Savings

None

Total Savings

-368,849 -250,848

Savings Proposals 2017/18 & 2018/19

Resources and Support						
Ref	Portfolio	Council Function	2017/18 Savings Proposal (£)	2018/19 Savings Proposal (£)	Commentary	Status
Green savings:						
R07	Strategy, Financial Strategy, Budget and Business Plan / Malcolm Pate	Provisional Settlement Adjustment	-1,496,045	1,535,434	Apply £5.385m of New Homes Bonus and £0.562m of RSDG over 3 years to offset front-loading of RSG reduction (Note growth not saving in 18/19 to reflect front loading of RSG reductions in years 1 and 2)	Approved Council 21/07/16
R23	Corporate Support / Michael Wood	Other Customer services	-143,700	0	Redesign of service areas to deliver corporate savings.	Approved Council 21/07/16
R27	Corporate Support / Michael Wood	Non Distributable costs and other Corporate	-100,000	0	Redesign of service areas to deliver corporate savings.	Approved Council 21/07/16
R30	Corporate Support / Michael Wood	Corporate & Democratic Core	-229,890	0	Reductions in External Audit Fees, Debt Management Charges and Members Telephone and Car Allowance budgets can be delivered in full in 2017/18	Approved Council 21/07/16
R31	Strategy, Financial Strategy, Budget and Business Plan / Malcolm Pate	Treasury Management	-1,530,000	-318,780	Currently anticipated to be deliverable due to repayment of borrowing, thereby reducing debt charges and additional interest to be achieved on investments.	Approved Council 21/07/16
R32	Strategy, Financial Strategy, Budget and Business Plan / Malcolm Pate	Shrewsbury Town Civics	-110,000	0	Renegotiation of the Shrewsbury town Council contract has now enabled the base budget contribution towards the civic costs to be removed.	Approved Council 21/07/16
Total Green Savings			-3,609,635	1,216,654		
Amber Savings:						
R22	Corporate Support / Michael Wood	Customer Services	-290,997	0	Redesign of service areas to deliver corporate savings.	Approved Council 21/07/16
R29	Strategy, Financial Strategy, Budget and Business Plan / Malcolm Pate	Other	1,577,076	-861,771	One-off resources and/or savings applied from previous years to offset unachieved savings reallocated to service areas.	Approved Council 21/07/16
Total Amber Savings			1,286,079	-861,771		
Achievable Red Savings						
R04	Strategy, Financial Strategy, Budget and Business Plan / Malcolm Pate	Revenues and Benefits	-200,000	-100,000	Redesign of service areas	Approved Council 21/07/16
R31	Strategy, Financial Strategy, Budget and Business Plan / Malcolm Pate	Treasury Management	0	-271,220	Currently anticipated to be deliverable due to repayment of borrowing, thereby reducing debt charges and additional interest to be achieved on investments.	Approved Council 21/07/16
Total Achievable Red Savings			-200,000	-371,220		
Corporate Savings						
R33	Strategy, Financial Strategy, Budget and Business Plan / Malcolm Pate	Review of Corporate Budgets	-5,868,481	0	Review of growth adjustments within the budget has released £2.898m within Corporate Budgets. A further £2.094m can be released due to a change in the collection fund surplus/deficit as a result of new guidance on the inclusion of a provision. Remaining £0.876m to be released from budgets retained for pensions contribution growth which is no longer required.	Approved Council 21/07/16
Total Corporate Savings			-5,868,481	0		
Total Savings			-8,392,037	-16,337		

Appendix 5

2016/17 Savings Unachievable

Children's Services Savings 2016/17						Impossible to Achieve	Delays expected in 2017/18	Delay in Implementation but Achievable in 2017/18
Ref	Portfolio	Council Function	2016/17 Unachieved Saving £	Commentary	Status	£	£	£
Redesign and transfer of Education Support Services to i,p&e (Inspire To Learn) and secure commissioning arrangements and retained team.								
	Children and Young People / David Minnery	Education Access and Equality	-135,000	Reduce Commissioning of Education Access & Equality from ip&e	It is proposed that the Education, Access and Equality Service is restructured to reflect the long term statutory responsibility of the Local Authority.		-33,750	-101,250
	Children and Young People / David Minnery	Education Improvement (including Early Years)	-42,000	Reduce Commissioning of Education Improvement Service from ip&e	Deliverable in 2017/18.			-42,000
	Children and Young People / David Minnery	Information Advice and Guidance	-132,000	Reduce Commissioning of IAG from ip&e	Staff restructure delayed over uncertainty around future trading strategy of Inspire to Learn. Anticipated to be deliverable in 2017/18.			-132,000
			-309,000			0	-33,750	-275,250
Analyse Children's Services back office processes: administration; use of IT; impact of rurality.								
	Children and Young People / David Minnery	County Training	-262,960	Externalisation of County Training	Savings target is impossible to achieve as it relates to Non-Controllable Budgets	-262,960		
	Children and Young People / David Minnery	LS Business Support	-124,500	Rationalisation of Learning and Skills Business Support Admin	Efficiency savings to be achieved through a review of Business Support processes.		-31,125	-93,375
			-387,460			-262,960	-31,125	-93,375
Redesign early support and assist provision.								
	Children and Young People / David Minnery	Early Help	-15,000	Reduce funding of CAMHS services	Staffing Restructure slippage due to changes in 0-25 re-commissioning programme			-15,000
	Children and Young People / David Minnery	Early Help	-325,000	Reduce the net budget of provision of Early Help through funding an additional £1m through Central DSG	£325,000 Savings to be targeted through Early Help Strategy and Strengthening Families pilots			-325,000
			-340,000			0	0	-340,000
Review current residential provision and increase assessment capacity. Review mix of provision. Review practice of assessing children's ongoing need to be Looked After.								
	Children and Young People / David Minnery	Placements	-250,000	Reduction of External Residential/Fostering Placements	Achievement is planned through the following but costs are subject to short notice demand for high cost placements so unclear whether full saving will be achieved in 2017/18: - Develop Chelmare to extend provision - Continued offer of edge of care support and outreach reducing LAC where appropriate/safe. - Recruitment and training of in house Foster Carers to meet needs of teenagers			-250,000
			-250,000			0	0	-250,000
CHILDREN'S SERVICES			-1,286,460			-262,960	-64,875	-958,625

Appendix 6

Release of Earmarked Reserves

Earmarked Reserve	Purpose of Balance	Confirmed Release £	Conditional Release £
Redundancy	Required to meet one-off costs arising from approved staffing reductions, allowing the full approved savings in salaries or wages to reach the revenue account.	0	-6,972,585
Development Reserve	Required to fund development projects or training that will deliver efficiency savings.	0	-3,500,000
Invest to save Reserve	Required to fund invest to save projects in order to deliver the service transformation programme.	0	-500,000
Care Act Reserve	Required to fund the costs of implementing the Care Act requirements within the Council. This will be committed to the costs of one off posts required to implement the changes and training costs for staff within Adult Services.	-215,545	0
Economic Development Workshops Major Maintenance	Established to meet the costs of major maintenance of Economic Development Workshops.	-239,949	0
Planning Reserve	Set aside funds for investment in planning application processes.	-1,146,997	0
Public Health Reserve	This reserve includes balances committed to specific public health projects.	-1,000,000	0
Resources Efficiency	Established for investment in new developments, particularly information technology, that service area would not be expected to meet from their internal service level agreements for support services.	-378,510	-2,369,259
Revenue Commitments from Unringfenced Revenue Grants	Established from unapplied unringfenced Grant balances. Commitment have been made against these balances in 2017/18.	-1,671,979	0
Shropshire Waste Partnership (Smoothing)	The PFI smoothing reserve reflects the budgeted contributions in the early years of the Waste PFI contract that will be used to smooth the step up in the Unitary Charge once additional facilities come on line. The PFI smoothing reserve will ensure that the Shropshire Waste Partnership does not pay for services in advance of receiving them but that once costs are increased in line with the contract money is available to meet those costs.	-389,000	0
Theatre Severn R&M	Established from underspends within culture and leisure, the reserve will be earmarked towards future capital and revenue expenditure on repairs, maintenance and replacement of essential equipment at the Theatre.	-29,355	0
TMO Vehicle Replacement	Set up to meet the costs of replacement vehicles by the Integrated Transport Unit.	-337,630	0
TOTAL		-5,408,965	-13,341,844

Appendix 7

Draft Summary Revenue Budget 2017/18

	2017/18 £	Adult Services £	Children's Services £	Place & Enterprise £	Public Health £	Resources & Support £
Original Gross Expenditure Requirement	570,021,890	120,656,530	189,152,640	141,771,480	21,350,170	97,091,070
Inflationary Growth :						
Pay	1,361,007	263,788	287,006	324,298	118,631	367,284
Prices	1,861,804	70,757	621,240	973,610	8,287	187,910
Pensions	2,423,594	455,888	521,048	711,944	85,575	649,139
Demography	824,076	446,140	277,936	0	0	100,000
Local Generated Pressures :						
Elections	700,000	0	0	0	0	700,000
Specific Grants Changes between years	-1,535,674	0	0	0	0	-1,535,674
All other changes in 2016/17	2,084,336	0	0	0	0	2,084,336
Adjust for Reduction to offset income reduction	-444,000	0	0	0	-444,000	0
Reversal of 2016/17 Funding Gap	20,650,354	0	0	0	0	20,650,354
Savings:						
Deduct ongoing Savings - 2017/18	-14,454,464	0	-2,190,573	-3,503,005	-368,849	-8,392,037
2016/17 Savings not achievable	327,835	0	327,835	0	0	0
TOTAL GROSS EXPENDITURE	583,820,758	121,893,103	188,997,132	140,278,327	20,749,814	111,902,382
Original Gross Income Requirement	-365,494,770	-39,247,960	-153,669,230	-50,454,640	-16,361,930	-105,761,010
Local Generated Pressures :						
Specific Grants Changes between years	-2,324,329	-16,720	0	0	481,180	-2,788,789
Income Growth	3,261,324	2,731,060	-1,930	58,194	444,000	30,000
Savings:						
Income Savings - 2017/18	-571,560	0	0	-571,560	0	0
TOTAL GROSS INCOME	-365,129,335	-36,533,620	-153,671,160	-50,968,006	-15,436,750	-108,519,799
NET BUDGET REQUIREMENT	218,691,423	85,359,483	35,325,972	89,310,321	5,313,064	3,382,583
Funded by:						
Council Tax	134,251,314					
Business Rates						
Business Rates Collected	39,447,278					
Estimated Reduction in Business Rates (s31 see below)	-3,860,000					
Top Up Grant	10,318,949					
RSG	20,447,511					
Collection Fund:						
Council Tax	500,000					
Business Rates	-500,000					
	200,605,052					
Funding Gap	18,086,371					
Rural Services Delivery grant - Ongoing	-1,633,119					-1,633,119
Rural Services Delivery grant - One Off	-3,674,517					-3,674,517
Transition Grant - One Off	-585,686					-585,686
New Homes Bonus - One Off	-4,269,560					-4,269,560
Improved Better Care Funding	-216,823					-216,823
Savings BF	-890,462					-890,462
One off Monitoring underspends	-960,000					-960,000
Earmarked Reserves - Freed up	-3,432,610					-3,432,610
Free up Conditional Reserves - Pensions	-2,423,594					-2,423,594
REVISED NET BUDGET REQUIREMENT (AFTER USE OF ONE OFF FUNDS)	200,605,052	85,359,483	35,325,972	89,310,321	5,313,064	-14,703,788

Draft Summary Capital Programme 2017/18

	2017/18 £	Adult Services £	Childrens Services £	Place & Enterprise £	Public Health £	Resources & Support £	HRA £
Capital Schemes							
Leisure Equipment	300,000			300,000			
Structural Maintenance of Bridges & Structures	3,500,000			35,000,000			
Structural Maintenance of Roads	10,493,000			10,493,000			
Street Lighting	800,000			800,000			
Integrated Transport	1,000,000			1,000,000			
LEP Schemes	4,600,000			4,600,000			
Flood Defences & Water Management	291,000			291,000			
Outdoor Partnerships	4,750			4,750			
Growth Point	500,000			500,000			
Planning Policy - Affordable Housing	254,000			254,000			
Broadband	6,018,844			6,018,844			
Social Care	23,000	23,000					
Private Sector Housing	250,000				250,000		
Schools - Basic Need	5,084,212		5,084,212				
Schools - Condition	3,322,364		3,322,364				
HRA Major Repairs Programme	3,769,393						3,769,393
New Build Programme	53,074						53,074
Total Capital Programme	40,263,637	23,000	8,406,576	59,261,594	250,000	0	3,822,467
Funding of Capital Programme							
Self Financed Prudential Borrowing	300,000						
Government Grants	29,748,221						
Other Grants	0						
Other Contributions	204,750						
Revenue Contributions to Capital	304,000						
Major Repairs Allowance	3,603,074						
Capital Receipts	6,103,592						
Total Capital Funding	40,263,637						