

Report of:	Head of Finance
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Key Decision:	No
Report Track:	Cabinet: 07/02/19 Council: 20/02/19

CABINET
7 FEBRUARY 2019
GENERAL FUND BUDGET AND CAPITAL PROGRAMME 2018-19 TO 2021-22

1 Purpose of Report

- 1.1 To consider the current position of the General Fund Revenue Budget for 2018-19 to 2021-22 and the updated Capital Programme 2018-19 to 2021-22.

2 Recommendation(s)

- 2.1 That the following be recommended to Council as part of the formal budget setting process:-
- (a) the level of net spending for the General Fund Revenue Budget for 2019-20 be set at £13.072 million; with indicative net spending for 2020-21 and 2021-22 of £13.301 million and £13.230 million respectively;
 - (b) the detailed portfolio budgets as set out in **Appendix 2**;
 - (c) the forecast outturn net budget of £12.258 million be approved;
 - (d) the use of Government Grants in 2019-20 of £1.580 million;
 - (e) To note that although indicative figures exist for the use of Governments Grants for 2020-21 and 2021 -22 they cannot be accurately determined at this stage with each element of Government funding being subject to review;
 - (f) the working balances be set at £0.704 million; £1.061 million and £1.006 million for 2019-20 to 2021-22 respectively;
 - (g) that a Council Tax of £217.09 be recommended to the Council for 2019-20; with indicative increases of 1.95% to the level of Council Tax for 2020-21 and 2021-22;
 - (h) the Council's Tax base be set at 28,874.46.

- (i) the revised capital programme, including new schemes, as set out in **Appendices 3 and 4.**
- (j) That Council notes that the authority is part of the “Staffordshire and Stoke- on- Trent Business Rates Pool “with the “Greater Birmingham and Solihull Pool “dissolved following successful pilot applications for 2019-20.

3 Key Issues and Reasons for Recommendations

Key Issues

- 3.1 The report sets out a draft standstill budget for 2019-20 as well as indicative budgets for 2020-21 and 2021-22 and associated issues and also includes current indications of the impact that this will have on Council Tax. It also sets out the updated capital programme, and it sets out the capital resources available to the authority to finance the capital programme.

Reasons for Recommendations

- 3.2 The Council is required to set a balanced budget for 2019-20 set in the context of a sustainable medium term financial plan. Detailed figures are only available for 2019-20 nevertheless the level of Working Balances maintained by the Council will enable a Balanced Budget to be set for the duration of the Financial Plan.

4 Relationship to Corporate Priorities

- 4.1 The revenue budget and capital programme reflect the Council’s priorities.

5 Report Detail

- 5.1 As a precursor to the consideration of the overall General Fund Revenue Budget, Cabinet approved the General Fund Financial Plan for the period 2018-19 to 2021-22 on 8 November 2018.

- 5.2 The General Fund Revenue Budget for the period 2019-20 to 2021-22 has now been compiled following the principles agreed in the Financial Plan.

- 5.3 The detailed Portfolio Budgets together with Variation Statements as compared with the Budget Approved by Council last year are attached as **Appendix 2** to the report. The following paragraphs highlight the background to the compilation of the Revenue Budget.

5.4 Budget issues

Inflation

- 5.4.1 Portfolio Budgets have been updated to reflect the current rate of Inflation in relation to CPI for 2018-19 and this therefore represents an additional ongoing cost. No changes have been made to CPI forecasts for 2019-20 to 2021-22 and these have been assumed to remain at 2%. The provision for pay awards

has been increased to 2% for 2020-21 and 2021-22, reflecting a continuation of the existing 2 year agreement and the prevailing level of CPI. No other material changes have been made to the inflation assumptions.

Spending pressures

- 5.4.2 The detailed budgets have been refreshed to reflect the outturn for 2017-18 and latest spending patterns.
- 5.4.3 In determining the 2021-22 budget additional provision has been made for Employer Contributions to increase by a further 2% as a result of the next triennial Actuarial Valuation of the Pension Fund; the Management Fee profile for the Leisure Management Contract and additional costs of demographic growth.
- 5.4.4 The Base Budget also reflects the additional costs arising from the Revised Development Scheme and Local Plan Review. The cost of the review is estimated to increase to £300,000, as compared to an original estimate of £250,000. The additional cost is to be funded from the Budget Support Reserve. Ongoing provision of £50,000 per annum as part of a rolling programme has been included in the 2021-22 budget, to reflect revised national guidelines for the Local Plan.
- 5.4.5 Additional cost pressures have arisen in relation to the residual cost of the Social Alarms service following its transfer to Redditch Borough Council, however the impact has been reduced, as with other changes in service delivery, by a restructure of the residual service. In addition the cost of the Waste Collection service reflects the higher than anticipated increase in properties and in particular, the reaching of the trigger point for cost increases, combined with the increased net cost of Dry Recycling.
- 5.4.6 The Council has also reviewed its Health & Safety / Maintenance compliance requirements for its assets and this has necessitated the reinstatement of a Property Services manager (deleted as part of a restructure arising from the Financial Recovery Plan). The draft budget also reflects the security arrangements and mothballing costs in relation to the town centre Multi Storey Car Park following its transfer from St Modwen.
- 5.4.7 Provision exists for the adoption of the Modern Slavery Charter and the revision in the Non Constituent Member Fee to the West Midlands Combined Authority with a proposed fee of £35,000 (currently £25,000) from 2020-21.
- 5.4.8 The budget for Floral Decorations has been increased by £15,000 to reflect the prevailing additional net cost of this service. The increase relates to 2019-20 only, pending a review of highways grass cutting requirements by the County Council.
- 5.4.9 Provision has also been made for the mainstreaming of additional support for the skills agenda. Funding for the support officer from GBSLEP ceases in 2019-20 with the additional cost of £17,000 being offset by funding £10,000 earmarked to develop the Skills and Innovation Hub.

Main streams of income

- 5.4.10 Income from fees and charges is mainly in line with the overall budget although the Council continues to face income pressures in relation to its Markets. Cannock Market Fees are down by a further £12,000 and Rugeley Market Rents by £10,000.
- 5.4.11 Provisional funding allocations for Housing Benefit Administration Subsidy and Local Council Tax Support were received on the 18 December 2018. The subsidy allocation sees a reduction of £0.042 million (10%) as compared to the 2018-19 allocation and is broadly in line with the Financial Plan/Budget assumptions.
- 5.4.12 The continuation of the Efficiency element of the grant reduction, but more importantly, the progressive reduction to Universal Credits in the Admin Subsidy will require the service to downsize as part of (or in advance of) the 2021-22 budget process
- 5.4.13 The 2019-20, and subsequent years, budgets reflect the reduced income from recycling credits. This forms part of the County Councils Medium Term Financial Strategy with reductions being phased in over a four year period

5.5 Monitoring of the 2018-19 Revenue Budget

- 5.5.1 The Budget for 2018-19 is monitored each month against the profiled budget. The position based on the December figures, reflecting the downturn in income and updated for known changes in the forecast outturn is set out in the following table:

Table 1: Budget Monitoring re 2018-19 as at 31 December 2018					
	Approved Budget	Profiled Budget	Actual to date	Variance	Forecast Outturn
	£000	£000	£000	£000	£000
Portfolio Budgets	11,419	10,935	11,226	291	11,781
Investment income	(158)	(120)	(163)	(43)	(158)
Technical Adjs.	392	-	-	-	392
Net Spending	11,653	10,815	11,063	248	12,015

- 5.5.2 The monitoring statement includes a projection to the financial year-end of the forecast outturn position. It is currently expected that there will be an overall net increase of £362,000 on Portfolio Budgets,

5.6 Local Government Finance Settlement 2019-20

- 5.6.1 The Provisional Local Government Finance Settlement for 2019-20 was received by the Council on 13 December 2018. The Provisional Settlement represents the final year of a four year settlement covering the period 2016-17 to 2019-20. No details are available from 2020-21 onwards with Local Government funding expected to be subject to considerable change arising from the planed implementation of Fair Funding and a revised 75% Business Rates Retention Scheme in that year.

- 5.6.2 The funding assumptions as contained within the draft Budget therefore purely reflect the extrapolations as contained in the Financial Plan and are discussed in more detail in Section 5.9 Financing of the Budget from 2020-21.
- 5.6.3 Provision existed within the Financial Plan as approved by Cabinet in November for Core Government Support reflecting the indicative allocations as contained in the 2016-17 to 2019-20 four year settlement. The 2019-20 figures had however been adjusted by £0.054 million to reflect the abatement of Negative Revenue Support Grant as proposed in the Technical Consultation on the 2019-20 Budget.
- 5.6.4 This proposal has now been reaffirmed as part of the Provisional Local Government Finance Settlement and hence no changes are required to the Revenue Support Grant as included in the Financing element of the Budget.

5.7 New Homes Bonus.

- 5.7.1 Provisional allocations for the New Homes Bonus Grant for 2019-20 were also announced by the Ministry of Housing, Communities and Local Government on the 13 December 2018.
- 5.7.2 No changes have been made to the scheme itself for 2019-20 with the determination of the number of properties not eligible for grant (deadweight) remaining the same. The previous Technical Consultation on the 2019-20 Settlement had stated that as part of the annual review of NHB “the deadweight is likely to increase for 2019-20 and details will be published as part of the Provisional Settlement”. This increase had been reflected in Financial Plan figures.
- 5.7.3 The provisional allocations therefore show an increase in funding resources of £0.136 million for New Homes Bonus for 2019-20 , due to the changes in deadweight not being implemented (£0.066m); affordable housing delivery being higher than anticipated (£0.040m) and the funding stream per unit for net new properties increasing by 5% compared to the 2% budgeted.
- 5.7.4 The New Homes Bonus grant is, in 2019-20, a four year rolling programme, having been reduced in 2018-19 from the initial six year payment regime. The cumulative level of grant for the 3 years legacy payments to 2018-19 amounts to £0.827 million and will now increase by a further £0.610 million in 2019-20, to total £1.437 million.

5.8 Business Rates Retention Scheme

- 5.8.1 2019-20 is the last year of the current 50% Business Rates Retention Scheme with a 75% scheme due for implementation in 2020-21. The funding regime incentivises Councils to promote economic growth in their area as they are entitled to retain a share of business rates growth above its baseline.
- 5.8.2 In determining the amount of overall Government funding allocated to the Council a baseline figure for 2019-20 of £2.995 million has been set which is used in determining the amount of Business Rates to be retained by the Council. The Baseline is updated each year to reflect inflation.

- 5.8.3 The provision for inflation was amended last year to reflect CPI rather than RPI however the impact of the changes is financially neutral for 2019-20 with the compensating grants (Section 31) being provided by the Government.

Small Business Rates Relief

- 5.8.4 A Section 31 grant was implemented for 2017-18 in relation to changes to Small Business Rates Relief (SBRR) Thresholds and the doubling of SBRR relief arising from the Chancellors 2016 Budget. Provision has been made in the budget for such compensation however the methodology for determining compensation has been further amended in October of this year to reflect the required compensation for the supplementary yield loss.

Appeals Provision

- 5.8.5 Appeals received to date against the 2017 Revaluation are limited in number however this is potentially as a result of the new Check, Challenge, Appeal system whereby due to a more robust system a time lag is likely to exist before appeals materialize. Nevertheless it is now felt that the provision should be reduced to 1.0p as compared to the full provision following a revaluation of 2.1p provision.

Growth generated

- 5.8.6 The draft budget for 2019-20 assumes that the Council will receive additional funding of £1.642 million from the Business Rates Retention Scheme in respect of “growth” compared with the Government’s baseline.

Business Rates Pilot 2019-20

- 5.8.7 The Council together with the other ten authorities in Staffordshire unsuccessfully applied to be a Business Rates Pilot in 2018-19. A bid was resubmitted for 2019-20 as part of a piloting a 75% scheme with the Office of the Police and Crime Commissioner being included. The Provisional Settlement stated that the Staffordshire & Stoke-on-Trent 2019-20 application was successful.
- 5.8.8 A pilot involves certain government grants being financed directly from business rates rather than a separate grant allocation. The two proposed grants for the Staffordshire and Stoke – on -Trent Pilot are Revenue Support Grant (RSG) and Rural Services Grant. However this authority is no longer in receipt of either grant, therefore no adjustment is required.
- 5.8.9 All pilots are deemed to be fiscally neutral in terms of core funding, with the 2013-14 baselines being utilised and transferred in grants being offset in the adjustment to arrive at core funding. A pilot however benefits by retaining 75% of any new growth as a windfall if the actual amount of business rates generated to date is in excess of the Baseline.
- 5.8.10 The windfall equates to the tier share of the 25% additional business rates retained. Under the 50% scheme the government receive 50% of any growth however under a 75% scheme (pilot) only 25% is paid to the Government.

- 5.8.11 In accordance with the Memorandum of Understanding for the Staffordshire & Stoke-on-Trent Pilot Districts /Boroughs will receive 40% of this windfall, subject to each authority being guaranteed a minimum £0.2 million. After taking into account the requirements of the Fire Authority and Police Commissioner it is estimated that Cannock Chase Council will benefit by between £0.5 and £0.6 million. However this one-off windfall is dependant upon the actual business rates generated in 2019-20 and will be influenced by Appeals and the level of exemptions or void properties that occur in the year.
- 5.8.12 This windfall as stated earlier is a one off, not only reflecting the duration of the pilot but also the fact that existing growth would be subject to a Reset from 2020-21 (as detailed below in the “Proposed Changes to Existing Regime from 2020-21”.

Redistribution of Business Rates Levy

- 5.8.13 As part of the operation of the business rates retention system, some authorities pay a levy on the growth in their business rates. This levy is designed to meet the cost of safety net payments for those authorities that have seen a decline in their income below 92.5% of their individual baseline funding level in a single financial
- 5.8.14 In previous years, if it appeared that the levy on high-earning authorities would be insufficient to fund the safety net, an additional amount was top-sliced from Revenue Support Grant. However, there is a surplus of £195m in the 2018-19 levy account.
- 5.8.15 The Government intends to distribute the majority of the surplus, £180m, to all local authorities on the basis of the 2013-14 settlement funding assessment – the sum of each authority’s Revenue Support Grant and Baseline Funding Level allocations.
- 5.8.16 The allocation to this authority is £0.046 million.

5.9 Proposed Changes to existing Regimes from 2020-21

Business Rates/Core Funding

- 5.9.1 2020-21 will see the introduction of 75% Business Rates Retention with core funding determined as part of the Fair Funding Review. Both schemes are still in design stage and MHCLG, at the same time as the 2019-20 Provisional Local Government Settlement published two further consultations, entitled “Review of local authorities’ relative needs and resources” and “Business Rates Reform “ . Further consultations are due during 2019-20 however it is likely to be the Autumn of 2019 before any indicative figures are available from the Government in relation to Core Funding and Business Rates Baselines from 2020-21.
- 5.9.2 The Fair Funding Review represents a re-assessment of core funding provided to local authorities to address concerns “that the current formula used is unfair, out of date and overly complex”. The review is intended to identify an up to date

assessment of relative needs and relative resources to determine new baseline funding allocations for councils.

- 5.9.3 In relation to Relative Needs the Government is minded to deploy a per capita Foundation Formula for upper and lower tier authorities, alongside seven service – specific funding formulas. With the exception of Flood Defence and Coastal Protection (Districts) and Legacy Capital Finance (All authorities) all the other five funding formulas relate to upper Tier /County Councils. In addition to the basic formula, Area cost adjustments taking into account accessibility and remoteness of each authority, together with their relative ability to raise resources will also be utilised in determining core funding requirements,
- 5.9.4 Details of the weightings of funding between services is still awaited nevertheless it is evident this review will undoubtedly see a movement in resources towards Adult Social Care & Children’s and Young Peoples services that will impact upon the Core Funding Baseline and the Business Rates Retained by the County Council and the District.
- 5.9.5 The new funding regime will see local government retaining 75% of Business Rates however the tier split between Counties and Districts is yet to be determined. The establishment of new core funding levels and Business Rates Baselines will also involve a Reset of growth achieved to date.
- 5.9.6 The forecast growth above baseline for this Council for 2019-20 amounts to £5.87 million and in accordance with a 50% scheme £2.93 million is retained within Staffordshire. Cannock Chase Council retains £1.642 million (or 28% of overall growth) and the balance is distributed to the County Council and Fire and Rescue Service (based upon tier splits) with a balance being allocated to the Business Rates Pool. Although Pilot Status exists for 2019-20 this does not impact on the Reset position with the outputs from the 50% scheme, rather than the pilot, being used to determine resets and any transitional funding requirements.
- 5.9.7 The Reset is effectively about how much of this £1.642 million growth generated between resets (in this case 2013-14 to 2019-20) is retained by the local authority and how much is redistributed in the sector. Three potential options exist in relation to the basis of the reset, notably No Reset (All growth retained); Full Reset (No growth retained) or Partial Reset (Proportion of growth retained) with the growth not retained being redistributed across the local government sector.
- 5.9.8 The latest consultation documents indicate that a phased reset is favoured by Government. Under a phased reset: authorities retain each year’s growth (or loss) in rates for a set number of years and thereafter that growth (or loss) is redistributed. This scheme is similar to the New Homes Bonus rolling programme although the number of years growth would be retained is yet to be determined. The illustrative model in the consultation document uses a five year timeframe and under this timeframe each year, a new year’s growth is added to the amount retained by the authority up to a maximum of five years’ worth of growth. In the sixth year, the first year’s growth is redistributed amongst all local authorities according to Baseline Funding Levels. Thereafter, each year sees the current year’s growth added to the amount retained and an

historic year's growth redistributed. Under this option it would not matter when growth came 'on stream' as all growth would count

- 5.9.9 A partial/ proportional reset is still being considered by Government and forms part of the Consultation. Under this option Business Rates Baselines and Baseline Funding Levels are held constant for a set number of years and at a reset a percentage of the growth achieved over the previous period is redistributed, with the remaining percentage retained by individual local authorities. This percentage of this option is yet to be determined and the Government is seeking views on this as part of the consultation questions
- 5.9.10 It is not expected that authorities experiencing decline in their rates would retain this entering a new reset period. Whereas the retention of some growth into a new reset period smooths 'cliff edges' and supports longer term planning, equally, regardless of timing.
- 5.9.11 As stated earlier it is considered that the determination of how Resets will be applied will have a material impact on this authority, with over £1.6 million of growth currently retained. In addition 2020-21 will see the opening of Mill Green Designer Outlet Village with gross rates estimated to be in the region of £3.3 million and how long the additional net growth of £1-1.2 million can be retained by this Council is key to its Financial Planning. In addition the design of the other key elements of a Business Rates Retention Scheme including the Levy on new growth ; Safety Net levels; treatment of Appeals and Valuation Changes; determination of Central and Local Rating lists and the benefits of Pooling will all influence the actual business rates retained by this council.

New Homes Bonus

- 5.9.12 The Technical Consultation on the Local Government Settlement indicated that the government also intended to amend the New Homes Bonus Scheme post 2019-20. The consultation stated that the scheme would be amended to be more effective in incentivizing housing growth with as an example using the Housing Delivery Test results to reward delivery or incentivizing plans that meet or exceed local housing need.
- 5.9.13 The Council awaits consultation on the changes and in particular how the payments of the current four year entitlement to NHB generated in a particular year (legacy payments) are to be dealt with.

6. General Fund Revenue Draft Budget 2019-20 to 2021-22

- 6.1 The table below sets out the Council's current draft General Fund Revenue Budget position for 2019-20 and indicative budgets for 2020-21 and 2021-22.
- 6.2 As stated previously Government Funding for 2020-21 cannot be determined at this stage with figures representing this council's interpretation of the new funding regime.

Table 3: General Fund Draft Budget 2019-20 to 2021-22			
	Budget 2019-20	Budget 2020-21	Budget 2021-22
	£000	£000	£000
Net Expenditure			
Portfolio budgets	12,234	12,656	12,988
Investment interest	(177)	(198)	(177)
Technical items	1,015	843	419
Net Spending	13,072	13,301	13,230
Less: Government Grants			
Levy Account Surplus	(46)		
NNDR Multiplier	(97)	(97)	(97)
New Homes Bonus	(1,437)	(1,353)	(1,095)
Budget Requirement	11,492	11,851	12,038
Financing			
Collection Fund surplus	(100)		
Business Rates	(5,225)	(4,777)	(5,367)
Revenue Support Grant			
Council Tax Income	(6,269)	(6,471)	(6,682)
Total Financing	(11,594)	(11,248)	(12,049)
Transfer to Working Balances	(102)		(11)
Transfer from Working Balances		603	

6.3 The material changes occurring since the Financial Plan can be summarised as follows:-

Table 4: Revenue Budget Surplus/Deficit Reconciliation			
	Budget 2019-20	Budget 2020-21	Budget 2021-22
	£000	£000	£000
Financial Plan Original	437	744	105
Social alarms residual savings	(47)	(47)	(48)
Floral Decorations	15		
Combined authority	-	10	10
Dry Recycling	77	78	80
MSCP Security/mothballing	51		
Markets Income	29	29	32
Utilities	21	15	15
Waste Contingency	(100)	(100)	(100)
LDF Rolling Programme			50
Other	58	49	32
Capital Financing Charges		(39)	(39)
Levy account Surplus	(46)		
New Homes Bonus (net of reserve trsf)	(36)	(62)	(62)
Business Rates Pilot (net of reserve trf)	(500)		
SBRR supplementary grant	(46)	(47)	(47)
Other Financing	(15)	(27)	(39)
Revised Surplus	(102)	603	(11)

- 6.4 The budget for 2019-20 shows Total Financing exceeds the Budget Requirement by £0.102 million and represents a Contribution to Working Balances in that year.
- 6.5 A deficit now exists in 2020-21 reflecting revised phasing of projected business rates growth. Although a small surplus exists in 2021-22 this is subject to the caveats that exist in relation to the funding levels for New Homes Bonus and Business Rates Retention.
- 6.6 It should be noted that the position outlined above for 2019-20 is draft, reflecting a provisional settlement, and could marginally change between now and the Council Tax being set by Council in late February. Costs relating to capital charges and the allocation of departmental and support services recharges have been disregarded as they do not affect the level of expenditure to be met from Council Tax.

7. Council Tax Base and Collection Fund

- 7.1 The final part of the consideration of the Budget is the Council Tax base. This is the number of properties in the district expressed in terms of Band D equivalents. The amount of money that the Council can raise per £1 charge for a Band D equivalent property can be established from the tax base.
- 7.2 The Council's gross tax base for budget purposes will see an increase of 1.7% in 2019-20 reflecting new properties being built in the district, and a reduction in the cost of the Local Council Tax Reduction Scheme.
- 7.3 The Council's Tax Base is now calculated on the following basis:

Council Tax base for budget setting purposes	32,320.79	
Less: impact of Local Council Tax Reduction Scheme	<table border="1"><tr><td>(3,446.33)</td></tr></table>	(3,446.33)
(3,446.33)		
	28,874.46	

- 7.4 Details of the tax base, broken down over parishes are set out in **Appendix 8**.
- 7.5 The Council's Collection Fund has been reviewed as part of the budget process and is expected to break even in 2019-20 with the 2017-18 surplus being applied in 2019-20.

8. Council Tax 2018-19

- 8.1 In determining the level of Council Tax for 2019-20 Cabinet will need to take into account the medium term financial position and the Council Tax Referendum Thresholds.
- 8.2 The Localism Act 2011 contains provisions to veto excessive Council Tax increases by means of a referendum. The Council Tax Referendum threshold principles for 2018-19 were amended as part of the 2018-19 Provisional Settlement to reflect the prevailing level of inflation. This 3 percent threshold for a referendum is repeated for 2019-20.
- 8.3 Authorities planning to set excessive council tax increases would be required to draw up shadow budgets with both budgets being approved as part of the

budget process and a referendum held in May. If the rise in Council Tax is rejected the shadow budget would be adopted immediately and refunds made to residents in accordance with a predetermined timetable.

- 8.4 The Financial Plan as considered by Cabinet in November was based upon the 1.95% increase as assumed as part of the 2018-19 budget. A 1% increase amounts to £61,000 per annum.
- 8.5 In light of the above considerations Cabinet are proposing that the Band D Council Tax for 2019-20 will increase to £217.09 as proposed last year.
- 8.6 The final level of Council Tax levied will be determined by Council on 20 February 2019. The figures set out in this report may require minor amendment if any further information emerges before then.
- 8.7 The total Council Tax for the District will reflect the spending decision made by the County Council, the Office of the Police and Crime Commissioner and the Fire Authority. In addition, in certain areas, parish council precepts are also added to the overall bill.

9. Reserves and Balances

- 9.1 Reserves and Balances comprise General Reserves, the Working Balance and Earmarked Reserves. The general strategy for using unallocated reserves is that they are used to meet shortfalls in the net budget during the year. This is particularly important in the current economic circumstances when sources of income, at both national and local level, are particularly volatile.
- 9.2 In accordance with the recommendations contained in the report the level of Working Balances as at 31 March each year is as follows:

Table 5: Level of Working Balances				
	31/03/19	31/03/20	31/03/21	31/03/22
	£000	£000	£000	£000
Balance B/fwd.	3,136	2,868	2,970	2,367
Applied in Year	(268)	102	(603)	11
Balance C/fwd.	2,868	2,970	2,367	2,378
Minimum	(1,000)	(1,000)	(1,061)	(1,006)
Surplus to Support Budget	1,868	1,970	1,306	1,372

- 9.3 The Council's General Fund working balance currently stands at £3.136 million and was expected to increase by £0.121 million during 2018-19. The latest forecast indicates a transfer from Working Balances of £0.268 million with a Working Balance of £2.868 million forecast as at 31 March 2019. The prudent level of Working Balance for 2019-20 is recommended to be £0.704 million as set out in **Appendix 1**, but rising to just over £1.006 million in 2021-22. In light of the great deal of uncertainty that exists thereafter in relation to the proposed changes to the Governments Funding Regime for local government and in particular Business Rates and New Homes Bonus it is envisaged that only £1.372 million is available to support the budget from 2019-20 onwards

- 9.4 The Council holds a number of earmarked reserves for specific purposes. In light of the challenges facing the Council last year a comprehensive review of all reserves was undertaken. Reserves continue to be reviewed on an annual basis and any, which are identified to be no longer required, are incorporated within the Budget Support working balance.
- 9.5 A summary of earmarked reserves incorporating their planned use over the next four years is detailed below with a more detailed analysis of Other General reserves attached at **Appendix 6**.

Table 6: General Fund Reserves				
	31/03/19	31/03/20	31/03/21	31/03/22
	£'000	£'000	£'000	£'000
Revenue				
Building Maintenance Reserve	-28	-8	-	-
Bond	226	248	270	280
Budget Support	866	1,154	1,785	1,975
Contingency	373	373	373	373
Corporate	358	233	227	221
Partner	89	92	94	97
Ring-fenced	72	72	57	53
Service Grant	69	69	69	69
Rollovers	98	98	98	98
Shared Services	416	416	416	416
Pension Reserve	-	-	-	-
Other	1,459	1,478	1,470	1,471
Donations	6	6	6	6
Grants	498	590	521	457
Section 106	2,209	2,117	2,050	2,033
Sub-Total	6,711	6,938	7,436	7,459
Capital				
Capital	752	752	752	752
RCCO	999	183	92	1
Sub-Total	1,751	935	844	753
Grand Total	8,462	7,873	8,280	8,302

- 9.6 **Appendix 7** sets out the required report on the robustness of the budget estimates and the adequacy of the Council's reserves

10. Medium Term Outlook

- 10.1 There is currently great uncertainty over how a Government will fund Councils into the future via Business Rates and New Homes Bonus. The Business Rates Scheme in particular carries the greatest uncertainty with a 75% Retention Scheme to be designed; Fair Funding taken into account and a Reset of baselines all due. In light of the uncertainty as reflected in various sections of this report it is difficult to identify the true overall position going forward.

10.2 The forecast small deficit in 2021-22, based upon prudent assumptions re the new funding regime, together with the level of Working Balances to support the budget will enable the Council to adjust to its new funding resource level over the next three years.

11. Capital Programme 2018-19 to 2021-22

11.1 On 7 February 2018, Council approved a capital programme to 2020-21. This programme has been updated to include approved changes, re-profiled to reflect current spend estimates reflecting slippage in schemes and more up to date information on costs. The updated programme is attached at **Appendix 3** with anticipated expenditure and resources as reflected by the Capital Budget included at **Appendix 4**.

11.2 In addition to the above the programme now includes the rolling programme of expenditure requirements for the new programme year 2021-22 together with a breakdown of replacement vehicles and equipment over the various services.

11.3 The programme includes the major scheme for additional cemetery provision together with a number of Section 106 schemes. Limited project capacity within the authority has hindered the implementation of the latter and the advancement of new schemes. Provision has therefore been made in the revenue budget for a project / development officer, to be funded from existing reserves, to support their delivery.

11.4 Programmed expenditure, requiring a permission to spend report, now includes £0.174 million for a Toilet Block at Hednesford Park. The scheme, subject to HLF approval is to be funded from a reallocation of existing HLF grant funding and Section 106 receipts

Table 7: Uncommitted Capital Resources		
	General Fund	Section 106
	£000	£000
Capital resources brought forward at 1 April 2018	6,572	1,346
Capital Receipts	8,364	
Section 106		70
Capital Grants	3,517	
Joint Investment Fund	243	
Revenue contribution to Capital Outlay	0	
Use of Reserves	84	
Draft Capital Programme 2018-19 to 2021-22	(14,818)	(511)
Transfer part of RCCO reserve to revenue	(818)	
Debt repayment (loan transferred to HRA)	(2,375)	
Set A side	(204)	
Remaining resources at 31 March 2022	565	905

11.6 The resources position currently identifies a surplus of £0.565 million of General Fund resources. However it should be noted that this position includes capital receipts forecast from the sale of residual property of £0.625 million which are yet to be received. This balance also includes restricted grants of £0.257 million.

12 Implications**12.1 Financial**

The potential loss of income in relation to New Homes Bonus; the Fair Funding Review combined with the reset of business rates growth represents key risks which will undoubtedly impact on the Council's ability to deliver services in the future. The impact can be reduced (or increased) dependant upon the actual schemes introduced as a result of the New Financial Regime and the growth opportunities / risks associated with the Business Rates Retention scheme.

12.2 Legal

The legal implications are set out throughout the report including the statutory requirement for the Council to set a balanced budget.

12.3 Human Resources

Details of implications or "None".

12.4 Section 17 (Crime Prevention)

Details of implications or "None".

12.5 Human Rights Act

Details of implications or "None".

12.6 Data Protection

Details of implications or "None".

12.7 Risk Management

Risk management issues have been covered in the report detail.

12.8 Equality & Diversity

Details of implications or "None".

12.9 Best Value

In preparing a balanced budget for consultation Cabinet will need to ensure that due regard is made to Equality and Diversity implications as well as financial considerations. The standstill budget will reflect the Council's current Equality and Diversity policy whereas changes to service provision will need to be addressed as part of the Delivering Change process.

13 Appendices to the Report

- Appendix 1: Risks considered in determining the Working Balance
- Appendix 2: Detailed Portfolio Budgets and Variation Statements
- Appendix 3: Capital Programme 2018-19 to 2021-22
- Appendix 4: General Fund and Section 106 Capital Budgets
2018-19 to 2021-22
- Appendix 5: Business Rates Retention – Retained Income
- Appendix 6: Other General Fund Earmarked Reserves
- Appendix 7: Robustness of the Budget Estimates and the Adequacy of the
Council's Reserves
- Appendix 8: Council Tax Base – Parishes

Previous Consideration

Financial Plan 2018-19 to 2021-22

Cabinet

8 November, 2018

Background Papers

None.

RISKS CONSIDERED IN DETERMINING THE WORKING BALANCE

ASSUMPTION	RISK	MAXIMUM COST			REQUIRED BALANCES			COMMENTS
		19-20 £m	20-21 £m	21-22 £m	19-20 £m	20-21 £m	21-22 £m	
Resources								
Business Rates Baseline (Revenue Support Grant)	Medium	N/A	+0.300	+0.600		+0.150	+0.300	The Provisional Settlement has been received for 2019-20 and is in line with the details as contained in the 4 year settlement re 2016-17 to 2019-20. A new funding regime comes into place from 2020-21 based upon a Fair Funding Assessment. It is likely that the new regime will result in a rebalancing of support to local authorities with social care responsibilities. Although RSG ceases in 20-21 the government still has the power to reduce the Business Rates Baseline via negative RSG. A 10% reduction in core funding amounts to £0.300 million.

RISKS CONSIDERED IN DETERMINING THE WORKING BALANCE

ASSUMPTION	RISK	MAXIMUM COST			REQUIRED BALANCES			COMMENTS
		19-20 £m	20-21 £m	21-22 £m	19-20 £m	20-21 £m	21-22 £m	
Resources								
75% Business Rates	Med	N/A	+0.700	+0.700			+0.250	A new 75% Business Rates Retention Scheme is to be introduced in 2020-21. The design of a 75% scheme will be subject to detailed consultation and hence at this stage its implications cannot be determined. In reviewing the work undertaken nationally in designing a scheme the following key issues have been identified for this Authority : Core Funding/Fair Funding Baseline ;Tier Splits; Transitional Funding and Resets. The latter provides the greatest threat with at present a 5 year rolling programme similar to New Homes Bonus being favoured. Existing growth will therefore be eliminated on a 5 year cycle unless replaced by new growth, Existing growth amounts to £1.4 million and a reduction of £0.7 million is included in the budget .If the existing growth is greater than 5 years old a full reset will occur.

RISKS CONSIDERED IN DETERMINING THE WORKING BALANCE

ASSUMPTION	RISK	MAXIMUM COST			REQUIRED BALANCES			COMMENTS
		19-20 £m	20-21 £m	21-22 £m	19-20 £m	20-21 £m	21-22 £m	
- Volatility in Business Rates	Med/ Low		+0.358	+0.852		+0.358		The Council will be exposed to volatility or reduction in its business rates due to the failure or temporary closure of a key industry , delay in the implementation of new schemes ; the impact of Appeals against Rateable Values and increased void periods . Government proposals for the new system attempt to mitigate the impact of appeals and a new Safety Net or guarantee of core funding of 95% (as compared to the current 92.5% guarantee) is proposed. The provisional Baseline for 2019-20 amounts to £2.995m with a resultant safety net requirement of £2.845m (reflecting our pilot status) in 2019-20. Current projections indicate actual Business Rates will be £1.642 m above the baseline and hence in addition to Safety Net requirements. Provision exists for additional Growth from Mill Green in 20-21 with a full year effect in 21-22 which is an additional risk in terms of potential delay in the project.

RISKS CONSIDERED IN DETERMINING THE WORKING BALANCE

ASSUMPTION	RISK	MAXIMUM COST			REQUIRED BALANCES			COMMENTS
		19-20 £m	20-21 £m	21-22 £m	19-20 £m	20-21 £m	21-22 £m	
Council Tax Base	Med		+/- 0.063	+/- 0.063		+/- 0.015	+/- 0.015	The Council Tax base for 2019-20 is based upon a cut off point each year and although figures are up to date at November 2018 they will vary as properties become occupied /unoccupied etc. and the impact of new properties coming in line during the next financial year. The major risk relates to whether the forecast increase in Council Tax base can be achieved. The budget assumes a 1.25 % increase in 2020-21 and 2021-22. A 1% variation amounts to approximately £62,700.
Council Tax	Low	0.270						Council Tax increases will be subject to a referendum if considered excessive by the Government. Current assumptions are within the referendum criteria

RISKS CONSIDERED IN DETERMINING THE WORKING BALANCE

ASSUMPTION	RISK	MAXIMUM COST			REQUIRED BALANCES			COMMENTS
		19-20 £m	20-21 £m	21-22 £m	19-20 £m	20-21 £m	21-22 £m	
New Homes Bonus	Low		+1.291	+1.136 -0.200		+0.200	+/- 0.200	<p>The government have stated for a number of years that they intend to review the current scheme,(reiterated as part of 2019-20 Technical Consultatio). however details are still awaited.</p> <p>The Budget at this stage post 2019-20 reflects the continuation of the scheme in 2020-21 and would resort to legacy payments only thereafter if an housing delivery target is established. The continuation of the current scheme could also see a change re the deadweight baseline currently 0.4% per annum. The Government have indicated that they will retain the option of making adj's to the baseline in future years in the event of a significant increase in housing growth. A. 0.1% change in deadweight equates to £0.046m.</p>
	Med		+0.046	+0.092		+0.023	+0.026	

RISKS CONSIDERED IN DETERMINING THE WORKING BALANCE

ASSUMPTION	RISK	MAXIMUM COST			REQUIRED BALANCES			COMMENTS
		19-20 £m	20-21 £m	21-22 £m	19-20 £m	20-21 £m	21-22 £m	
<u>Realism of standstill budget</u>								The budget is based upon realistic estimates with the strategy assuming all budgets will be controlled within agreed levels. However, a number of budgets are not within the control of the Council or involve a risk element.
Staff Turnover	Low	+0.350	+0.360	+0.370		+0.035	+0.035	The budget contains annual savings of approximately £0.350m due to staff turnover. The current economic climate restricts the opportunities for external migration however corporate budgetary control exists to ensure that the employee budget is contained within the overall budget.
Provision for Bad Debts	Med	+0.100	+0.100	+0.100	+0.050	+0.050	+0.050	The introduction of the Council Tax Reduction scheme resulted in an increase in the amount some people previously in receipt of council tax benefit are required to pay to the Council. It is unknown how much of this additional debt will be collectable and so the level of bad debts for the Council may increase.

RISKS CONSIDERED IN DETERMINING THE WORKING BALANCE

ASSUMPTION	RISK	MAXIMUM COST			REQUIRED BALANCES			COMMENTS
		19-20 £m	20-21 £m	21-22 £m	19-20 £m	20-21 £m	21-22 £m	
<u>Realism of standstill budget</u>								
Actuarial Valuation	Med		+0.096	+0.096		+0.048	+0.048	The Actuarial Valuation of the Pension Fund covers the period 207-18 to 2019-20. A new valuation will apply for 2020-21 and a continuation of the current stabilisation increases of 2% per annum is reflected in the draft budget. A 1% variation amounts to £0.096 million
<u>Customer & Client Receipts</u>								
Car Park Income	Med	+0.090	+0.110	+0.110	+0.020	+0.027	+0.027	Car park income for 2017-18 was some £0.022 lower than the budget and current figures indicate that there may be a shortfall of £0.010 million for 2018-19. . Provision does however exist for additional net income of £0.110 from the Civic Centre pay and display car park and demand for use for all car parks could impact on income.

RISKS CONSIDERED IN DETERMINING THE WORKING BALANCE

ASSUMPTION	RISK	MAXIMUM COST			REQUIRED BALANCES			COMMENTS
		19-20 £m	20-21 £m	21-22 £m	19-20 £m	20-21 £m	21-22 £m	
Planning Fees	Med/High	+/- 0.055	+/- 0.160	+/- 0.160	+ 0.027	+/- 0.080	+/- 0.080	Planning fees income continues to show a downturn with the base budget showing ongoing reductions of £126,000 as compared to five years ago. In particular any downturn in major applications will impact on planning fee income. The Council have elected to increase planning fees by 20% with the additional income to be invested in the planning department. Any downturn in applications will therefore be further enhanced by the additional investment incurred.
Recycling Credits	N/A							The review of Green Waste Recycling Credits has been concluded and a phased 4 year reduction included in the Draft Budget. However the full implementation of the change will result in a deficit on the scheme between gate fees and credits which may require a change in service at the next break clause.

RISKS CONSIDERED IN DETERMINING THE WORKING BALANCE

ASSUMPTION	RISK	MAXIMUM COST			REQUIRED BALANCES			COMMENTS
		19-20 £m	20-21 £m	21-22 £m	19-20 £m	20-21 £m	21-22 £m	
<u>Inflation</u>	Low							Annual inflation of 2% for prices and 2% for pay and 2% income have been included within the standstill budget.
Pay Awards	Low /Med		+0.200	+0.300		+0.050	+0.150	A 2 year pay detail is currently in place through 2018-19 and 2019-20. . A 1% variation amounts to £100,000 net of recharges. Provision of 2% has been budgeted for 2020/21 onwards at this stage.
Interest Rates	Med	- 0.018	- 0.090	- 0.090		-0.030	-0.030	The amount earned depends on the prevailing interest rates and the level of cash balances held.

RISKS CONSIDERED IN DETERMINING THE WORKING BALANCE

ASSUMPTION	RISK	MAXIMUM COST			REQUIRED BALANCES			COMMENTS
		19-20 £m	20-21 £m	21-22 £m	19-20 £m	20-21 £m	21-22 £m	
Rates	Low		+0.024	+0.036				Variations to the budget will arise if the NNDR multiplier increases are in excess of the Council inflation assumption. Recent Government announcements suggest that increases will be lower than the September inflation levels.
Energy	Low/ Med							Energy prices are subject to volatility and although a time lag exists between changes in wholesale food and energy costs and actual charges, the budget reflects the latest contracts for energy supply.
General Contingency					+0.200	+0.150	+0.150	Future year's budgets reflect the ongoing aggregate implications of assumptions that have a high risk identified unless separately identified. Provision will however be required for unforeseen events
Maximum					0.297	1.156	1.301	
Minimum					0.297	0.966	0.711	
Average					0.297	1.061	1.006	
Audit Commission					0.704	0.732	0.728	

Corporate Improvement

	Outturn 2018-2019 £	Budget 2019-2020 £	Budget 2020-2021 £	Budget 2021-2022 £
1 Legal Services				
Third Party Payments	237,550	245,770	254,080	263,080
Total Expenditure	237,550	245,770	254,080	263,080
Income	(155,920)	(162,180)	(168,730)	(175,480)
Total Income	(155,920)	(162,180)	(168,730)	(175,480)
Legal Services Net Expenditure	81,630	83,590	85,350	87,600
2 Technology				
Supplies & Services	46,420	47,250	47,940	48,510
Third Party Payments	707,770	725,620	740,950	756,520
Total Expenditure	754,190	772,870	788,890	805,030
Income	(167,970)	(175,440)	(182,500)	(189,810)
Total Income	(167,970)	(175,440)	(182,500)	(189,810)
Technology Net Expenditure	586,220	597,430	606,390	615,220
3 Governance				
Employee Expenses	96,780	104,890	104,590	107,850
Transport Related Expenditure	1,040	1,050	1,060	1,070
Supplies & Services	30,720	31,020	31,320	31,630
Total Expenditure	128,540	136,960	136,970	140,550
Income	(30,000)	(30,290)	(30,700)	(31,100)
Total Income	(30,000)	(30,290)	(30,700)	(31,100)
Governance Net Expenditure	98,540	106,670	106,270	109,450
4 Human Resources				
Third Party Payments	227,980	237,890	245,870	255,890
Total Expenditure	227,980	237,890	245,870	255,890
Income	(132,330)	(137,640)	(143,200)	(148,920)
Total Income	(132,330)	(137,640)	(143,200)	(148,920)
Human Resources Net Expenditure	95,650	100,250	102,670	106,970
5 Customer Services				
Employee Expenses	229,100	236,250	244,770	253,350
Premises Related Expenditure	1,650	-	-	-
Supplies & Services	81,610	83,960	84,740	85,600
Total Expenditure	312,360	320,210	329,510	338,950
Income	(85,000)	(88,410)	(91,970)	(95,650)
Total Income	(85,000)	(88,410)	(91,970)	(95,650)
Customer Services Net Expenditure	227,360	231,800	237,540	243,300
6 Corporate Services				
Employee Expenses	115,140	122,060	124,820	129,100
Supplies & Services	83,630	87,400	78,090	78,860
Total Expenditure	198,770	209,460	202,910	207,960
Income	(33,100)	(38,060)	(39,180)	(40,430)
Total Income	(33,100)	(38,060)	(39,180)	(40,430)
Corporate Services Net Expenditure	165,670	171,400	163,730	167,530

Corporate Improvement

	Outturn 2018-2019 £	Budget 2019-2020 £	Budget 2020-2021 £	Budget 2021-2022 £
7 Communications				
Employee Expenses	169,400	240,130	248,150	256,310
Transport Related Expenditure	2,130	3,110	3,130	3,140
Supplies & Services	38,940	37,510	37,850	38,160
Total Expenditure	210,470	280,750	289,130	297,610
Income	(24,740)	(23,720)	(23,880)	(24,040)
Total Income	(24,740)	(23,720)	(23,880)	(24,040)
Communications Net Expenditure	185,730	257,030	265,250	273,570
8 Policy & Performance				
Employee Expenses	174,190	103,100	108,190	113,360
Transport Related Expenditure	1,260	310	320	320
Supplies & Services	5,030	11,130	11,230	11,330
Total Expenditure	180,480	114,540	119,740	125,010
Policy & Performance Net Expenditure	180,480	114,540	119,740	125,010
9 Land Charges				
Employee Expenses	28,780	29,870	30,860	31,870
Supplies & Services	39,100	41,220	41,080	41,500
Total Expenditure	67,880	71,090	71,940	73,370
Income	(92,580)	(71,090)	(71,940)	(73,370)
Total Income	(92,580)	(71,090)	(71,940)	(73,370)
Land Charges Net Expenditure	(24,700)	-	-	-
10 Audit				
Employee Expenses	190,800	203,330	211,890	221,380
Transport Related Expenditure	1,890	1,340	1,360	1,370
Supplies & Services	36,550	36,730	37,100	37,480
Total Expenditure	229,240	241,400	250,350	260,230
Income	(107,780)	(111,660)	(115,000)	(118,050)
Total Income	(107,780)	(111,660)	(115,000)	(118,050)
Audit Net Expenditure	121,460	129,740	135,350	142,180
11 Risk				
Employee Expenses	164,920	146,810	153,580	160,180
Transport Related Expenditure	3,540	4,140	4,170	4,210
Supplies & Services	612,880	632,270	635,210	639,980
Total Expenditure	781,340	783,220	792,960	804,370
Income	(664,040)	(681,330)	(700,190)	(722,490)
Total Income	(664,040)	(681,330)	(700,190)	(722,490)
Risk Net Expenditure	117,300	101,890	92,770	81,880

Corporate Improvement

	Outturn 2018-2019 £	Budget 2019-2020 £	Budget 2020-2021 £	Budget 2021-2022 £
12 Resilience				
Employee Expenses	43,960	46,610	47,970	49,390
Premises Related Expenditure	140	140	140	140
Supplies & Services	34,770	35,160	35,550	35,890
Total Expenditure	78,870	81,910	83,660	85,420
Income	(49,490)	(50,710)	(51,980)	(53,110)
Total Income	(49,490)	(50,710)	(51,980)	(53,110)
Resilience Net Expenditure	29,380	31,200	31,680	32,310
13 Social Alarms				
Employee Expenses	262,640	88,110	93,110	98,160
Transport Related Expenditure	1,740	1,050	1,060	1,070
Supplies & Services	40,340	4,050	4,090	4,140
Third Party Payments	66,820	49,950	50,950	51,970
Total Expenditure	371,540	143,160	149,210	155,340
Income	(254,300)	(97,010)	(101,750)	(104,840)
Total Income	(254,300)	(97,010)	(101,750)	(104,840)
Social Alarms Net Expenditure	117,240	46,150	47,460	50,500
Corporate Improvement Net Expenditure	1,981,960	1,971,690	1,994,200	2,035,520

Corporate Improvement PortfolioVariation Statement 2019/2020 to 2021/2022

	2019/20 Indicative	Real Terms / Efficiency Variations	2019/2020 Budget	2020/21 Indicative	Real Terms / Efficiency Variations	2020/2021 Budget	Inflation	Real Terms / Efficiency Variations	2021/2022 Budget
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Employee Costs	1,509	- 188	1,321	1,549	- 181	1,368	26	27	1,421
Premises Related Costs	2	- 2	-	2	- 2	-	-	-	-
Transport Related Costs	13	- 2	11	14	- 3	11	-	-	11
Supplies and Services	1,103	- 55	1,048	1,110	- 66	1,044	10	- 1	1,053
Third Party Payments	1,209	50	1,259	1,232	60	1,292	25	11	1,328
Total Expenditure	3,836	- 197	3,639	3,907	- 192	3,715	61	37	3,813
Income	- 1,897	230	- 1,667	- 1,940	219	- 1,721	- 57	1	- 1,777
Net Expenditure	1,939	33	1,972	1,967	27	1,994	4	38	2,036

Corporate Improvement Portfolio**Proposed Real Terms / Efficiency Variations****2019/20 Change**

	£'000	£'000
<u>Real Term Variations</u>		
Reduced Insurance Premiums		-16
Information Governance (shared service)		
Employees	15	
Supplies	5	
Income	-20	0
Social alarms service (transfer to Redditch)		
Employees	-159	
Supplies	-63	
Third Party	50	
Income	250	78
Staffing variations (reductions following social alarms transfer)		-47
Modern slavery		5
CRM - additional licence costs		8
Additional postages cost		10
minor variations		-5
		<u>33</u>

2020/21 Change

	£'000	£'000
<u>Real Term Variations</u>		
Pay award		14
Reduced Insurance Premiums		-16
Information Governance (shared service)		
Employees	15	
Supplies	5	
Income	-20	0
Social alarms service (transfer to Redditch)		
Employees	-163	
Supplies	-64	
Third Party	60	
Income	250	83
Staffing variations (reductions following social alarms transfer)		-47
Modern slavery		2
CRM - additional licence costs		8
Increased HRA recharge		-11
minor variations		-6
		<u>27</u>

2020/21 to 2021/22 Change

	£'000	£'000
<u>Real Term Variations</u>		
Increase in Superannuation		26
Shared service payments to SBC		10
minor variations		2
		<u>38</u>

Crime & Partnerships

	Outturn 2018-2019 £	Budget 2019-2020 £	Budget 2020-2021 £	Budget 2021-2022 £
1 Partnerships				
Employee Expenses	166,650	177,020	185,700	193,110
Premises Related Expenditure	18,920	17,780	17,930	18,290
Transport Related Expenditure	2,350	2,370	2,390	2,420
Supplies & Services	157,770	8,160	8,250	8,340
Total Expenditure	345,690	205,330	214,270	222,160
Income	(149,690)	-	-	-
Total Income	(149,690)	-	-	-
Partnerships Net Expenditure	196,000	205,330	214,270	222,160
2 CCTV				
Employee Expenses	122,280	131,210	135,880	140,650
Premises Related Expenditure	7,030	-	-	-
Supplies & Services	94,550	86,400	87,260	88,130
Total Expenditure	223,860	217,610	223,140	228,780
Income	(55,120)	(49,140)	(50,240)	(51,370)
Total Income	(55,120)	(49,140)	(50,240)	(51,370)
CCTV Net Expenditure	168,740	168,470	172,900	177,410
Crime & Partnerships Net Expenditure	364,740	373,800	387,170	399,570

Crime & Partnerships PortfolioVariation Statement 2019/2020 to 2021/2022

	2019/20 Indicative	Real Terms / Efficiency Variations	2019/2020 Budget	2020/21 Indicative	Real Terms / Efficiency Variations	2020/2021 Budget	Inflation	Real Terms / Efficiency Variations	2021/2022 Budget
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Employee Costs	304	4	308	312	10	322	6	6	334
Premises Related Costs	19	- 1	18	19	- 1	18	-	-	18
Transport Related Costs	2	-	2	2	-	2	-	-	2
Supplies and Services	95	-	95	96	- 1	95	1	1	97
Total Expenditure	420	3	423	429	8	437	7	7	451
Income	- 49	-	- 49	- 50	-	- 50	- 1	-	- 51
Net Expenditure	371	3	374	379	8	387	6	7	400

Crime & Partnerships Portfolio

Proposed Real Terms / Efficiency Variations

2019/20 Change

	£'000	£'000
<u>Real Term Variations</u>		
Staffing variations		6
minor variations		-3
		<u>3</u>

2020/21 Change

	£'000	£'000
<u>Real Term Variations</u>		
Staffing variations		7
minor variations		1
		<u>8</u>

2020/21 to 2021/22 Change

	£'000	£'000
<u>Real Term Variations</u>		
Increase in Superannuation		5
minor variations		2
		<u>7</u>

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Culture and Sport

	Outturn 2018-2019 £	Budget 2019-2020 £	Budget 2020-2021 £	Budget 2021-2022 £
1 Parks & Open Spaces				
Employee Expenses	483,820	462,970	475,880	465,870
Premises Related Expenditure	395,870	406,840	420,920	434,880
Transport Related Expenditure	16,150	17,860	18,170	18,540
Supplies & Services	173,170	188,900	177,330	168,320
Third Party Payments	142,760	176,210	181,180	186,240
Total Expenditure	1,211,770	1,252,780	1,273,480	1,273,850
Income	(174,960)	(153,080)	(155,250)	(139,620)
Total Income	(174,960)	(153,080)	(155,250)	(139,620)
Parks & Open Spaces Net Expenditure	1,036,810	1,099,700	1,118,230	1,134,230
2 Stadium				
Employee Expenses	18,190	40,990	41,810	42,540
Premises Related Expenditure	30,470	30,480	30,490	30,500
Supplies & Services	38,720	38,720	38,720	38,720
Total Expenditure	87,380	110,190	111,020	111,760
Stadium Net Expenditure	87,380	110,190	111,020	111,760
3 Cemeteries				
Employee Expenses	100,200	104,910	108,880	112,900
Premises Related Expenditure	49,790	52,130	53,230	54,330
Transport Related Expenditure	5,220	5,340	5,460	5,580
Supplies & Services	21,200	18,990	19,190	19,450
Total Expenditure	176,410	181,370	186,760	192,260
Income	(175,970)	(174,940)	(178,470)	(181,970)
Total Income	(175,970)	(174,940)	(178,470)	(181,970)
Cemeteries Net Expenditure	440	6,430	8,290	10,290
4 Contract Monitoring				
Employee Expenses	184,170	236,830	243,260	249,830
Premises Related Expenditure	10,690	10,800	10,910	11,020
Transport Related Expenditure	9,520	9,720	9,920	10,090
Supplies & Services	3,190	3,220	3,240	3,260
Total Expenditure	207,570	260,570	267,330	274,200
Income	(42,980)	(90,310)	(92,110)	(93,970)
Total Income	(42,980)	(90,310)	(92,110)	(93,970)
Contract Monitoring Net Expenditure	164,590	170,260	175,220	180,230
5 Leisure Management Contract				
Premises Related Expenditure	172,050	175,490	179,010	182,590
Supplies & Services	1,727,700	1,740,010	1,779,140	1,764,060
Total Expenditure	1,899,750	1,915,500	1,958,150	1,946,650
Income	(171,930)	(175,370)	(178,860)	(182,420)
Total Income	(171,930)	(175,370)	(178,860)	(182,420)
Leisure Management Contract Net Expenditure	1,727,820	1,740,130	1,779,290	1,764,230

Culture and Sport

	Outturn 2018-2019 £	Budget 2019-2020 £	Budget 2020-2021 £	Budget 2021-2022 £
6 Leisure, Planning & Marketing				
Employee Expenses	95,250	98,350	101,540	104,780
Transport Related Expenditure	1,110	1,120	1,130	1,140
Supplies & Services	27,560	7,730	7,850	7,940
Total Expenditure	123,920	107,200	110,520	113,860
Income	(38,480)	(18,710)	(18,710)	(18,710)
Total Income	(38,480)	(18,710)	(18,710)	(18,710)
Leisure, Planning & Marketing Net Expenditure	85,440	88,490	91,810	95,150
7 Allotments				
Premises Related Expenditure	2,500	2,560	2,600	2,640
Total Expenditure	2,500	2,560	2,600	2,640
Income	(4,640)	(4,640)	(4,640)	(4,640)
Total Income	(4,640)	(4,640)	(4,640)	(4,640)
Allotments Net Expenditure	(2,140)	(2,080)	(2,040)	(2,000)
Culture and Sport Net Expenditure	3,100,340	3,213,120	3,281,820	3,293,890

Culture & Sport PortfolioVariation Statement 2019/2020 to 2021/2022

	2019/20 Indicative	Real Terms / Efficiency Variations	2019/2020 Budget	2020/21 Indicative	Real Terms / Efficiency Variations	2020/2021 Budget	Inflation	Real Terms / Efficiency Variations	2021/2022 Budget
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Employee Costs	689	255	944	706	265	971	17	- 12	976
Premises Related Costs	951	- 273	678	973	- 276	697	12	7	716
Transport Related Costs	20	14	34	20	15	35	-	-	35
Supplies and Services	1,898	100	1,998	1,939	87	2,026	37	- 61	2,002
Third Party Payments	150	26	176	154	27	181	-	5	186
Total Expenditure	3,708	122	3,830	3,792	118	3,910	66	- 61	3,915
Income	- 577	- 40	- 617	- 587	- 41	- 628	- 9	16	- 621
Net Expenditure	3,131	82	3,213	3,205	77	3,282	57	- 45	3,294

Culture & Sport Portfolio

Proposed Real Terms / Efficiency Variations

2019/20 Change

	£'000	£'000
<u>Real Term Variations</u>		
Parks in house team		
Employees	210	
Premises	-283	
Transport	14	
Supplies	59	0
Leisure management contract inflation		26
Floral decorations		15
Increased recharges due to sweeper revenue cost		
Streetcleansing	25	25
Contract monitoring (project support funded frm reserves)		
Employees	46	
Income	-46	0
Additional cemeteries rates and utilities		3
Reduced cemeteries income		7
minor variations		6
		<u>82</u>

2020/21 Change

	£'000	£'000
<u>Real Term Variations</u>		
Pay award		5
Parks in house team		
Employees	215	
Premises	-289	
Transport	15	
Supplies	59	0
Contract monitoring (project support funded frm reserves)		
Employees	46	
Income	-46	0
Leisure management contract inflation		26
Increased recharges due to sweeper revenue cost		
Streetcleansing	25	25
Increased grounds recharge		11
Reduced cemeteries income		5
minor variations		5
		<u>77</u>

2020/21 to 2021/22 Change

	£'000	£'000
<u>Real Term Variations</u>		
Increase in Superannuation		10
Increased recharges following pay award		
Streetcleansing	5	
Grounds	<u>6</u>	11
Reduced Leisure Management contract payment		-50
Heritage Lottery Fund (HLF)		
Employees	-22	
Supplies	-11	
Income	<u>16</u>	-17
minor variations		1
		<u><u>-45</u></u>

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Economic Development and Planning

	Outturn 2018-2019 £	Budget 2019-2020 £	Budget 2020-2021 £	Budget 2021-2022 £
1 Economic Development				
Employee Expenses	175,400	195,910	178,360	179,730
Transport Related Expenditure	2,610	2,660	2,710	2,740
Supplies & Services	112,040	419,710	19,870	20,050
Total Expenditure	290,050	618,280	200,940	202,520
Income	(125,670)	(429,490)	(5,380)	-
Total Income	(125,670)	(429,490)	(5,380)	-
Economic Development Net Expenditure	164,380	188,790	195,560	202,520
2 Management & Support				
Employee Expenses	357,450	410,120	424,760	438,500
Transport Related Expenditure	10,390	10,490	10,590	10,690
Supplies & Services	106,120	169,020	64,250	144,480
Total Expenditure	473,960	589,630	499,600	593,670
Income	(94,300)	(192,990)	(90,280)	(121,440)
Total Income	(94,300)	(192,990)	(90,280)	(121,440)
Management & Support Net Expenditure	379,660	396,640	409,320	472,230
3 Development Control				
Employee Expenses	283,970	254,790	266,450	277,750
Transport Related Expenditure	5,770	5,830	5,890	5,950
Supplies & Services	88,120	88,470	88,810	89,150
Total Expenditure	377,860	349,090	361,150	372,850
Income	(377,390)	(369,100)	(373,610)	(374,140)
Total Income	(377,390)	(369,100)	(373,610)	(374,140)
Development Control Net Expenditure	470	(20,010)	(12,460)	(1,290)
4 Building Control				
Employee Expenses	473,660	542,810	562,130	581,910
Transport Related Expenditure	26,720	27,040	27,360	27,640
Supplies & Services	68,610	66,210	66,810	67,480
Total Expenditure	568,990	636,060	656,300	677,030
Income	(486,770)	(517,220)	(531,310)	(545,720)
Total Income	(486,770)	(517,220)	(531,310)	(545,720)
Building Control Net Expenditure	82,220	118,840	124,990	131,310
5 Industrial Sites				
Premises Related Expenditure	6,790	6,980	7,090	7,200
Capital Financing Costs	1,610	1,610	1,610	1,610
Total Expenditure	8,400	8,590	8,700	8,810
Income	(117,000)	(122,000)	(122,000)	(122,000)
Total Income	(117,000)	(122,000)	(122,000)	(122,000)
Industrial Sites Net Expenditure	(108,600)	(113,410)	(113,300)	(113,190)

Economic Development and Planning

	Outturn 2018-2019	Budget 2019-2020	Budget 2020-2021	Budget 2021-2022
	£	£	£	£
6 Public Buildings				
Employee Expenses	207,640	221,820	230,170	237,340
Premises Related Expenditure	822,060	517,250	525,840	534,460
Transport Related Expenditure	3,310	3,370	3,400	3,430
Supplies & Services	50,520	48,070	48,530	48,840
Total Expenditure	1,083,530	790,510	807,940	824,070
Income	(619,610)	(329,110)	(333,400)	(340,950)
Total Income	(619,610)	(329,110)	(333,400)	(340,950)
Public Buildings Net Expenditure	463,920	461,400	474,540	483,120
7 Civic Ballroom				
Premises Related Expenditure	600	610	620	630
Total Expenditure	600	610	620	630
Income	(9,300)	(13,700)	(13,700)	(13,980)
Total Income	(9,300)	(13,700)	(13,700)	(13,980)
Civic Ballroom Net Expenditure	(8,700)	(13,090)	(13,080)	(13,350)
8 Caretakers and Cleaners				
Employee Expenses	218,490	242,960	253,330	265,150
Premises Related Expenditure	13,570	12,760	12,760	12,890
Transport Related Expenditure	2,710	2,160	2,160	2,210
Supplies & Services	5,490	3,990	3,990	4,020
Total Expenditure	240,260	261,870	272,240	284,270
Income	(5,510)	-	-	-
Total Income	(5,510)	-	-	-
Caretakers and Cleaners Net Expenditure	234,750	261,870	272,240	284,270
Economic Development and Planning Net Expenditure	1,208,100	1,281,030	1,337,810	1,445,620

Economic Development PortfolioVariation Statement 2019/2020 to 2021/2022

	2019/20 Indicative	Real Terms / Efficiency Variations	2019/2020 Budget	2020/21 Indicative	Real Terms / Efficiency Variations	2020/2021 Budget	Inflation	Real Terms / Efficiency Variations	2021/2022 Budget
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Employee Costs	1,728	140	1,868	1,776	139	1,915	35	30	1,980
Premises Related Costs	558	- 20	538	567	- 21	546	9	-	555
Transport Related Costs	52	- 1	51	53	- 1	52	1	-	53
Supplies and Services	229	566	795	190	102	292	2	80	374
Third Party Payments	16	- 16	-	16	- 16	-	-	-	-
Capital Financing	2	-	2	2	-	2	-	-	2
Total Expenditure	<u>2,585</u>	<u>669</u>	<u>3,254</u>	<u>2,604</u>	<u>203</u>	<u>2,807</u>	<u>47</u>	<u>110</u>	<u>2,964</u>
Income	- 1,372	- 601	- 1,973	- 1,349	- 120	- 1,469	- 22	- 27	- 1,518
Net Expenditure	<u><u>1,213</u></u>	<u><u>68</u></u>	<u><u>1,281</u></u>	<u><u>1,255</u></u>	<u><u>83</u></u>	<u><u>1,338</u></u>	<u><u>25</u></u>	<u><u>83</u></u>	<u><u>1,446</u></u>

Economic Development Portfolio

Proposed Real Terms / Efficiency Variations

2019/20 Change

	£'000	£'000
<u>Real Term Variations</u>		
Town Centre partnership post funded from S106		
Employees	29	
Income	-29	0
Development Control additional post funded from grant		
Employees	21	
Income	-21	0
Assumed sale of Anson street		
Premises	-25	
Supplies	-5	
Income	33	3
Property services restructure		47
Increased income from Industrial sites		-5
Community Infrastructure Levy post funded from receipts		
Employees	35	
Contribution from Reserves	-35	0
Economic Development officer full time		17
Station feasibility study		
Supplies	400	
Income	-400	0
Local Plan Review rephasing		
Expenditure	100	
Contribution from Reserves	-100	0
Ringfenced 20% increase in planning fees		
Expenditure	55	
Contribution from Reserves	-55	0
minor variations		6
		<u>68</u>

2020/21 Change

	£'000	£'000
<u>Real Term Variations</u>		
Pay award		17
Town Centre partnership post funded from S106		
Employees	5	
Income	-5	0
Development Control additional post funded from grant		
Employees	25	
Income	-25	0
Assumed sale of Anson street		
Premises	-25	
Supplies	-5	
Income	33	3
Property services restructure		47
Increased income from Industrial sites		-5
Community Infrastructure Levy post funded from receipts		
Employees	37	
Contribution from Reserves	-37	0
Economic Development officer full time		17
Local Plan Review rephasing		
Expenditure	35	
Contribution from Reserves	-35	0
Ringfenced 20% increase in planning fees		
Expenditure	55	
Contribution from Reserves	-55	0
minor variations		4
		<u>83</u>

2020/21 to 2021/22 Change

	£'000	£'000
<u>Real Term Variations</u>		
Staffing variations (including increments)		8
Town Centre partnership post funded from S106		
Employees	-5	
Income	5	0
Local Plan Review rephasing and additional funding		
Expenditure	80	
Contribution from Reserves	-30	50
Increase in Superannuation		28
minor variations		-3
		<u>83</u>

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Environment

	Outturn 2018-2019 £	Budget 2019-2020 £	Budget 2020-2021 £	Budget 2021-2022 £
1 Waste & Recycling				
Employee Expenses	232,220	239,010	251,610	264,430
Premises Related Expenditure	2,810	2,840	2,870	2,900
Transport Related Expenditure	5,570	5,690	5,810	5,900
Supplies & Services	76,110	82,410	83,000	83,830
Third Party Payments	2,388,310	2,467,470	2,547,710	2,630,140
Total Expenditure	2,705,020	2,797,420	2,891,000	2,987,200
Income	(1,075,220)	(1,042,440)	(1,010,640)	(979,880)
Total Income	(1,075,220)	(1,042,440)	(1,010,640)	(979,880)
Waste & Recycling Net Expenditure	1,629,800	1,754,980	1,880,360	2,007,320
2 Regulatory Services				
Employee Expenses	415,170	418,740	434,900	451,720
Premises Related Expenditure	980	1,000	1,020	1,040
Transport Related Expenditure	16,430	16,600	16,770	16,940
Supplies & Services	43,350	43,920	44,380	44,830
Third Party Payments	43,100	43,100	43,100	43,970
Total Expenditure	519,030	523,360	540,170	558,500
Income	(27,680)	(25,510)	(25,960)	(26,490)
Total Income	(27,680)	(25,510)	(25,960)	(26,490)
Regulatory Services Net Expenditure	491,350	497,850	514,210	532,010
3 Cleansing Services				
Premises Related Expenditure	5,690	5,750	5,810	5,870
Supplies & Services	5,370	5,430	5,480	5,530
Third Party Payments	330,540	407,970	419,470	431,190
Total Expenditure	341,600	419,150	430,760	442,590
Cleansing Services Net Expenditure	341,600	419,150	430,760	442,590
4 Drainage Services				
Premises Related Expenditure	8,360	8,440	8,520	8,610
Total Expenditure	8,360	8,440	8,520	8,610
Drainage Services Net Expenditure	8,360	8,440	8,520	8,610
5 Street Cleansing				
Employee Expenses	450,230	458,950	475,320	492,000
Premises Related Expenditure	3,190	3,250	3,320	3,390
Transport Related Expenditure	139,890	155,060	156,340	157,650
Supplies & Services	25,560	35,820	36,080	36,340
Total Expenditure	618,870	653,080	671,060	689,380
Income	(525,870)	(653,080)	(671,060)	(689,380)
Total Income	(525,870)	(653,080)	(671,060)	(689,380)
Street Cleansing Net Expenditure	93,000	-	-	-

Environment

	Outturn 2018-2019 £	Budget 2019-2020 £	Budget 2020-2021 £	Budget 2021-2022 £
6 Countryside Management				
Employee Expenses	166,020	170,370	177,720	160,270
Premises Related Expenditure	9,220	8,080	8,220	8,360
Transport Related Expenditure	12,000	12,250	12,510	12,770
Supplies & Services	54,330	54,630	42,290	29,950
Total Expenditure	241,570	245,330	240,740	211,350
Income	(62,290)	(63,720)	(52,960)	(17,360)
Total Income	(62,290)	(63,720)	(52,960)	(17,360)
Countryside Management Net Expenditure	179,280	181,610	187,780	193,990
7 Grounds Maintenance				
Employee Expenses	607,110	649,910	673,830	697,680
Premises Related Expenditure	34,740	19,010	19,310	19,620
Transport Related Expenditure	62,710	61,230	62,420	63,620
Supplies & Services	161,790	151,620	153,140	154,680
Total Expenditure	866,350	881,770	908,700	935,600
Income	(870,650)	(881,770)	(908,700)	(935,600)
Total Income	(870,650)	(881,770)	(908,700)	(935,600)
Grounds Maintenance Net Expenditure	(4,300)	-	-	-
8 Conservation Areas				
Employee Expenses	145,000	149,940	155,070	160,250
Transport Related Expenditure	4,880	4,990	5,040	5,090
Supplies & Services	2,130	2,150	2,170	2,190
Total Expenditure	152,010	157,080	162,280	167,530
Conservation Areas Net Expenditure	152,010	157,080	162,280	167,530
9 Public Clocks				
Premises Related Expenditure	4,690	4,950	5,080	5,200
Total Expenditure	4,690	4,950	5,080	5,200
Public Clocks Net Expenditure	4,690	4,950	5,080	5,200
10 Off Street Parking				
Premises Related Expenditure	261,150	470,290	330,460	336,680
Transport Related Expenditure	10	10	10	10
Supplies & Services	114,440	137,630	139,760	144,100
Third Party Payments	15,210	28,780	29,310	29,850
Total Expenditure	390,810	636,710	499,540	510,640
Income	(750,210)	(1,089,550)	(944,760)	(944,900)
Total Income	(750,210)	(1,089,550)	(944,760)	(944,900)
Off Street Parking Net Expenditure	(359,400)	(452,840)	(445,220)	(434,260)

Environment

	Outturn 2018-2019 £	Budget 2019-2020 £	Budget 2020-2021 £	Budget 2021-2022 £
11 Hawks Green Depot				
Employee Expenses	6,050	6,170	6,290	6,420
Premises Related Expenditure	96,940	93,710	95,420	97,220
Supplies & Services	25,490	16,080	16,260	16,430
Total Expenditure	128,480	115,960	117,970	120,070
Income	(141,420)	(137,190)	(142,710)	(148,400)
Total Income	(141,420)	(137,190)	(142,710)	(148,400)
Hawks Green Depot Net Expenditure	(12,940)	(21,230)	(24,740)	(28,330)
12 Bus Shelters				
Premises Related Expenditure	31,760	32,340	32,940	33,570
Total Expenditure	31,760	32,340	32,940	33,570
Income	(38,380)	(39,290)	(40,260)	(41,070)
Total Income	(38,380)	(39,290)	(40,260)	(41,070)
Bus Shelters Net Expenditure	(6,620)	(6,950)	(7,320)	(7,500)
13 Private Sector Housing				
Employee Expenses	224,000	230,700	238,180	245,750
Transport Related Expenditure	11,070	11,210	11,360	11,480
Supplies & Services	9,970	10,450	10,660	10,770
Total Expenditure	245,040	252,360	260,200	268,000
Income	(42,590)	(43,530)	(44,100)	(44,980)
Total Income	(42,590)	(43,530)	(44,100)	(44,980)
Private Sector Housing Net Expenditure	202,450	208,830	216,100	223,020
14 Vehicles				
Employee Expenses	123,030	128,210	132,470	136,950
Premises Related Expenditure	1,000	1,060	1,070	1,080
Transport Related Expenditure	38,790	38,920	39,030	39,470
Supplies & Services	10,980	10,980	11,090	11,200
Total Expenditure	173,800	179,170	183,660	188,700
Income	(206,870)	(210,750)	(211,800)	(216,220)
Total Income	(206,870)	(210,750)	(211,800)	(216,220)
Vehicles Net Expenditure	(33,070)	(31,580)	(28,140)	(27,520)
Environment Net Expenditure	2,686,210	2,720,290	2,899,670	3,082,660

Environment PortfolioVariation Statement 2019/2020 to 2021/2022

	2019/20 Indicative	Real Terms / Efficiency Variations	2019/2020 Budget	2020/21 Indicative	Real Terms / Efficiency Variations	2020/2021 Budget	Inflation	Real Terms / Efficiency Variations	2021/2022 Budget
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Employee Costs	2,429	23	2,452	2,499	47	2,546	47	23	2,616
Premises Related Costs	454	139	593	464	- 8	456	8	-	464
Transport Related Costs	215	91	306	219	90	309	5	- 1	313
Supplies and Services	526	- 1	525	532	- 14	518	5	- 9	514
Third Party Payments	2,718	219	2,937	2,783	247	3,030	54	41	3,125
Total Expenditure	6,342	471	6,813	6,497	362	6,859	119	54	7,032
Income	- 3,940	- 153	- 4,093	- 4,002	43	- 3,959	- 65	74	- 3,950
Net Expenditure	2,402	318	2,720	2,495	405	2,900	54	128	3,082

Environment Portfolio
Proposed Real Terms / Efficiency Variations

2019/20 Change

	£'000	£'000
<u>Real Term Variations</u>		
Countryside management post funded from reserves		
Employees	25	
Income	<u>-25</u>	0
Waste		
Recycling campaign	-10	
Abavus licence cost	9	
Contract costs additional properties	87	
Green gate fees	-8	
Kerbside gate fees	74	
Income from recycled materials	10	
Recycling credits	<u>74</u>	236
Streetcleansing sweeper hire transferred to revenue		
Transport	91	
Third Party	65	
Income	-93	63
Car Park resurfacing transferred from capital		
Premises	145	
Income	<u>-145</u>	0
Hospital Car Park (budget reallocation)		
Premises	54	
Supplies	21	
Third Party	10	
Income	<u>-85</u>	0
Reduced income budgets		
Countryside management stewardship income	10	
Car park rent income	4	
Bus Shelters	<u>9</u>	23
minor variations		-4
		<u>318</u>

2020/21 Change

	£'000	£'000
<u>Real Term Variations</u>		
Pay award		23
Countryside management post funded from reserves		
Employees	27	
Income	<u>-27</u>	0
Waste		
Recycling campaign	-10	
Abavus licence cost	9	
Contract costs additional properties	105	
Green gate fees	-7	
Kerbside gate fees	78	
Income from recycled materials	10	
Recycling credits	<u>126</u>	311
Streetcleansing sweeper hire transferred to revenue		
Transport	91	
Third Party	67	
Income	<u>-97</u>	61
Reduced income budgets		
Countryside management stewardship income	10	
Car park rent income	4	
Bus Shelters	<u>9</u>	23
Review of Street Cleansing recharge following pay award		
Third Party	4	
Income	<u>-6</u>	-2
Hospital Car Park (budget reallocation)		
Premises	54	
Supplies	21	
Third Party	10	
Income	<u>-85</u>	0
Part of Stewardship grant falling out		
Supplies	-13	
Income	<u>13</u>	0
Reduced utility costs		-5
Increased Grounds Maintenance recharge following pay award		-4
minor variations		<u>-2</u>
		<u>405</u>

2020/21 to 2021/22 Change

	£'000	£'000
<u>Real Term Variations</u>		
Increase in Superannuation		46
Countryside management post funded from reserves falling out		
Employees	-23	
Income	<u>23</u>	0
Waste		
Contract costs additional properties	32	
Recycling credits	<u>50</u>	82
Stewardship grant finishing		
Supplies	-13	
Income	<u>13</u>	0
Street cleansing recharge		
Supplies	4	
Income	<u>-7</u>	-3
Increased Grounds maintenance recharge		-6
minor variations		9
		<u>128</u>

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Health and Wellbeing

	Outturn 2018-2019 £	Budget 2019-2020 £	Budget 2020-2021 £	Budget 2021-2022 £
1 Benefits Payments				
Transfer Payments	23,024,620	21,870,230	22,403,180	20,566,120
Total Expenditure	23,024,620	21,870,230	22,403,180	20,566,120
Income	(23,105,940)	(21,951,550)	(22,484,500)	(20,647,440)
Total Income	(23,105,940)	(21,951,550)	(22,484,500)	(20,647,440)
Benefits Payments Net Expenditure	(81,320)	(81,320)	(81,320)	(81,320)
2 Food Safety				
Employee Expenses	308,170	325,880	336,990	348,290
Transport Related Expenditure	9,840	9,940	10,040	10,140
Supplies & Services	35,220	32,760	33,100	33,440
Total Expenditure	353,230	368,580	380,130	391,870
Income	(2,750)	-	-	-
Total Income	(2,750)	-	-	-
Food Safety Net Expenditure	350,480	368,580	380,130	391,870
3 Management & Administration				
Employee Expenses	53,300	52,980	55,340	57,720
Transport Related Expenditure	130	130	130	130
Supplies & Services	840	850	860	870
Total Expenditure	54,270	53,960	56,330	58,720
Management & Administration Net Expenditure	54,270	53,960	56,330	58,720
4 Mortuary				
Employee Expenses	40,680	42,400	43,710	45,080
Premises Related Expenditure	18,870	19,250	19,610	19,950
Supplies & Services	20,070	20,230	20,400	20,580
Total Expenditure	79,620	81,880	83,720	85,610
Income	(93,480)	(93,480)	(93,480)	(93,480)
Total Income	(93,480)	(93,480)	(93,480)	(93,480)
Mortuary Net Expenditure	(13,860)	(11,600)	(9,760)	(7,870)
5 Taxation				
Employee Expenses	2,441,010	2,366,970	2,348,540	2,435,800
Transport Related Expenditure	25,380	22,720	22,950	23,180
Supplies & Services	588,780	491,760	496,560	467,170
Total Expenditure	3,055,170	2,881,450	2,868,050	2,926,150
Income	(2,461,020)	(2,267,760)	(2,207,490)	(2,224,110)
Total Income	(2,461,020)	(2,267,760)	(2,207,490)	(2,224,110)
Taxation Net Expenditure	594,150	613,690	660,560	702,040

Health and Wellbeing

	Outturn 2018-2019 £	Budget 2019-2020 £	Budget 2020-2021 £	Budget 2021-2022 £
6 Licensing				
Employee Expenses	154,510	159,420	164,940	170,520
Transport Related Expenditure	4,530	4,580	4,630	4,680
Supplies & Services	36,130	36,500	36,750	37,120
Total Expenditure	195,170	200,500	206,320	212,320
Income	(262,990)	(267,100)	(270,650)	(275,950)
Total Income	(262,990)	(267,100)	(270,650)	(275,950)
Licensing Net Expenditure	(67,820)	(66,600)	(64,330)	(63,630)
Health and Wellbeing Net Expenditure	835,900	876,710	941,610	999,810

Health & Wellbeing PortfolioVariation Statement 2019/2020 to 2021/2022

	2019/20 Indicative	Real Terms / Efficiency Variations	2019/2020 Budget	2020/21 Indicative	Real Terms / Efficiency Variations	2020/2021 Budget	Inflation	Real Terms / Efficiency Variations	2021/2022 Budget
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Employee Costs	3,107	- 159	2,948	3,188	- 238	2,950	57	51	3,058
Premises Related Costs	19	-	19	20	- 1	19	-	1	20
Transport Related Costs	41	- 4	37	41	- 3	38	-	-	38
Supplies and Services	596	- 14	582	602	- 14	588	7	- 36	559
Transfer Payments	24,300	- 2,430	21,870	24,892	- 2,489	22,403	-	- 1,837	20,566
Total Expenditure	28,063	- 2,607	25,456	28,743	- 2,745	25,998	64	- 1,821	24,241
Income	- 27,198	2,619	- 24,579	- 27,829	2,773	- 25,056	- 39	1,854	- 23,241
Net Expenditure	865	12	877	914	28	942	25	33	1,000

Health & Wellbeing Portfolio

Proposed Real Terms / Efficiency Variations

2019/20 Change

	£'000	£'000
<u>Real Term Variations</u>		
Local Taxation grant funding		
Employees	102	
Income	-102	0
Welfare benefits service transferred back to SCC		
Employees	-262	
Transport	-3	
Supplies	-28	
Income	293	0
Local Taxation telephone licence costs (part funded by SBC)		
Supplies	14	
Income	-6	8
Change in benefit payments (estimated impact of Universal Credit)		
Expenditure	- 2,430	
Income	2,430	0
Reduced licensing income		4
		<u>12</u>

2020/21 Change

	£'000	£'000
<u>Real Term Variations</u>		
Pay award		30
Welfare benefits service transferred back to SCC		
Employees	-265	
Transport	-3	
Supplies	-28	
Income	296	0
Change in benefit payments (estimated impact of Universal Credit)		
Expenditure	- 2,489	
Income	2,489	0
Local Taxation telephone licence costs (part funded by SBC)		
Supplies	14	
Income	-6	8
Reduced licensing income		4
Increased shared services contributions for Taxation		-9
minor variations		-5
		<u>28</u>

2020/21 to 2021/22 Change

	£'000	£'000
<u>Real Term Variations</u>		
Increase in Superannuation		46
Increments		5
Change in benefit payments (estimated impact of Universal Credit)		
Expenditure	- 1,837	
Income	<u>1,837</u>	0
Taxation (impact of reduced grants)		
Expenditure	- 36	
Income	<u>18</u>	-18
		<u><u>33</u></u>

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Housing General Fund

	Outturn 2018-2019 £	Budget 2019-2020 £	Budget 2020-2021 £	Budget 2021-2022 £
1 Circular 8/95				
Supplies & Services	35,550	35,520	35,520	35,520
Total Expenditure	35,550	35,520	35,520	35,520
Circular 8/95 Net Expenditure	35,550	35,520	35,520	35,520
2 Housing Services				
Employee Expenses	438,890	438,810	424,810	433,920
Premises Related Expenditure	4,220	1,150	1,170	1,190
Transport Related Expenditure	2,520	2,540	2,560	2,580
Supplies & Services	113,840	266,550	92,960	93,740
Third Party Payments	27,500	14,500	14,500	14,790
Total Expenditure	586,970	723,550	536,000	546,220
Income	(249,130)	(363,200)	(164,720)	(165,000)
Total Income	(249,130)	(363,200)	(164,720)	(165,000)
Housing Services Net Expenditure	337,840	360,350	371,280	381,220
Housing General Fund Net Expenditure	373,390	395,870	406,800	416,740

Housing General Fund Portfolio**Variation Statement 2019/2020 to 2021/2022**

	2019/20 Indicative	Real Terms / Efficiency Variations	2019/2020 Budget	2020/21 Indicative	Real Terms / Efficiency Variations	2020/2021 Budget	Inflation	Real Terms / Efficiency Variations	2021/2022 Budget
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Employee Costs	373	66	439	383	42	425	8	1	434
Premises Related Costs	2	- 1	1	2	- 1	1	-	-	1
Transport Related Costs	2	1	3	3	-	3	-	-	3
Supplies and Services	128	174	302	129	-	129	1	- 1	129
Third Party	14	-	14	14	-	14	-	1	15
Total Expenditure	519	240	759	531	41	572	9	1	582
Income	- 122	- 241	- 363	- 125	- 40	- 165	- 4	4	- 165
Net Expenditure	397	- 1	396	406	1	407	5	5	417

Housing General Fund Portfolio

Proposed Real Terms / Efficiency Variations

2019/20 Change

	£'000	£'000
<u>Real Term Variations</u>		
Homelessness additional post funded by reserves		
Employees	66	
Income	-66	0
	<hr/>	
Homelessness additional grant funding		
Supplies	174	
Income	-174	0
	<hr/>	
minor variations		-1
		<hr/> <hr/> -1

2020/21 Change

	£'000	£'000
<u>Real Term Variations</u>		
Pay award		3
Homelessness additional post funded by reserves		
Employees	39	
Income	-39	0
	<hr/>	
minor variations		-2
		<hr/> <hr/> 1

2020/21 to 2021/22 Change

	£'000	£'000
<u>Real Term Variations</u>		
Increase in Superannuation		6
minor variations		-1
		<hr/> <hr/> 5

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Leader of the Council

	Outturn 2018-2019 £	Budget 2019-2020 £	Budget 2020-2021 £	Budget 2021-2022 £
1 Democratic Services				
Employee Expenses	177,500	177,760	184,150	190,610
Transport Related Expenditure	3,770	3,810	3,850	3,890
Supplies & Services	379,740	387,190	394,660	402,280
Total Expenditure	561,010	568,760	582,660	596,780
Income	(5,400)	-	-	-
Total Income	(5,400)	-	-	-
Democratic Services Net Expenditure	555,610	568,760	582,660	596,780
2 Elections				
Employee Expenses	153,580	165,910	169,680	118,770
Premises Related Expenditure	6,500	4,590	4,690	-
Transport Related Expenditure	250	250	250	150
Supplies & Services	108,480	100,920	101,800	54,020
Total Expenditure	268,810	271,670	276,420	172,940
Income	(18,010)	(1,150)	(1,170)	(1,190)
Total Income	(18,010)	(1,150)	(1,170)	(1,190)
Elections Net Expenditure	250,800	270,520	275,250	171,750
3 Executive Management & Support				
Employee Expenses	282,050	231,400	239,410	247,570
Transport Related Expenditure	2,490	2,540	2,590	2,620
Supplies & Services	93,250	63,810	74,430	75,190
Total Expenditure	377,790	297,750	316,430	325,380
Income	(79,840)	-	-	-
Total Income	(79,840)	-	-	-
Executive Management & Support Net Expenditure	297,950	297,750	316,430	325,380
4 e-Government				
Supplies & Services	20,110	20,310	20,510	20,720
Total Expenditure	20,110	20,310	20,510	20,720
e-Government Net Expenditure	20,110	20,310	20,510	20,720
5 Grants & Contributions				
Supplies & Services	167,730	166,240	157,610	152,510
Total Expenditure	167,730	166,240	157,610	152,510
Grants & Contributions Net Expenditure	167,730	166,240	157,610	152,510
6 Finance				
Employee Expenses	907,970	930,570	964,320	997,660
Transport Related Expenditure	3,460	3,520	3,560	3,600
Supplies & Services	123,590	124,790	126,050	127,310
Total Expenditure	1,035,020	1,058,880	1,093,930	1,128,570
Income	(760,070)	(790,750)	(818,820)	(847,030)
Total Income	(760,070)	(790,750)	(818,820)	(847,030)
Finance Net Expenditure	274,950	268,130	275,110	281,540

Leader of the Council

	Outturn 2018-2019 £	Budget 2019-2020 £	Budget 2020-2021 £	Budget 2021-2022 £
7 Corporate Management				
Supplies & Services	85,380	102,520	103,370	104,400
Total Expenditure	85,380	102,520	103,370	104,400
Income	(36,270)	(37,730)	(39,250)	(40,820)
Total Income	(36,270)	(37,730)	(39,250)	(40,820)
Corporate Management Net Expenditure	49,110	64,790	64,120	63,580
8 Non Distributed Costs				
Employee Expenses	311,500	318,290	324,980	331,480
Total Expenditure	311,500	318,290	324,980	331,480
Income	(40,000)	(40,000)	(40,000)	(40,800)
Total Income	(40,000)	(40,000)	(40,000)	(40,800)
Non Distributed Costs Net Expenditure	271,500	278,290	284,980	290,680
9 Excluded Items				
Employee Expenses	40,000	45,500	45,500	45,500
Total Expenditure	40,000	45,500	45,500	45,500
Income	(682,770)	(711,590)	(740,270)	(769,880)
Total Income	(682,770)	(711,590)	(740,270)	(769,880)
Excluded Items Net Expenditure	(642,770)	(666,090)	(694,770)	(724,380)
Leader of the Council Net Expenditure	1,244,990	1,268,700	1,281,900	1,178,560

Leader of the Council PortfolioVariation Statement 2019/2020 to 2021/2022

	2019/20 Indicative	Real Terms / Efficiency Variations	2019/2020 Budget	2020/21 Indicative	Real Terms / Efficiency Variations	2020/2021 Budget	Inflation	Real Terms / Efficiency Variations	2021/2022 Budget
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Employee Costs	1,840	29	1,869	1,887	41	1,928	35	- 31	1,932
Premises Related Costs	5	-	5	5	-	5	-	- 5	-
Transport Related Costs	10	-	10	10	-	10	-	-	10
Supplies and Services	1,028	- 62	966	1,035	- 57	978	15	- 56	937
Total Expenditure	2,883	- 33	2,850	2,937	- 16	2,921	50	- 92	2,879
Income	- 1,581	-	- 1,581	- 1,625	- 14	- 1,639	- 53	- 8	- 1,700
Net Expenditure	1,302	- 33	1,269	1,312	- 30	1,282	- 3	- 100	1,179

Leader of the Council Portfolio

Proposed Real Terms / Efficiency Variations

2019/20 Change

	£'000	£'000
<u>Real Term Variations</u>		
Reduced pension act increase payments		-16
Excluded Items - CPI etc allocation		
Employees	50	
Supplies	-85	-35
Corporate management		
Asset Valuation	11	
Bank Charges	6	17
Combined authorities additional cost		3
Grants reduced payment Support Staffordshire		-10
Members allowances		9
minor variations		-1
		<u>-33</u>

2020/21 Change

	£'000	£'000
<u>Real Term Variations</u>		
Pay Award		13
Reduced pension act increase payments		-16
Excluded Items - CPI etc allocation		
Employees	50	
Supplies	-85	-35
Corporate management		
Asset Valuation	11	
Bank Charges	6	17
Members allowances		9
Grants reduced CAB contribution following transfer to Civic centre		-10
Combined authorities additional cost		13
Grants reduced payment Support Staffordshire		-10
Increased shared service contributions		-4
minor variations		-7
		<u>-30</u>

2020/21 to 2021/22 Change

	£'000	£'000
<u>Real Term Variations</u>		
Increase in Superannuation		25
Increments		2
District Elections		
Employees	-56	
Premises	-5	
Supplies	-48	-109
Grants reduced CAB contribution following transfer to Civic centre		-10
Increased shared services contributions		-7
minor variations		-1
		<u>-100</u>

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Town Centre Regeneration

	Outturn 2018-2019 £	Budget 2019-2020 £	Budget 2020-2021 £	Budget 2021-2022 £
1 Markets				
Employee Expenses	125,570	136,150	142,180	148,630
Premises Related Expenditure	147,680	185,690	151,170	153,990
Transport Related Expenditure	2,890	2,920	2,950	2,980
Supplies & Services	76,370	86,090	68,770	69,460
Total Expenditure	352,510	410,850	365,070	375,060
Income	(347,130)	(355,130)	(319,720)	(320,420)
Total Income	(347,130)	(355,130)	(319,720)	(320,420)
Markets Net Expenditure	5,380	55,720	45,350	54,640
2 Town Centre Management				
Premises Related Expenditure	254,650	259,570	264,590	269,710
Supplies & Services	210	210	210	210
Total Expenditure	254,860	259,780	264,800	269,920
Income	(170,170)	(178,360)	(178,570)	(182,120)
Total Income	(170,170)	(178,360)	(178,570)	(182,120)
Town Centre Management Net Expenditure	84,690	81,420	86,230	87,800
3 Miscellaneous Properties				
Premises Related Expenditure	6,530	6,650	6,760	6,890
Supplies & Services	510	520	530	540
Total Expenditure	7,040	7,170	7,290	7,430
Income	(14,110)	(11,130)	(14,150)	(14,430)
Total Income	(14,110)	(11,130)	(14,150)	(14,430)
Miscellaneous Properties Net Expenditure	(7,070)	(3,960)	(6,860)	(7,000)
Town Centre Regeneration Net Expenditure	83,000	133,180	124,720	135,440

Town Centre Regeneration PortfolioVariation Statement 2019/2020 to 2021/2022

	2019/20 Indicative	Real Terms / Efficiency Variations	2019/2020 Budget	2020/21 Indicative	Real Terms / Efficiency Variations	2020/2021 Budget	Inflation	Real Terms / Efficiency Variations	2021/2022 Budget
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Employee Costs	140	- 4	136	143	- 1	142	3	4	149
Premises Related Costs	402	50	452	410	13	423	8	- 1	430
Transport Related Costs	3	-	3	3	-	3	-	-	3
Supplies and Services	69	18	87	70	- 1	69	1	-	70
Total Expenditure	614	64	678	626	11	637	12	3	652
Income	- 544	- 1	- 545	- 508	- 4	- 512	- 5	-	- 517
Net Expenditure	70	63	133	118	7	125	7	3	135

Town Centre Regeneration Portfolio

Proposed Real Terms / Efficiency Variations

2019/20 Change

	£'000	£'000
<u>Real Term Variations</u>		
Additional rates and utility costs		16
Reduced markets income		
Cannock Market Hall	16	
Cannock Market Shops	4	
Rugeley Market Hall	10	30
Multi Storey car park additional costs		
Premises	33	
Supplies (security)	18	51
Additional rental income from Cannock market shops new units		-42
Town Centre Management reduced rent income		8
		<u><u>63</u></u>

2020/21 Change

	£'000	£'000
<u>Real Term Variations</u>		
Additional rates and utility costs		12
Reduced markets income		
Cannock Market Hall	16	
Cannock Market Shops	4	
Rugeley Market Hall	10	30
Additional rental income from Cannock market shops new units		-42
Town Centre Management reduced rent income		8
minor variations		-1
		<u><u>7</u></u>

2020/21 to 2021/22 Change

	£'000	£'000
<u>Real Term Variations</u>		
Increase in Superannuation		2
minor variations		1
		<u><u>3</u></u>

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Appendix 3

Capital Programme 2018-19 to 2021-22			
	Total Programme	General Fund	Section 106
	£	£	£
HOUSING GF			
Private Sector Housing	27	27	-
Disabled Facility Grants	3,357	3,357	-
Total Housing General Fund	3,384	3,384	0
ENVIRONMENT			
Home Security Grants	56	56	
Wheelie Bin Replacement	530	530	
Replacement Vehicles - Cleansing	130	130	
Replacement Vehicles - Grounds	350	350	
Replacement Vehicles - Countryside	117	117	
Car Park Improvements	292	292	
Total Environment	1,475	1,475	0
CRIME & PARTNERSHIPS			
CCTV	55	55	
Total Crime & Partnerships	55	55	0
CULTURE AND SPORT			
Additional Cemetery Provision	1,311	1,311	
Stile Cop Cemetery	3	3	
Stile Cop Cemetery Modular build	60	60	
Hednesford Park Improvements	183	164	19
Hednesford Signal Box	25	25	
Stadium Development	506	506	
Relocation Arthur Street Play Area (s106)	3		3
Multi Use Games Area, Laburnum Avenue (s106)	121		121
Refurbishment Heath Hayes Park/Pitch	115		115
Ravenhill Park	146	146	
Additional Car Park 5's Pavillion	100	100	
Replacement Vehicles - Cemeteries	51	51	
Wolseley Road Improvements	20		20
Cannock Park Replacement Equipment	14		14
Total Culture and Sport	2,658	2,366	292
ECONOMIC REGENERATION AND PLANNING			
Economic Development & Physical Assets	191	191	-
Engineering Training Facility	500	500	
District Investment	5,745	5,745	
Let's Grow Grants	48	48	
Broadwalk Laburnum Avenue	19	19	
Total Economic Regeneration and Planning	6,503	6,503	0
TOWN CENTRE REGENERATION			
Cannock Town Centre (Market Shops)	441	441	
Anson Street	85	85	
Rugeley Pedestrian/Cycle Linkage (s106)	219	0	219
Total Town Centre Regeneration	745	526	219
CORPORATE IMPROVEMENT			
Civic Centre Car Park	443	443	-
Vehicle Workshop	66	66	-
Total Corporate Improvement	509	509	-
TOTAL CAPITAL PROGRAMME	15,329	14,818	511

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Appendix 4

General Fund and Section 106 Capital Budgets 2018-19 to 2021-22				
	2018-19	2019-20	2020-21	2021-22
	£'000	£'000	£'000	£'000
HOUSING GF				
Private Sector Housing		27		
Disabled Facility Grants	958	815	792	792
Total Housing General Fund	958	842	792	792
ENVIRONMENT				
Home Security Grants	10	28	18	
Wheelie Bin Replacement	51	129	90	90
Replacement Vehicles - Cleansing	40	75		
Replacement Vehicles - Grounds	104	265		
Replacement Vehicles - Countryside		79		
Car Park Improvements				
Total Environment	205	576	108	90
CRIME & PARTNERSHIPS				
CCTV		55		
Total Crime & Partnerships	0	55	0	0
CULTURE AND SPORT				
Additional Cemetery Provision		984		
Stile Cop Cemetery		3		
Stile Cop Cemetery Modular build	60			
Hednesford Park Improvements	9	0		
Hednesford Signal Box	3	22		
Stadium Development	307	149		
Relocation Arthur Street Play Area (s106)				
Multi Use Games Area, Laburnum Avenue (s106)				
Refurbishment Heath Hayes Park/Pitch				
Ravenhill Park	143	3		
Additional Car Park 5's Pavillion	100			
Replacement Vehicles - Cemeteries				
Wolseley Road Improvements		20		
Cannock Park Replacement Equipment	14			
Total Culture and Sport	636	1,181	0	0
ECONOMIC REGENERATION AND PLANNING				
Economic Development & Physical Assets		191		
Engineering Training Facility	500			
District Investment				
Let's Grow Grants		48		
Broadwalk Laburnum Avenue	19			
Total Economic Regeneration and Planning	519	239	0	0
TOWN CENTRE REGENERATION				
Cannock Town Centre (Market Shops)	441			
Anson Street	85			
Rugeley Pedestrian/Cycle Linkage (s106)		219		
Total Town Centre Regeneration	526	219	0	0
CORPORATE IMPROVEMENT				
Civic Centre Car Park	443			
Vehicle Workshop	66			
Total Corporate Improvement	509	0	0	0
TOTAL CAPITAL PROGRAMME	3,353	3,112	900	882

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APPENDIX 5**Business Rates Retention – Retained Income**

		2019-20		2020-21	2021-22
		50% £m	Pilot £m	75% £m	75% £m
<u>A. Business Rates Collection Fund</u>		41.792	41.792	44.178	47.012
Gross Rates					
Less	<u>Reliefs etc.</u>				
	Mandatory Relief	(5.395)	(5.395)	(5.503)	(5.613)
	Discretionary Relief	(0.140)	(0.140)	(0.143)	(0.145)
	Exemptions	(1.696)	(1.696)	(0.859)	(1.222)
	Cost of Collection	(0.135)	(0.135)	(0.138)	(0.140)
	Losses on Collection	(1.124)	(1.124)	(1.174)	(0.996)
Business Rates Collectable		33.482	33.482	36.361	38.896
Less	<u>Amount due to</u>				
	Government	(16.741)	(8.370)	(9.090)	(9.724)
	County	(3.013)	(11.384)	(12.363)	(13.225)
	Fire	(0.335)	(0.335)	(0.364)	(0.388)
Net Business Rates attributable to CCDC		13.393	13.393	14.544	15.559

<u>B. General Fund Determination of Retained Business Rates</u>					
Net Business Rates attributable to CCDC		13.393	13.393	14.544	15.559
Less	Tariff	(9.309)	(9.309)	(9.495)	(9.685)
	Reset			(0.705)	(0.705)
	Core Funding	(2.995)	(2.995)	(3.054)	(3.116)
	Growth	1.089	1.089	1.290	2.053
Plus	New Burdens funding subject to Levy	0.046	0.046	0.047	0.047
	Small Business Rates Relief	1.211	1.211	1.235	1.260
Amount subject to S&SOT Levy		2.346	2.346	2.572	3.360
	Levy	(1.173)	(1.173)	(0.643)	(0.840)
Business Rates Growth		1.173	1.173	1.929	2.520
Business Rates Pool Distribution		0.469	0.469	(0.463)	(0.605)
Retained Business Rates					
	Core Funding	2.995	2.995	3.054	3.116
	Growth	1.173	1.173	1.466	1.915
	Business Rates Pool Distribution	0.469	0.469	0.257	0.336
	Windfall		0.587		
Total Retained		4.637	5.224	4.777	5.367

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Appendix 6

OTHER GENERAL FUND EARMARKED RESERVES				
	01/04/2018	01/04/2019	01/04/2020	01/04/2021
	£'000	£'000	£'000	£'000
Development Control Equalisation				
Reserve to mitigate impact of volatility in Planning Fees	101	101	101	101
Environmental Improvements				
Reserve to assist improvements to the environmental infrastructure	94	94	94	94
Economic Development LEP				
Balance of monies relating to support provided to GB&S LEP	23	23	23	23
Project Development Reserve (LEP)				
Rolling fund to develop business cases re LEP investment bids	100	100	100	100
Apprenticeship Reserve				
Reserve to contribute to the employment costs of Council Apprenticeship Programme	61	61	61	61
Civic Duties and Hospitality				
Reserve to meet additional one off costs relating to Civic Duties	12	12	12	12
Benefits Equalisation				
Reserve to mitigate impact of volatility in Housing Benefit Grant/ Admin Subsidy	185	185	185	185
Planning Income 20% Income				
Ring fenced reserve for planning purposes	59	93	122	151
Other	824	809	772	744
Total	1,459	1,478	1,470	1,471

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Appendix 7**Report of the Chief Finance Officer on the Robustness of the Budget Estimates and the Adequacy of the Council's Reserves****Introduction**

Section 25 of the Local Government Act 2003 places a duty on the Chief Financial Officer (Head of Finance) to make a report to the Council on the robustness of budget estimates and the adequacy of the Council's reserves. The Council must have regard to this report when making its decisions about budgets and council tax for the forthcoming year. This is because the Council is setting the council tax before the commencement of the year and cannot increase it during the year. An understanding of the risks of increased expenditure during the year in terms of likelihood and impact is therefore important.

Robustness of Budget Estimates

The Council's budget estimates for 2019-20 to 2021-22 have been prepared by appropriately qualified and experienced staff in consultation with service managers. Budgets have been discussed and fully managed by the Leadership Team. The budgets are considered to accurately reflect likely expenditure in 2019-20, being based on historic information, experience of expenditure in previous years and latest projections where appropriate. The indicative budgets for 2020-21 and 2021-22 are similarly based upon the best information available at this moment in time.

A full risk assessment of the Council's Budget 2019-20 has been carried out - APPENDIX 1).

Provision for Pay Award Inflation has been made in accordance with the 2 year offer made offer made by the National Employers, who negotiate pay on behalf of 350 local authorities in England. The impact of the National Living Wage has been incorporated into the Allowance has also been made for staff incremental progression. Sufficient provision has been built in for current employer pension contributions, in line with the most recent actuarial valuation. Different vacancy rates have been assumed for Council services based on past experience.

Inflation on contractor costs has been allowed based on the projected retail / consumer prices index increases and on energy budgets based on anticipated tariff increases.

Inflation has been provided on fees and charges, but excluding Car Parks and Allotments. Given the demand led nature of some of the more significant income budgets, such as for parking, development control and land charges, prudent but realistic assumptions have been made about estimated income. The current economic climate is expected to continue to have a significant impact on fees and charges generally during 2019-20. Major sources of income will continue to be closely monitored throughout the year with a view to protecting overall income to the Council as far as possible.

Investment income of £177,000 has been included within 2019-20 budgets. This has been based on current projections of bank rate increasing to 1% during 2019-20 from its current rate of 0.75%. Investment income also includes the saving arising from the prepayment of the fixed cash lump sum element of the 2019-20 Employers Superannuation Contribution. Prudent assumptions about cash flow have been made and the advice of the Council's treasury management consultants has been taken into account in determining the average rate of return.

No specific contingency budget is provided in 2019-20 as it is considered that the Council's overall revenue balances are sufficient to act as an overall contingency (see below). However, robust budget monitoring arrangements are in place and will continue throughout the year. These arrangements also include Business Rates Monitoring and New Homes Bonus forecasts. In addition to budget monitoring by officers, all Cabinet members will receive a monthly update and there will be quarterly reports to the Cabinet and relevant Scrutiny Committees.

Significant expenditure and income budgets will be monitored closely during the year. Any projected variances will be addressed in a timely manner.

The Council has a Risk Management Strategy and has identified its key corporate risks. Significant financial risks will be managed appropriately. In addition, some financial risks will be mitigated by the Council's insurance arrangements.

I can therefore confirm that the budget estimates as presented are robust.

Adequacy of the Council's Reserves

The Chartered Institute of Public Finance and Accountancy (CIPFA) has issued guidance on local authority reserves and balances. It sets out three main purposes for which reserves are held:-

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing;
- A contingency to cushion the impact of unexpected events or emergencies;
- A means of building up funds to meet known or predicted liabilities, known as earmarked reserves.

The Council held General Fund revenue balances of £3.136 million at 31 March 2018. In addition to this, earmarked revenue reserves amounting to £6.3million were also held as at 31 March 2018.

The Council also has a planned four year capital programme which is financially sustainable based on current capital resources and a prudent assessment of future capital resources. The financial strategy includes the use of unallocated reserves and a Revenue Contribution to Capital Outlay to supplement capital resources and mitigate any borrowing requirement; nevertheless Prudential Borrowing to finance the Council's capital programme will be used where there is a robust business case.

The Council has set a policy of a minimum level of 5.5% of net expenditure or the amount calculated by the risk analysis. The Budget for 2019-20 has been constructed on the basis that there will be a level of general reserves at 31 March 2018 in excess of the £0.704 million risk analysis requirement.

I can therefore confirm that the Council's reserves are adequate.

Bob Kean
Head of Finance
January 2019

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Appendix 8Council Tax Base 2019-20

Parish	Band D Equivalents
Brereton and Ravenhill	1,958.46
Bridgtown	572.00
Brindley Heath	241.49
Cannock Wood	393.25
Heath Hayes and Wimblebury	4,024.51
Hednesford	5,260.95
Norton Canes	2,191.37
Rugeley	5,262.51
Unparished	8,968.22
Other	1.70
	28,874.46

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Report of:	Head of Finance
Contact Officer:	Bob Kean
Telephone No:	01543 464 334
Portfolio Leader:	Leader of the Council
Key Decision:	No
Report Track:	Cabinet: 07/02/19 Council: 20/02/19

CABINET
7 FEBRUARY 2019
GENERAL FUND BUDGET AND CAPITAL PROGRAMME 2018-19 TO 2021-22
ADDENDUM: RE EMPTY HOMES PREMIUM

1 Purpose of Report

- 1.1 To review the premium for long term empty properties.

2 Recommendation(s)

- 2.1 That the following be recommended to Council as part of the formal budget setting process:-
- (a) that the premium for long term empty properties be increased to 100% from April 2019
- (b) that a detailed report on the impact of this change is submitted as part of the 2020-21 budget process enabling Cabinet to determine whether further increases in the premium are to be adopted.

3 Key Issues and Reasons for Recommendations

Key Issues

- 3.1 The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act received royal assent on the 1st November 2018. The act enables the empty homes premium to be increased progressively over the next three years.

Reasons for Recommendations

- 3.2 The current Council Tax Base includes 92 properties that are subject to the levy. The purpose of the increase is to address the rising level of unoccupied properties.

- 3.3 The current Council Tax Base calculation includes provision for the 50% premium however no account has been made in the Tax Base for the increase to 100% since the change is intended to bring empty properties back into use.

4 Relationship to Corporate Priorities

- 4.1 The revenue budget and capital programme reflect the Council's priorities.

5 Report Detail

- 5.1 In determining the Council's Budget a key element relates to the Council's Tax Base. This is the number of properties in the district expressed in terms of Band D equivalents. The amount of money that the Council can raise per £1 charge for a Band D equivalent property can be established from the tax base.
- 5.2 No changes are proposed to the value of the Council's Tax Base as contained in paragraph 7.3 of the General Fund Budget Report. However it is recommended that the long term empty properties premium is increased to 100% from April 2019 in order to attempt to bring such properties back into use.
- 5.3 In accordance with the Local Government Act 2012 the Council currently has levied a premium of 50% on long term empty properties. Long term empty properties relate to properties which have been unoccupied and unfurnished for longer than two years.
- 5.4 A period of occupation of over six weeks qualifies as a break in the empty period, 'resetting the clock' for the purposes of the empty homes premium. Whereas empty homes premium cannot apply to homes that are empty due to the occupant living in armed forces accommodation for job-related purposes, or to annexes being used as part of a main property.
- 5.5 In order to address the increasing gap between demand and supply for properties and the rising level of unoccupied properties the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act received royal assent on the 1st November 2018.
- 5.6 The Act enables local authorities to
- charge a premium of 100% from 1 April 2019;
 - from 1 April 2020 increase the premium to 200% for properties that have been vacant for five years or more;
 - set a premium of 300% from 2021/22 for properties that have been vacant for ten years or more.
- 5.7 At present 92 properties are subject to the Empty Homes Premium and Cabinet is recommended to increase the premium to 100% for 2019-20.
- 5.8 It is proposed that a detailed report on the impact of this change is submitted as part of the 2020-21 budget process enabling Cabinet to determine whether further increases in the premium are to be adopted.

- 5.9 The current Council Tax Base calculation includes provision for the 50% premium however no account has been made in the Tax Base for the increase to 100% since the change is intended to bring empty properties back into use.

6. Implications

6.1 Financial

There are no direct financial implications arising from the report with the financial implications detailed in paragraph 5.9.

6.2 Legal

The legal implications are set out throughout the report including the statutory requirement for the Council to set a balanced budget.

6.3 Human Resources

None

6.4 Section 17 (Crime Prevention)

None

6.5 Human Rights Act

None

6.6 Data Protection

None.

6.7 Risk Management

None.

6.8 Equality & Diversity

None.

6.9 Best Value

None