

MEDIUM TERM FINANCIAL PLAN / ANNUAL BUDGET 2020/21

1. Recommendations

- 1.1 Cabinet is asked to recommend to Council that:
- 1.1.1 there is a General Fund Net Budget Requirement in 2020/21 of £19,194,110 as set out in appendix 5 to this report, including the transfers to and from reserves, as outlined in appendix 5d;
 - 1.1.2 the Band D Council Tax for 2020/21 shall be £178.36;
 - 1.1.3 the General Fund Capital Programme for 2020/21 of £9.894m, as set out in appendix 6 to this report be approved; and
 - 1.1.4 the site licence fees and service charges at Stillwater Park be increased by 2.4% in line with RPI inflation.

2. Purpose of Report

- 2.1 To consider the development of the Medium Term Financial Plan, set the General Fund revenue and capital budgets for 2020/21 and set the level of Band D Council Tax.

3. Background

- 3.1 On 7 August 2019 and 6 November 2019 the Cabinet considered a number of issues through the established Medium Term Financial Plan reporting, that would affect the annual budget for 2020/21. The figures as included in those reports were based on latest information available at that time, before the provisional local government finance settlement had been released. **The financial assumptions in this paper are based on the provisional finance settlement as details of the final finance settlement are yet to be received.**
- 3.2 In accordance with the Council's financial strategy this report sets out the final proposals for:
- The General Fund Net Budget Requirement for 2020/21
 - A level of Council Tax for 2020/21
 - The Medium Term Financial Plan to 2023/24
 - The General Fund Capital Programme for 2020/21

4. Financial Strategy

- 4.1 The Council's financial strategy for 2020/21 is to:
- Review the budgets across all Services and make adjustments based on past financial performance,

- Deliver efficiencies and savings which protect the delivery of front line services provided in the Community,
- Support investment in infrastructure and services through the use of its reserves,
- Utilise short term funding gains to address funding issues over the medium term through the transfer in and out of reserves,
- Ensure a sufficient and appropriate level of reserves are available during the period of the Medium Term Financial Plan to safeguard frontline services; and
- Balance the needs of service users and council taxpayers

The budget for 2020/21 is set out in line with this strategy.

- 4.2 The Council's financial strategy over the medium term period extends to:
- The alignment of the budget to the Council's Corporate Plan and essential services,
 - Continuation of partnering and collaboration with others to transform service delivery,
 - The release of accrued short-term reserve balances to assist in the damping of the Fair Funding Review (and impact this has specifically to retained business rates),
 - The utilisation of reserve balances (and when necessary external borrowing) to invest in assets and target valuable additional income,
 - A commitment towards transforming the delivery of Council Services across the organisation; and
 - Ensuring strategies developed through the corporate framework appropriately feed into the Council's financial strategy

5. Medium Term Financial Plan – General Fund Budget 2020/21

- 5.1 Previous Medium Term Financial Plan updates were based on information pre-dating the release of the provisional finance settlement, and pre-dating the Council's annual statutory return confirming Business Rate collection expectations for 2020/21. The provisional finance settlement has now been released, business rate retention forecasts updated and the full detailed budget preparation process has taken place, including the allocation of central corporate costs to the Portfolios. The updated resource summary and budget requirements are now provided as appendix 1 and 2.
- 5.2 The provisional settlement for 2020/21 released during December was as anticipated. It had been previously communicated that the settlement would be a one-year deal. Funding factors that are implicated by the funding settlement assessment are;
- The New Homes Bonus - the deadweight factor has been left at 0.4% for 2020/21, and the growth in property numbers across the District results in bonus payments receivable of £33k for 2020/21
 - The business rates baseline - this has increased by £64k for 2020/21
 - Business Rate Retention - the forecast business rates to be collected and retained by the Council above the baseline in 2020/21 total an estimated £2.4m.
- 5.3 Other material changes (greater than £50k) that have been made within the budgets in comparison to 2019/20 include;

Pay & Price Increases

- Costs due to Pay Award (allowed at 2%) and incremental progression have totalled £575k, in line with previous expectations
- The increase in the Council's primary superannuation (pension) rate has resulted in additional costs to 2020/21 of £360k (although more than covered by the secondary contribution falling out, as outlined further below)
- £100k has been allowed for in the 2020/21 budget to cover a review of local pay and conditions (with proposals reportable through the HR Committee and Council), with a further £250k allowed for the following year.
- Inflation in utilities and contracts has been budgeted at £50k

Budget Adjustments relating to one-off items

- The 2019/20 budget funded £789k of ICT strategy expenditure. In 2020/21 the equivalent figure is £604k
- The Community Grants Panel has recommended one-off construction grants totalling £97.5k in 2020/21 (up to £100k is made available)
- A fully costed and specified scheme will be drawn up to ensure adequate emergency power back up exists at Appletree Court, a budget provision of £100k has been made available to deliver this project
- The Council will transfer the operational responsibility for a Public Convenience in April 2020 to Totton & Eling Town Council. The Council will make an annual saving of £10k, and to facilitate this change, will make a one-off payment of £50k to the Town Council.
- As previously reported, the pension fund is in a fully funded position from April 2020, and so the Council will not be required to make an annual deficit payment to the fund in the years 2020/21 through to 2022/23. As this could be reversed on the next revaluation, the Council is not removing this financial commitment from its budget (£1.513M), but instead, will make an annual (£1.25M) payment into a reserve until the next triennial valuation takes place in 2022.

Ongoing Savings Analysis

- Net Investment Property Income of £62k has been added to the budget for 2020/21 reflecting the income earned from an investment made in 2019/20
- Other items (individually less than £50k) as detailed in appendix 2 total £54k

New Budget Requirements

- As detailed in 2019/20 financial reporting, planning income is down on the previous expected target by £238k. The lower level of income reflecting 2019/20 performance has been allowed for in the 2020/21 budget. The MTFP allows for the previous income target to be re-instated by 2023/24
- As detailed in 2019/20 financial reporting, Health & Leisure income is down on the previous expected target. The target for 2020/21 has been based on the forecast outturn position for 2019/20 (£265k income adjustment, less £70k allowed for as expected from the operational review).
- The Council invested £1.7M in the asset maintenance and replacement programme for 2019/20. The programme for 2020/21 has been devised on an available budget of £1.8M.
- Minor salary growth has occurred across the Council within several services, combining to a total of £80k
- The headline financial implications (£700k) associated with the proposed Hampshire County Council revised waste arrangements are allowed for in 2021/22.

- Other items (individually less than £50k) as detailed in appendix 2 total £151k

5.4 The Council's budget for 2020/21 includes flexible homelessness support grant at £520k. The Council will utilise this funding on support officers and for the provision of temporary accommodation. The Council has an adopted homelessness strategy and the housing team have established an excellent working relationship with third-party stakeholders through the multi-agency forum. The Council has also very recently been awarded £222k for 2020/21 from the Government's Rough Sleeping Initiative Fund. Officers will continue to work closely with the Portfolio Holder and third parties to ensure the Council fully utilises this new funding to support the most vulnerable in our community in support of the government's target of eliminating rough sleeping by 2027.

5.5 The Council is in a strong position to invest in its services and absorb the necessary cost increases, but as outlined further in section 6 of this report, there is still work to be done over the period covered by this Medium Term Financial Plan to re-balance the Council's budget once the budget equalisation reserves have been utilised.

5.6 **Planned use of and contributions to Reserves**

5.6.1 Appendix 5d outlines all movements in reserves actioned in the 2020/21 General Fund revenue budget setting. In summary, in 2019/20 net transfers to reserves were made totalling £401,180. In 2020/21, transfers to reserves total £2.056M. Supporting narrative to explain the new transfers is provided below;

5.6.2 The Council makes annual contributions through its revenue budget to the quadrennial election fund so the cost of holding a district election is levelled out across a 4 year term. All-out district elections took place in May 2019, hence the value of the reserve was released to the 2019/20 budget at £175k. The 2020/21 budget allows for an annual contribution of £44k, in preparation for the elections in May 2023.

5.6.3 Since 2009/10, the Council and Priestlands School have been paying proportionate contributions (60% / 40% respectively) into a Synthetic Turf Pitch (STP) fund to cover the annual maintenance of the STP and to accrue a balance to enable a full replacement in line with the anticipated useful life expectation. The pitch was originally due to be replaced in 2019/20, however this project will now be delivered in 2020/21, so the value of the fund is released to the 2020/21 budget.

5.6.4 The works undertaken by the Council to achieve a balanced budget based on information before the positive business rate position for 2020/21 and the provisional settlement was confirmed, enable the Council to make a contribution to the budget equalisation reserve of £1.062M in 2020/21.

5.6.5 £1.250M of the previous £1.513M payment towards the Pension Fund deficit will be retained within the general fund budget, but payable to a reserve, as outlined in 5.3.

5.6.6 The Council maintains a suitable level of other useable reserves, over the period covered by this MTFP.

5.7 Summary of Proposals and Council Tax for 2020/21

- 5.6.1 The General Fund net budget requirement for 2020/21 will be £19.194m (appendix 5a & 5b), an increase of £1.701M on the 2019/20 budget requirement.
- 5.7.2 Pay & Price and new budget requirements of £1.849M have been added to the Council's budget for 2020/21, with the increases in costs being largely funded through the retention of business rates and the crystallisation of savings.
- 5.7.3 The proposed central support service business unit budgets have been provided at appendix 5c. Due to their nature, these costs end up across several Portfolios and so warrant separate inclusion as part of this budget setting report.
- 5.7.4 Band D Council Tax will be £178.36, an increase of £5 (2.88%) from 2019/20 and the cost to be met by council taxpayers will be £12,751,474.

6. The Medium Term Position

- 6.1 The 2020/21 budget is set in the context of a 1 year funding settlement announced by the government. There is still uncertainty over the medium term on the potential impact that the ongoing Fair Funding Review and the final design of the business rate retention scheme will have on individual local authorities. Both could have the ability to have a significant weighting on the availability of resources to fund Council services.
- 6.2 In the past few years, the government has made a clear move away from providing revenue budget support to lower tier authorities, towards a system where local authorities rely on local taxation paying for the local services provided. The Council's reliance on Business Rates as a key funding source is now more prominent than ever. Despite high employment levels currently being seen in the UK, the national picture with regards to retail on the highstreet doesn't look overly promising as more and more consumers utilise online shopping facilities. The Medium Term Financial Plan assumes a significant proportion of the Council's funding is receivable through Business Rate income. Officers of the Council will await any government proposals with regards to changes to the current 50% retention scheme, and any other more fundamental changes to this form of taxation with interest.
- 6.3 The Medium Term summaries set out over appendices 1, 2 and 3 provide an outlook of the future years' budgets and are set out on a prudent basis using the latest known information. The proactive forward planning undertaken by this Council enables a balanced budget to be shown for each year to 2022/23. The Council will continue to work towards the financial strategy as set out in section 4 of this report to ensure the longer term financial stability of the Council.
- 6.4 The Medium Term Financial Plan assumes use of the budget equalisation reserve in both 2021/22 and 2022/23. At the end of 2022/23, the reserve is all but utilised, which means a re-set to the general fund budget is required at this point. This required re-set is represented by the £1.143M budget shortfall as identified in 2023/24.
- 6.5 The current Medium Term Financial Plan deficit to 2022/23 will be closed (appendix 3)

dependant on the;

- Council's ability to maximise its revenues through local taxation,
- successful implementation of the commercial and residential property strategies to bring valuable new sources of additional income into the Council; and
- prudent use of budget equalisation reserves.

6.6 There are several workstreams already underway or in the pipeline which have the potential to favourably contribute to, or worsen, the forecast deficits shown to 2023/24. these are included within appendix 3 and include;

- In Progress: Leisure Delivery Review
- In Progress: Boundary Review
- Potential: Business Rate Changes
- Potential: Fair Funding Review
- Potential: Waste Strategy
- Potential: Parking Strategy
- Potential: Pension Valuation 2022

7. Pay & Reward

7.1 The working assumption in this Medium Term Financial Plan is that annual pay award of 2% will be applied to each financial year. The current blanket union request for 2020/21 is 10%. The Employee Side Liaison Panel will keep abreast of developments on the pay bargaining negotiations as they progress into 2020.

7.2 As outlined in section 5.3, the Council has set aside funds in both 2020/21 and 2021/22 to cover the potential cost of any pay reviews the Council decides to undertake. This financial commitment demonstrates the Council's understanding that appropriate pay and remuneration are key to the service delivery standards that the Council strives to achieve.

8. General Fund Capital Programme and Financing

8.1 The Council's proposed General Fund Capital Programme for 2020/21 totals £9.894m. The detail at project level and the proposed financing for the 2020/21 programme is detailed in appendix 6.

8.2 The Capital programme includes Smarter Working and the New Depot project, both initially included within previously approved capital programmes with a caveat that design and feasibility could proceed, but delivery would require further approval from Cabinet. An update is provided below;

- Smarter Working

To date, the 'Smarter Working' project has delivered significant improvements in the accommodation standards at Appletree Court for several services. Around 800 portable devices now enable a significant proportion of the workforce to work remotely, minimising travel to and from Appletree Court and making better use of officer time. The 2019 roll-out of Office 365 has been a major step change in ensuring the Council's main desktop operating system is up to date and fit for purpose. The Capital Programme for 2020/21 includes a 'future delivery' value of £1m over the next 2 financial years. As with previous drawdowns, the Cabinet will be asked to confirm use of this programme budget when the case is made by officers.

- Development of Council owned land at Hardley Industrial Estate into a new Depot
Following initial feasibility works undertaken, the Council now has a design which will be shortly submitted for planning approval. The planning application information will be used to inform a tender in order to receive a full cost estimate. This will be submitted to Cabinet for their approval before any works commence. The capital programme allows for building works to commence in 2020/21 and continue into 2021/22.
- 8.3 Another key element of the Council's Capital Programme are the Commercial and Residential Property Acquisition Funds. These are not shown in the programme at appendix 6 because of the uncertainty around when funds will be required. The Council has established governance arrangements in place for the approval of funds, and in-year financial reporting and updates to the Corporate Overview and Scrutiny Panel provide members with valuable updates on activity in this area.
- 8.4 A range of Prudential Indicators need to be approved prior to the start of each financial year. The Council's Capital Strategy presented to the Cabinet on 5th February 2020 included the key capital Indicators. The Treasury Management function and Investment Strategy for 2020/21 to 2022/23 were considered by the Audit Committee on 24 January 2020 and have been recommended to the Council for approval.

9. Robustness of Estimates and Adequacy of Reserves

- 9.1 There are a range of safeguards in place to help prevent local authorities overcommitting themselves financially. These include the Chief Finance Officer's duty to report on the robustness of estimates and adequacy of reserves (under section 25 of the Local Government Act 2003) when the authority is considering its budget requirement (England and Wales).
- 9.2 The 2020/21 budget has been constructed based on all latest information and considers all factors that will have an implication to 2020/21 that are in the Council's control. On-going budget variations as reported during 2019/20 are also considered and adjustments made to forward budgets where necessary. Income projections are sensible and not overinflated, inflation is allowed for where it is expected to occur, and the full cost of the Council's staffing establishment is based on latest pay assumptions and is calculated in an appropriate level of detail. Senior Management across the Council engage with the Council's central finance team on the preparation of the detailed budgets, and only budgets that have the backing of senior management make it through to this budget setting report for consideration by members of the Cabinet.
- 9.3 In setting the General Fund Revenue Budget for 2020/21, the Council is making a net contribution to revenue reserves. Appendix 6 details the value of reserves to be utilised in financing the General Fund Capital Programme in 2020/21. The Council's Capital Strategy (Cabinet 5-Feb-2020) takes this further to combine the General Fund and Housing Revenue Account Capital Programmes and details how reserves will be utilised in financing the delivery of these forecast programmes over the medium term period. Use of reserves is supplemented where appropriate with borrowing, and an assessment is made on the affordability and proportionality of financing charges to the revenue budget.
- 9.4 The General Fund Balance reserve at £3m is considered to be adequate considering the overall size of the Council's budget. Variations in actual performance as compared

to budget assumptions are inevitable in an organisation with a turnover as large as the Council's, especially when also considering the diverse range and complexities of services and differing levels of demand on those services throughout a fiscal period. Reserves exist, in particular the General Fund Balance reserve, to provide a cushion for these variations.

- 9.5 The Council's Chief Finance Officer is satisfied on the robustness of the estimates as included in the budget for 2020/21 and MTFP to 2023/24, and is able to provide assurance on the adequacy of reserves held by the Council.

10. Stillwater Park

- 10.1 Annually, the Cabinet recommends to Council the proposed Fees and Charges increase for the licence fees and service charges at Stillwater Park.
- 10.2 In line with previous years, the level of increase being proposed is in line with September RPI inflation, equivalent to 2.4%.

11. Risk Management

- 11.1 The budget for 2020/21 is based upon best estimates, but uncertainty still remains over the medium term, particularly surrounding the on-coming Business Rate retention scheme (in replacement of all other central funding) and the continuing uncertain economic climate (particularly surrounding Brexit). There has been strong suggestions that government departmental budgets would see an annual inflationary increase in the near future, as opposed to the reductions that has been the norm since 2009, however, nothing specific has been announced for lower tier authorities. It is vitally important that the Council continues with its prudent financial planning and continues to deliver the required savings/new income over the medium term period.
- 11.2 The Council provides regular financial monitoring reports, providing valuable updates on the latest forecasts as against original expectations and has £3m in the General Fund Reserve, available to support service delivery budgets. The Council also has a Budget Equalisation Reserve, which exists to smooth out annual fluctuations in Council funding. Within this context, the budget as now presented to Cabinet is considered to be robust and deliverable.

12. Crime and Disorder / Equality and Diversity

- 12.1 The Council's budget for 2020/21 includes investment of £31,000 on replacement CCTV cameras within the district. These cameras act as a deterrent to crime and disorder and the Council's CCTV monitoring officers are in regular contact with the Police. Over the Medium term, as the Council continually strives to provide services with less resources, any potential Crime and Disorder AND Equality and Diversity implications will be covered as and when key decisions are made.

13. Environmental Implications

- 13.1 The Council's investment in the Smarter Working programme has helped to reduce travelling time for officers across several departments of the Council and has improved

the efficiency of a large proportion of office space. The Asset Maintenance and Replacement Programme will see energy efficient lighting installed in more areas of Council buildings and will replace older less economic vehicles with the latest and most up to date models. As part of the vehicle replacement programme, the Council is also trialling the use of electric vehicles and will conduct a follow up review to see if a wider roll out is feasible.

14. Portfolio Holder Comments

- 14.1 I am pleased with how the Council's budget for 2020/21 has taken shape and how it gives a solid platform to work from when considering the Council's financial position extending over the medium term. We have a budget that factors in the latest forward looking information and reflects on performance as seen during the current financial year. Sound financial management ensures that the Council continues to invest for the future in all areas be they ICT, maintenance, more efficient vehicles or the inception of new depot facilities making sure that the we are best placed to deliver modern and up to date services that our residents rightfully expect.

The proposed decision to increase Council Tax is never taken lightly but when seen in context, an extra payment per band D household, of less than 10p per week, makes a significant contribution in helping the Council deliver on its statutory services, and supports those discretionary services that are so important to our community. All services are reviewed and inevitably some adapt and change over the period covered by this Medium Term Financial Plan, and this approach must be right when you take into account our changing world and the evolving needs of all 180,000 New Forest residents and Council Tax payers. The Council continues to face challenges, as the projections for 2023/24 attest, however sensible planning well in advance, coupled with a prudent approach to budgeting, means the Council continues to be well placed to meet them.

For Further Information Please Contact:

Alan Bethune
Head of Finance (S151 Officer)
Telephone: (023) 8028 5588
E-mail: Alan.Bethune@nfdc.gov.uk

Background Papers:

MTFP – August '19
Financial Monitoring – Sept '19
MTFP – November '19
Financial Monitoring – Dec '19
Capital Strategy 2020-2022

MEDIUM TERM FINANCIAL PLAN 2019-2024

	2019/20	2020/21	2021/22	2022/23	2023/24
	Original	Budget	Forecast	Forecast	Forecast
	£'000's	£'000's	£'000's	£'000's	£'000's
FUNDING					
Business Rates Baseline	3,933	3,997	4,077	4,158	4,242
- Business Rates Tariff Adjustment					
- Business Rates Retained Surplus	1,600	2,398			
- Business Rates Collection Fund Deficit(-) / Surplus	166	892			
Revenue Support Grant	0				
New Homes Bonus	526	286	249	182	0
Transition Grant / Business Rate Redistribution			400	400	400
Contribution to (-) Budget Equilisation Reserve	-748				
Total Government Determined Resources	5,477	7,573	4,726	4,740	4,642
Council Tax					
Base from Previous Year		12,542	12,613	12,688	12,767
Collection Fund Surplus		-2			
Base Line Adjustment		73	75	79	82
Total Council Tax	12,542	12,613	12,688	12,767	12,849
TOTAL FUNDING	18,019	20,186	17,414	17,507	17,491
Cumulative Change		-2,167	605	512	528
%age change		-12%	3%	3%	3%

MEDIUM TERM FINANCIAL PLAN 2019-2024

SUMMARY OF BUDGET MOVEMENTS

	2020/21	2021/22	2022/23	2023/24
	Budget	Forecast	Forecast	Forecast
	£'000's	£'000's	£'000's	£'000's
Baseline Funding 2019/20	18,019	18,019	18,019	18,019
Budget Requirement 2020/21				
Pay & Price Increases				
Pay Award (2%)	400	400	400	400
Increments	175	175	175	175
Pension Contributions (Primary Rate)	360			
Local Pay Structure Review	100	250		
Prices (Utilities, Fuel & Maint.)	50	50	50	50
Pay & Price Increases	1,085	875	625	625
Cumulative Pay & Price Increases	1,085	1,960	2,585	3,210
Budget adjustments relating to one-off items				
Investment as outlined in ICT Strategy 18-22 (19/20)	-789			
Investment as outlined in ICT Strategy 18-22 (20/21)	604	-604		
Funding of One-off Community 'Construction Grants' (19/20)	-61			
Funding of One-off Community 'Construction Grants' (20/21)	98			
Investment in back-up power contingency ATC	100	-100		
Transfer of Public Convenience to Totton & Eling TC	40	-50		
Removal of Pension Deficit Contribution	-1,513			1,250
Pension Deficit Contribution to reserve	1,250			-1,250
	-271	-754	0	0
Ongoing Savings Analysis				
Investment Property Income	-62			
Reduction in community revenue grants / SLA's	-29	-11		
Tourism Review	-25			
	-116	-11	0	0
Cumulative effect of Adjustments and Savings	-387	-1,152	-1,152	-1,152
New Budget Requirements				
Planning Income Adjustment (based on 19/20)	238		-100	-138
Health & Leisure Centre Operating Adjustment	195			
Increase in Asset Maintenance & Replacement Programme	100			
General BU growth as result of hour and pay changes	80			
Waste & Recycling Income Adjustment (based on 19/20)	47			
Business Rates NFDC Car Parks	34			
Increase in RCCO	25			
CCTV / Community Safety Review	15			
Additional Budget Required for Tree Safety	15			
Investment in an Electoral Review of the District	15		-15	
HCC T19; Waste Collection		700		
	764	700	-115	-138
Cumulative Requirements	764	1,464	1,349	1,211
TOTAL BUDGET REQUIREMENT	19,481	20,291	20,801	21,288
Total Funding Available (as above)	20,186	17,414	17,507	17,491
Estimated Cumulative Surplus / Shortfall (-)	705	-2,877	-3,294	-3,797

MEDIUM TERM FINANCIAL PLAN 2019-2024

OPTIONS IDENTIFIED TO CLOSE BUDGET SHORTFALL

£5 Council Tax Increase 2020/21
 £5 Council Tax Increase 2021/22
 £5 Council Tax Increase 2022/23
 £5 Council Tax Increase 2023/24

Cumulative Council Tax Increase

Commercial / Residential Property Investment 2020/21
 Commercial / Residential Property Investment 2021/22
 Commercial / Residential Property Investment 2022/23

Cumulative Property Investment Income**MTFP24 Savings In Progress**

In Progress: Leisure Delivery Review
 In Progress: Boundary Review

MTFP24 Potential....

Potential: Business Rate Changes
 Potential: Fair Funding Review
 Potential: Waste Strategy
 Potential: Parking Strategy
 Potential: Triennial Pension Valuation 2022

Annual Contribution to (-) / Use of Budget Equilisation Reserves**Estimated Cumulative Surplus / Shortfall (-)**

2020/21	2021/22	2022/23	2023/24
Budget	Forecast	Forecast	Forecast
£'000's	£'000's	£'000's	£'000's
357	357	357	357
	359	359	359
		362	362
			364
357	716	1,078	1,442
	175	175	175
	400	400	400
		250	250
0	575	825	825
	saving ?	saving ?	saving ?
			saving ?
	+ / - ?	+ / - ?	+ / - ?
	saving ?	saving ?	saving ?
		+ / - ?	+ / - ?
		+ / - ?	+ / - ?
			+ / - ?
-1,062	1,586	1,391	387
0	0	0	-1,143

Reserves Supporting the MTFP

General Fund Balance
 Budget Equilisation Reserve

3,000	3,000	3,000	3,000
3,364	1,778	387	0

MEDIUM TERM FINANCIAL PLAN 2019-2024

	2019/20	2020/21	2021/22	2022/23
	Original	Budget	Forecast	Forecast
	£'000's	£'000's	£'000's	£'000's
ASSET MAINTENANCE & REPLACEMENT PROGRAMME				
Asset Maintenance				
Health & Leisure Centres (including Equip)	360	500		
Dibden Golf Centre	30	72		
Eling Experience	25			
Offices, Depots & Outlying Buildings	105	118		
Stillwater Park		75		
CCTV Camera Replacement		31		
	520	796	-	-
ICT Replacement Programme	200	150		
V&P; Deferred Expenditure (Depreciation / MRP)	1,192	1,082		
	1,912	2,028	-	-
Rephased Budget from previous year		- 28		
Less: Proportion allocated to HRA	- 215	- 200		
Third Party Contribution	-	-		
	1,697	1,800	-	-
Total Revenue Programme	1,697	1,800	-	-
General Fund Budget Available	1,700	1,800	1,800	1,800
ICT INVESTMENT AND THIRD PARTY GRANTS				
ICT Maintain & Protect	350			
ICT Strategy (including 'Customer') 2018-2022	600	728	453	
Less: Proportion allocated to HRA	- 162	- 124	- 77	
	789	604	376	
Community Grants - 'One-off Construction'	61	98	100	100
	850	702	476	100
Total Business Development and Third Party Programme	850	702	476	100

MEDIUM TERM FINANCIAL PLAN 2019-2024

SUMMARY OF NET BUDGET REQUIREMENTS WITH FINANCING	2019/20	2020/21	2020/21	2020/21
	£'000's	£'000's	£'000's	£'000's
	Budget	Gross	Income	Budget
		Expenditure		
PORTFOLIO REQUIREMENTS				
Community Affairs	1,704	1,976	-479	1,497
Economic Development	-61	415	-426	-11
Environment and Regulatory Services	8,821	12,489	-3,312	9,177
Finance, Corporate Services and Improvement	5,187	39,708	-35,845	3,863
Housing Services	1,670	4,876	-3,029	1,847
Leader and Corporate Affairs	42	68	0	68
Leisure and Wellbeing	986	8,653	-7,250	1,403
Planning and Infrastructure	908	6,857	-5,496	1,361
	19,257	75,042	-55,837	19,205
Reversal of Depreciation	-1,736	0	-1,545	-1,545
Contribution to/(from) Earmarked Revenue Reserves	-347	44	-300	-256
Contribution to Revenue Reserves	0	1,250	0	1,250
NET PORTFOLIO REQUIREMENTS	17,174	76,336	-57,682	18,654
Minimum Revenue Provision	1,225	1,181	0	1,181
RCCO	350	375	0	375
Interest Earnings (Net)	-730	0	-730	-730
New Homes Bonus	-526	0	-286	-286
Other Grants	0	0	0	0
GENERAL FUND NET BUDGET REQUIREMENTS	17,493	77,892	-58,698	19,194
<u>COUNCIL TAX CALCULATION</u>				
Budget Requirement	17,493	77,892	-58,698	19,194
Less:				
Settlement Funding Assessment				
Revenue Support Grant	0	0	0	0
Business Rates Funding Target	-3,934	24,330	-28,327	-3,997
	-3,934	24,330	-28,327	-3,997
Locally Retained Business Rates	-1,600	1,125	-3,523	-2,398
Budget Equalisation Reserve	748	1,062	0	1,062
Estimated Collection Fund (Surplus)/Deficit Business Rates	-166	0	-892	-892
Estimated Collection Fund (Surplus)/Deficit Council Tax	-220	0	-218	-218
COUNCIL TAX	12,321	104,409	-91,658	12,751
TAX BASE NUMBER OF PROPERTIES	71,074.40			71,492.90
COUNCIL TAX PER BAND D PROPERTY	173.36			178.36
GENERAL FUND BALANCE 31 MARCH	£3M			£3M

MEDIUM TERM FINANCIAL PLAN 2019-2024

ANALYSIS OF GROSS PORTFOLIO
REQUIREMENTS

	Employees	Premises	Transport	Supplies and Services	Support Services	Capital Charge	Gross Expenditure	Income	Budget
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
2020/21									
Community Affairs	963	42	3	788	180	0	1,976	-479	1,497
Economic Development	279	2	0	84	50	0	415	-426	-11
Environment and Regulatory Services	7,634	938	2,027	815	679	395	12,488	-3,312	9,176
Finance, Corporate Services and Improvement	3,993	333	21	34,971	389	1	39,708	-35,845	3,863
Housing Services	1,580	339	0	2,665	292	0	4,876	-3,029	1,847
Leader and Corporate Affairs	31	0	0	32	6	0	69	0	69
Leisure and Wellbeing	5,068	2,071	1	1,074	421	18	8,653	-7,250	1,403
Planning and Infrastructure	4,486	1,193	0	375	778	25	6,857	-5,496	1,361
	24,034	4,918	2,052	40,804	2,795	439	75,042	-55,837	19,205
2019/20									
Community Affairs	993	11	3	992	195	0	2,194	-490	1,704
Environment and Regulatory Services	7,212	860	2,191	768	647	418	12,096	-3,275	8,821
Finance, Corporate Services and Improvement	5,400	85	21	38,289	350	0	44,145	-38,958	5,187
Housing Services	1,433	152	0	2,180	262	0	4,027	-2,357	1,670
Leader and Corporate Affairs	14	0	0	25	3	0	42	0	42
Leisure and Wellbeing	5,087	2,173	1	769	427	18	8,475	-7,489	986
Local Economic Development, Property and Innovation	446	157	0	130	84	1	818	-879	-61
									0
Planning and Infrastructure	4,177	1,139	0	676	732	25	6,749	-5,841	908
	24,762	4,577	2,216	43,829	2,700	462	78,546	-59,289	19,257

MEDIUM TERM FINANCIAL PLAN 2019-2024

CENTRAL SUPPORT SERVICE BUSINESS
UNITS

2020/21

	Employees	Premises	Transport	Supplies and Services	Support Services	Capital Charge	Gross Expenditure	External Income	Budget
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Human Resources (704)	373	15	3	59	171	0	621	-33	588
Community & Business Improvement (713)	171	4	0	1	14	0	190	0	190
Communications (716)	78	2	0	7	37	0	124	0	124
Legal Services (742)	376	11	1	51	118	0	557	-5	552
Secretarial Services (724)	178	6	0	6	40	0	230	0	230
ICT (736)	1,193	36	10	38	137	0	1,414	-65	1,349
ICT Maint./Licences/Phones (738)	0	0	0	1,482	0	0	1,482	0	1,482
ICT Communications (740)	0	0	0	249	46	0	295	-24	271
The Design Room (734)	81	2	0	22	15	0	120	-6	114
Customer Services (732)	246	13	1	6	70	0	336	0	336
Courier (722)	29	0	11	0	1	0	41	0	41
Information Offices (731)	292	63	2	80	25	0	462	-8	454
Support Services (762)	211	14	0	23	23	0	271	0	271
Transactional Finance (766)	233	9	0	17	10	0	269	-2	267
Accountancy (780)	328	4	3	11	67	0	413	-26	387
Internal Health and Safety (822)	137	4	3	18	9	0	171	0	171
Hsg Maint - Shared Support Hub	526	44	6	16	80	0	672	0	672
Hsg Maint - Operations Management	508	49	39	11	32	0	639	0	639
Site Officers (960)	101	8	0	1	23	0	133	0	133
Central Procurement (964)	196	4	1	13	46	0	260	-1	259
Valuers (970)	335	7	3	20	59	0	424	-104	320
Property Services (976)	200	6	3	5	100	0	314	0	314
Building Cleaning - Offices	72	0	0	2	19	0	93	0	93
	5,864	301	86	2,138	1,142	0	9,531	-274	9,257

MEDIUM TERM FINANCIAL PLAN 2019-2024

GENERAL FUND REVENUE BUDGET -
MOVEMENT IN RESERVES

	Contribution From(-) / To Reserves in 2019/20	Reserve Transfers not required in 2020/21	Contribution From(-) / To Reserves for 2020/21	Use of (-) / Contributions to reserves in 2020/21
	£'000's	£'000's	£'000's	£'000's
Contribution from Reserves				
Asset Maintenance Project Rephasing			-28	-28
Community Housing Fund	-34		-10	-44
Local Plan				0
Open space Maintenance	-56			-56
District Council Elections	-175	175		0
Lymington STP	-172			-172
	-437	175	-38	-300
Contribution to Reserves				
District Council Elections			44	44
ICT Equipment	90	-90		0
	90	-90	44	44
Budget Equilisation Reserves				
Budget Stabilisation	748		314	1,062
Pension Adjustment 2019 Valuation			1,250	1,250
	748	0	1,564	2,312
Total Contribution from (-) / to reserves	401	85	1,570	2,056

MEDIUM TERM FINANCIAL PLAN 2019-2024

CAPITAL PROJECTS REQUIREMENTS WITH FINANCING

Portfolio	PROJECT REQUIREMENTS £			2020/21 PROJECT FINANCING £				
	2020/21	2021/22	2022/23	NFDC Resources / Loan	TBC	Better Care Fund	Grant	DC / CIL
Disabled Facilities Grants	1,200,000	1,200,000	1,200,000			1,200,000		
Strategic Regional Coastal Monitoring (15-21)	1,495,000						1,495,000	
Barton Drainage Test (19-21)	50,000						50,000	
Public Convenience Modernisation Programme	300,000	300,000	300,000	300,000				
Public Convenience Additional Enhancements	75,000			75,000				
Lymington Sea Wall	400,000				400,000			
New Depot Site	3,000,000	2,000,000		3,000,000				
V&P; Replacement Programme	1,682,000	2,000,000	1,500,000	1,682,000				
Smarter Working; Future Delivery	500,000	500,000		500,000				
Open Space Schemes	292,000	200,000	200,000					292,000
Transport Schemes	265,000	175,000	175,000					265,000
Mitigation Schemes	635,000	500,000	500,000					635,000
TOTAL GENERAL FUND CAPITAL PROGRAMME	9,894,000	6,875,000	3,875,000	5,557,000	400,000	1,200,000	1,545,000	1,192,000
								9,894,000
LOAN FINANCED				-1,682,000				
RESIDUAL NFDC RESOURCES				3,875,000				