

Overview and Scrutiny Management Board

12 September 2014

Cabinet

16 July 2014

Medium Term Financial Plan (5), Council Plan, Service Plans 2015/16 – 2017/18 and Review of the Council's Local Council Tax Reduction Scheme

Key Decision CORP/R/14/02



Report of Corporate Management Team
Don McLure, Corporate Director Resources
Lorraine O'Donnell, Assistant Chief Executive
Councillor Alan Napier, Cabinet Portfolio Holder for Finance
Councillor Simon Henig, Leader of the Council

Purpose of the Report

- 1 To provide an update on the development of the 2015/16 budget, the Medium Term Financial Plan (MTFP (5)) and Council Plan/Service Plans 2015/16 to 2017/18 and a review of the Council Tax Reduction Scheme, which has been in place since 1 April 2013.

Executive Summary

- 2 The financial outlook for the Council continues to be extremely challenging. Although the Chancellor of the Exchequer's March 2014 Budget did not announce any additional specific funding cuts for local government, it confirmed that funding cuts to the public sector will continue until at least 2018/19. Future funding cuts are expected to be of the same scale and scope as those experienced over the last four years although this is conditional upon an additional £12bn of savings being identified against the national Welfare budget.
- 3 In terms of future forecasting, the Council has only received indicative Government funding allocations for 2015/16. Indicative funding allocations beyond 2015/16 have been extrapolated from the chancellor's budget statements and estimates of the impact on the Council made against these. For 2016/17 and beyond, the cuts will only be known after the May 2015 General Election, which means there will be significant uncertainty and risk to planning across years 2016/17 and 2017/18 of the MTFP (5) period. With this in mind, it is prudent for detailed savings plans in MTFP (5) to be focussed upon 2015/16 only at this stage.
- 4 There can be no doubt that the achievement of savings across the three years of the MTFP (5) period will become ever more challenging. The emphasis since 2011/12 has

been to minimise savings in front line services protecting them wherever possible whilst maximising savings in management and support service functions. This will become much more difficult in the future however as the scope for management and back office efficiencies are increasingly exhausted.

- 5 The Council has utilised reserves of over £10m in 2014/15 to balance the budget in order to reduce the immediate impact of savings upon the public and it is likely that this policy will become a constant feature of budget planning in the MTFP (5) period and beyond as the Council continues to deal with the uncertainty of future financial settlements, and seeks to delay where practical, the impact of service cuts.
- 6 Between 2011/12 and the end of 2014/15 the Council will have delivered £136.9m of savings. It is forecast that by the end of the MTFP (5) period 2015/16 to 2017/18 additional savings of £87.5m could be required, resulting in a cumulative savings total between 2011/12 and 2017/18 of £224.4m.
- 7 The development of MTFP (5) will utilise the public feedback the Council received during the extensive consultation process in the Autumn of 2013. It is recommended that this consultation feedback continues to drive the development of MTFP (5).
- 8 Similarly the results of the extensive consultation process in the Autumn of 2013 are reflected in the Council Plan and Service Plans which will be updated in the final draft Council Plan presented to Cabinet and Council for consideration following agreement of the final MTFP(5) proposals.
- 9 The Council is one of only two local authorities in the North East to have retained entitlement levels for Council Tax discounts via the Local Council Tax Reduction Scheme in line with that which applied under the Council Tax Benefit regime prior to 2013/14. This policy has protected vulnerable residents at a time when Welfare Reform changes have had a significant adverse impact. This report is recommending that the current Local Council Tax Reduction Scheme is retained for 2015/16. Should the Cabinet agree, the Council will need to formally adopt this proposal at Full Council by 31 January 2015

Background

- 10 To ensure MTFP (5), Council Plans and Service Plans can be developed effectively, it is important that a robust plan and timetable is agreed and followed.
- 11 The Council's current MTFP (4) covers the three year period 2014/15 to 2016/17. There continues to be significant uncertainty in relation to a number of factors, especially the level of future Government financial settlements beyond 2015/16. With this in mind MTFP (5) will cover a three year period, with detailed savings proposals being worked up for 2015/16 only at this stage.
- 12 At this stage of the planning cycle for MTFP (5) the following areas need to be considered:
 - (i) An update on development of the 2015/16 budget since the Council agreed its MTFP (4) on 26 February 2014;
 - (ii) An update on the MTFP (5) period – 2015/16 to 2017/18;

- (iii) Proposed approach to the Council Plan and Service Plans for 2015/16 to 2017/18;
- (iv) A draft MTFP (5) and Council Plan timetable;
- (v) Proposed approach for consultation on MTFP (5) and the Council Plan;
- (vi) Equality Considerations;
- (vii) Consideration of the proposed Local Council Tax Reduction Scheme for 2015/16.

2015/16 Budgets

- 13 In line with previous years, a thorough review of the Council's budget has taken place subsequent to the approval of MTFP (4) at the County Council meeting on 26 February 2014. This has resulted in a number of changes to the assumptions built into 2015/16 and where necessary future years' budget models. The key adjustments are detailed below.

(i) New Homes Bonus

The New Homes Bonus was introduced in 2011/12 to incentivise and reward local authorities where new houses are built and where empty homes are brought back into use. The funding to finance the New Homes Bonus is being top sliced from the Revenue Support Grant (RSG) and paid back to local authorities as the separately assessed New Homes Bonus. Between 2011/12 and 2014/15 the total sum top sliced from RSG for the Council is estimated to be £9.242m. The New Homes Bonus is expected to be in place for 6 years. At this stage there is some uncertainty as to what may happen to the New Homes Bonus post 2017/18.

The annual sums received by the Council for New Homes Bonus to date are as detailed below:

Year	Sum Received
	£m
2011/12	1.300
2012/13	1.251
2013/14	2.248
2014/15	1.985
TOTAL	6.784

The Council has been particularly successful in the last two years in bringing empty homes back into use which, together with new house building, has boosted the New Homes Bonus sums received, but this income is still £2.458m less than the amount of RSG withheld over this four year period.

It is felt prudent at this stage for planning purposes to introduce an estimate of additional New Homes Bonus of £750k for both 2015/16 and 2016/17. Further work is being undertaken in the current year to review all long term empty properties in advance of the submission of the data which determines the New Homes Bonus grant.

(ii) Council Tax and Business Rates – Tax Base Increase

The Council benefits from any growth in either the Council Tax or Business Rate tax base due in the main to more properties being built. In relation to Council Tax in 2014/15, the Council benefitted from additional council tax income of £1.08m due to council tax base increases. It is felt prudent at this stage to assume an annual increase in council tax income of £750k per annum across the MTFP (5) period from 2015/16 due to tax base increases.

In relation to business rates, the Council is continuing to develop forecasting strategies to determine future business rate income levels. The key difficulty at this stage is the requirement for the Council to finance the full costs of successful business ratepayer appeals to have the rateable values of their properties reduced, including all backdated reductions. The impact of appeals has resulted in a forecast £3.247m deficit on the business rate collection fund in 2013/14 of which the Council's share is £1.591m. This deficit sum is being recovered during 2014/15.

It is expected that the position on outstanding ratepayer appeals will be more fully understood by the end of 2014/15 with the likelihood of some growth in the business rate tax base being available in 2015/16 including the new Hitachi site in Aycliffe. It is felt prudent therefore to include £750k of additional business rate income in 2015/16. At this stage it is not recommended that any additional tax base increase or reduction is included for later years.

(iii) Health Funding

The Council has worked in partnership with health partners and has been utilising additional NHS funding for a number of years to invest in services and to protect current, vital social care services. There is a shared understanding of the need for partnership working across the two sectors as decisions made on either side can have a financial impact upon the other. The transfer of Public Health functions to the Council in April 2013, the introduction of the Better Care Fund from April 2015 and the introduction of the Care Bill are resulting in ever closer working relationships between the Council and health partners. As part of this approach the Council has fully reviewed all of the funding streams available from Health in partnership with the Clinical Commissioning Groups and identified those elements which can be utilised to invest in new services and those which can be utilised to protect and support current core council services linked to health. The outcome of this review has been reflected in the assumptions for the 2015/16 budget and for the MTFP (5) period. This position will be kept under constant review due to the uncertainty regarding future health funding.

(iv) Employer National Insurance Increase

As previously reported, the introduction of the single State Pension in 2016/17 results in a significant increase in employer national insurance costs for the Council due to the change in 'contracting out' regulations. The cost of this to the Council was previously forecast to be £5.1m. This cost has been reviewed in the light of the reduction in the number of employees in the Council and is now estimated to be £4.7m.

(v) Other Budget Pressures

The Council has previously forecast that Concessionary Fares would continue to be a budget pressure. Significant work has been carried out in negotiation with Bus Contractors and it is felt that the annual £400k budget pressure can now be reduced to £320k in 2015/16 and £100k in later years.

An additional pressure has been introduced into the 2015/16 budget plans in relation to insurance premiums. The Council has been under a long term agreement in relation to Public Liability insurance and Employers Liability insurance which ends as of 31 July 2014. The Council's insurance advisers have indicated that it is likely based upon market conditions that the Council will face an increase in insurance premiums on these policies at renewal. A pressure of £250k has therefore been included in plans for 2015/16 at this stage.

(vi) Capital Financing

The Council is required to borrow to finance some of the projects within the capital programme. Annually sums are included in the MTFP plans to finance future borrowing. These plans assume the interest rate that must be paid on borrowings with the Public Works Loan Board (PWLB) being the main body from which loans are taken. In recent years interest rates have been forecast for borrowing purposes to be in the 5.5% to 6% range in line with advice from the council's treasury management advisers.

Although forecasts in recent years have indicated that interest rates would soon rise, rates have now remained at historically low levels for a number of years and are unlikely to increase until the end of 2015/early 2016. In addition, the PWLB have allowed discounts of 0.2% on loans in recent years further reducing the rates paid.

The Council in recent years has been accessing loans with interest rates below 4.3% which is generating underspends in the Capital Financing budget which can now be released into the MTFP after a review of the future borrowing strategy. With this in mind a sum of £4m has been released back into the MTFP in 2015/16 from the capital financing budget.

Utilisation of Reserves

- 14 In recent years the council has utilised reserves to delay the impact of savings and to smooth the MTFP process. In 2014/15 the following reserves have been utilised to delay the impact of making further savings:

Reserve Utilised	Amount
	£m
Adult Demographic Reserve	3.150
Equal Pay Reserve	3.475
Cash Limit Reserves	2.617
General Reserve	0.933
Procurement Reserve	0.104
TOTAL	10.279

- 15 The utilisation of reserves in this way is significantly aiding effective planning whilst delaying the impact of having to make further savings.
- 16 In relation to the Adult Demographic pressures which are forecast to be an additional £1m per annum across each year of the MTFP, it is forecast that sufficient reserves will be available to delay the need to finance the accumulated budget pressure until 2018/19. This reduces the budget pressure by £800k, £4.35m and £1m in 2015/16, 2016/17 and 2017/18 respectively. It is recognised by utilising the Adult Demographic Reserve in this way will delay a £7.15m budget pressure until 2018/19.
- 17 In relation to the Equal Pay Reserve, sufficient sums are now available to finance the costs of Equal pay which was agreed with effect from October 2012 and are forecast to be £4.5m per annum; until 2017/18. This enables this pressure to be removed from the 2016/17 budget forecast in the previous MTFP model and moved back a year.

2015/16 Savings Forecast

- 18 This thorough review of the Council's budget has resulted in the requirement for the Council to identify savings of £16.362m at this stage to balance the 2015/16 budget. Service Groupings are working up options against this target and planning is well advanced and good progress is being made. Further work will be required over the coming months to finalise these savings plans before final approval at County Council on 25 February 2015.

MTFP (5) – 2015/16 to 2017/18 Update

- 19 When the Council agreed its MTFP (4) on 26 February 2014, it identified that significant additional savings would have to be delivered, especially in 2016/17 to achieve a balanced position across the MTFP (4) period. The base budget reviews described earlier in this report have allowed a full revision to be carried out as regards the 2016/17 position whilst a plan has also been developed for 2017/18.
- 20 Whilst developing plans for MTFP (5) consideration has been given to the ongoing utilisation of Reserves to support the MTFP process.
- 21 Although Earmarked Reserves as detailed above are being used in a targeted way, it is felt prudent at this stage to consider the additional utilisation of Reserves during MTFP (5). This would provide the Council with the scope and flexibility to react to the current uncertainty in relation to future government finance settlements.
- 22 With this in mind, a review will be carried out of all Earmarked Reserves to determine the sums that could be made available to support MTFP (5). In addition the 2014/15 forecast of outturn position will also be monitored closely during the year to determine if additional funding could be made available, albeit on a temporary basis.
- 23 Any sums available would be utilised to create a Planned Delivery Programme (PDP) Reserve. This reserve would be available to the Council to support MTFP (5).

- 24 In relation to MTFP (5), an initial utilisation of £10m from the PDP Reserve could be introduced into MTFP (5) model for both 2016/17 and 2017/18 i.e. the utilisation of £20m PDP Reserve in total in order to reduce the savings targets in these two years. The table below summarises the current forecast budget shortfall across MTFP (5) and the impact of utilising £10m of PDP in each of 2016/17 and 2017/18. An updated MTFP (5) model is attached at Appendix 2.

Year	Budget Shortfall	PDP Utilisation	Savings Requirement
	£m	£m	£m
2015/16	0	0	0
2016/17	32.011	(10.000)	22.011
2017/18	49.100	(10.000)	39.100
Total	-	-	61.111

- 25 Utilisation of the PDP Reserve in this way postpones the need to achieve £10m of additional savings until at least 2018/19 and will be kept under continuous review throughout MTFP (5) and (6) in the context of the Council's overall budget position. Savings of £61.111m would still be required over 2016/17 and 2017/18.
- 26 It is expected that greater clarity in relation to government funding cuts across the 2016/17 to 2018/19 period will become clearer after the outcome of the May 2015 General Election and detailed savings proposals will be developed against these requirements at that stage.

Proposed Approach to the Development of the Council Plan and Service Plans

- 27 The Council Plan is the high level corporate plan for the Council. It sets out what the Council is aiming to achieve over the next three years, and is updated on an annual basis. Investments and savings agreed as part of the MTFP (5) will be targeted to achieving the objectives identified in the Council Plan as part of our strategic planning process.
- 28 The Council Plan also aligns to the Sustainable Community Strategy (SCS), which is a long term strategy for the county running to 2030, developed and agreed by the council and its partners through the County Durham Partnership.
- 29 The Council Plan sets out how the Council will deliver its contribution to the SCS across five priority themes:
- Altogether Wealthier
 - Altogether Better for Children and Young People
 - Altogether Healthier
 - Altogether Safer
 - Altogether Greener
 - Plus a sixth theme of an Altogether Better Council, aimed at improving how the council runs itself.

- 30 The priorities set out in the current Council Plan reflect the results of an extensive consultation exercise carried out in late 2013 and early 2014 on spending priorities, and include an ongoing focus on protecting frontline services. Our spending plans for this year and 2015/16 are also based on these assumptions.
- 31 It is proposed that this year there will be a review of the Council Plan format as well as a rolling forward of the current plan. It is proposed to maintain the focus on ongoing priorities which came out of the 2013/14 consultation, but to streamline the format of the document to include a more concise narrative which is quicker and easier to read, with streamlined performance monitoring arrangements.
- 32 The refresh will also allow the Council Plan to be updated to reflect relevant changes in Government policy, plus any changes to local priorities for example arising from consideration of performance outcomes for the last year. In particular, it is proposed that the refreshed Council Plan and the Neighbourhood Services Service Plan will provide an updated high level policy framework for waste management. In the interests of efficiency, this will replace the separate 2010 Municipal Waste Management Strategy which was due for update via Cabinet in Spring 2014. Member input is proposed via Corporate Issues Overview and Scrutiny Committee considering key Cabinet reports, linked to the MTFP, in accordance with the timetable at paragraph 26.
- 33 Draft Service Plans for each service grouping are also scheduled for development during the autumn, and will include a high level action programme across all services. The final draft Council Plan will be presented to Cabinet and Council for consideration following agreement of the final MTFP (5) proposals.

MTFP (5) and Council Plan and Timetable

- 34 The development of MTFP (5) is fundamental to ensuring that the Council can plan and prepare for the continuing reductions in government funding. The timetable for delivery of MTFP (5), the Council Plan and Service Plans has taken the following into account:
- The need to make changes to Council priorities as part of the development of the Council Plan;
 - Consultation Requirements;
 - Equality and diversity impact considerations;
 - Government announcements;
 - The need to consider both revenue and capital.

35 A high level timetable up to Council Budget Setting is detailed below:

16 July	MTFP/Council Plan scene setting and update report to Cabinet
12 September	Overview and Scrutiny Management Board considers 16 July Cabinet Report
19 September	Corporate Issues Overview and Scrutiny Committee consider 16 July Cabinet report
15 October	MTFP/Council Plan report to Cabinet providing further update
14 November	Corporate Issues Overview and Scrutiny Committee consider 15 October Cabinet report
October/Nov	MTFP/Council Plan consultation process
November/Dec	2015/16 Finance Settlement announced by DCLG
17 December	Tax Base Update
14 January 2015	MTFP/Council Plan report to Cabinet. Detail on settlement and outcome of consultation process
23 January	Corporate Issues Overview and Scrutiny Committee consider 14 January Cabinet report
11 February	Budget report to Cabinet
13 February	OSMB meeting to consider Budget
25 February	Council Budget and MTFP report

Proposed Approach to Consultation

- 36 During autumn 2013, the Council attracted over 10,000 people to take part in the largest public engagement event ever held in County Durham. These events were managed through the Area Action Partnerships (AAPs) and were held across the County. They provided the opportunity for the public to take part in allocating grants to local projects, setting AAP priorities and critically, providing views as to how the Council should manage its budget challenges up to March 2017.
- 37 At these events, almost 1,300 people took the time to take part in 270 budget setting group exercises where, over 30-45 minutes they deliberated with other members of the public as to how the Council should allocate savings of £100 million over the next few years. Feedback from those taking part in the activities was very positive, with 97% of participants feeling that it was a good way to involve local people in decision making.
- 38 In addition to the group exercises, comments as to how the Council should achieve its savings target were also provided in 2,074 completed paper questionnaires with a further 517 completed online.
- 39 The results of this budget consultation, which included over 3,800 responses, were reported to Cabinet on the 12th February 2014. It is intended that the results of the

2013 events will inform the Council's budget setting process for this and subsequent years.

- 40 It is proposed that the budget consultation carried out in October and November 2014 will concentrate on seeking views from the 14 AAPs and the key partner agencies that make up the County Durham Partnership on the details of the 2015/16 proposals. Where individual budget proposals involve a significant service change to the public, these will be subject to a detailed public consultation prior to a decision being made in line with our established practice.

Equality Considerations

- 41 As in previous years, equality impact assessments will be considered throughout the decision making process, alongside the development of MTFP (5). This is in line with the Equality Act 2010 which under the public sector equality duty requires us to pay 'due regard' to the need to:
- Eliminate discrimination, harassment, victimization and any other conduct that is prohibited under the Act;
 - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 42 To ensure that equalities considerations are properly built into this year's MTFP (5) process, there will be updated guidance for services, setting out an overall timetable and approach for completing equality impact assessments for any additional savings proposals identified. Cumulative impacts of ongoing changes will also continue to be considered through quarterly reports to Cabinet on MTFP delivery, and cumulative impacts will also be considered alongside any new impact assessments,
- 43 We will continue to ensure that full equality impact assessments inform final decision-making on implementing MTFP (5) savings for 2015/16 and subsequent years. This is built into management arrangements to monitor delivery of all MTFP savings, and will help to ensure that any changes implemented take into account equality impacts and that mitigating actions are taken where possible.

Local Council Tax Reduction Scheme

- 44 The Government abolished the national Council Tax Benefit System on 1 April 2013, replacing it with a requirement for local authorities to work with their precepting bodies to establish a local Council Tax Reduction Scheme. These schemes provide a discount against Council Tax, rather than a benefit, and as such impact on the Council Tax Base and therefore the amount of council tax raised in the year.
- 45 Councils are free to design their own Local Council Tax Reduction Schemes, however pensioners, who account for around 50% of the caseload in County Durham, have to be protected, with any reductions in benefit awards applied to working age claimants only. Local schemes must be consulted upon and be subject to an equality impact assessment. Councils are required to review and approved their schemes annually and have this agreed by a Council Meeting before 31 January each year.

- 46 The Local Council Tax Reduction Scheme adopted by the Council for 2013/14 and continued into 2014/15 mirrors the previous entitlement under the national Council Tax Benefit System for all claimants. This created a budget pressure in 2013/14 in terms of the reductions in Government support under the new system, which now forms part of formula grant, and an increased risk in terms of sensitivity to changes in caseload and costs from that point.
- 47 In approving the scheme for 2013/14 and extending this into 2014/15, the Council considered the impacts of the wider Welfare Reforms and the fact that the additional Council Tax liabilities would be relatively small at around £250 per annum and were expected to be more difficult and costly to recover.
- 48 In the North East region, Durham and Northumberland have schemes that mirror entitlement under the former Council Tax Benefit system, whilst the other ten have schemes that have entitlement to working age claimants on average by between 7% and 30%. Budget assumptions in terms of collecting this additional Council tax income from affected council tax payers in these ten authorities ranges from 50% to 96.7% in 2013/14.
- 49 Whilst the full impacts of the Government's Welfare Reforms is complex and difficult to track, anecdotal evidence, from demand for Discretionary Housing Payments; Social Fund Applications and Rent Arrears statistics in County Durham compared to others across the region, would suggest that the council tax benefit protection afforded to working age claimants in addition to the wide ranging proactive support that has been put in place is having a positive impact on these areas.
- 50 Given the updated financial forecast position for 2015/16 and in light of the beneficial impact on vulnerable residents who are being impacted by other Welfare Reform changes, it is proposed that Cabinet recommends to full Council that the existing council tax reduction scheme be extended into 2015/16 without any changes.

Recommendations and Reasons

- 51 Cabinet is asked to:
- (i) Note the updated 2015/16 budget position with the requirement for £16.362m of savings to balance the budget at this stage;
 - (ii) Note the current budget shortfall of £61.111m for the two year period 2016/17 to 2017/18;
 - (iii) Note the option to create a Planned Delivery Programme Reserve and utilise £10m in 2016/17 and 2017/18 to delay savings and to smooth savings implementation;
 - (iv) Agree the proposed approach to preparing the Council Plan and Service Plans;
 - (v) Agree the approach outlined for consultation;
 - (vi) Agree the high level MTFP (5) and Council Plan timetable;
 - (vii) Agree the proposals to build equalities considerations into decision making;

- (viii) Agree that Cabinet recommend to Full Council that the Local Council Tax Reduction Scheme should remain unchanged for 2015/16, with a review to be undertaken in quarter 1 of 2015/16 to inform budget options for 2016/17 and beyond.

Recommendation for Overview and Scrutiny Management Board

52 It is recommended that Members of OSMB:

- (i) Consider the contents of the report and refer the detailed scrutiny of the MTFP to the Corporate Issues Overview and Scrutiny Committee, as per the terms of reference of that committee.

**Contact: Jeff Garfoot (03000 261946), Jenny Haworth (03000 268071)
or Gordon Elliott (03000 263605)**

Appendix 1: Implications

Finance – The report highlights that at this stage £16.362m of savings are required to balance the 2015/16 budget. If £10m of PDP Reserves are utilised in each of 2016/17 and 2017/18 then forecasted additional savings of £61.111m are required for the period 2016/17 to 2017/18.

Staffing – The savings proposals in MTFP(5) could impact upon employees. HR processes will be followed at all times.

Equality and Diversity – Equality considerations are built into the proposed approach to developing MTFP(5), Council Plan and Services Plans, as a key element of the process.

Accommodation – None.

Crime and Disorder – None.

Human Rights – Any Human Rights issues will be considered for any detailed MTFP(5) and Council Plan proposals as they are developed and decisions made to take these forward.

Consultation – The approach to consultation on MTFP(5) is detailed in the report.

Procurement – None.

Disability Discrimination Act – All requirements will be considered as part of the equalities considerations outlined in the main body of the report.

Legal Implications – None.

Appendix 2
Medium Term Financial Plan (MTFP5) 2015/16 - 2017/18 Model

	2015/16	2016/17	2017/18
	£'000	£'000	£'000
Government Funding			
Government Net Funding Reduction	33,195	33,676	33,791
Town and Parish Council RSG Adjustment for LCTSS funding	-285	-196	-211
Business Rates - RPI increase (2.8%/3%/3%)	-1,491	-1,650	-1,700
Top Up Grant - RPI increase (2.8%/3%/3%)	-1,630	-1,830	-1,880
Other Funding Sources			
Council Tax Increase (2% per annum)	-3,370	-3,440	-3,510
New Homes Bonus (Estimate)	-750	-750	0
Council Tax /Business Rate - tax base increase (estimate)	-1,500	-750	-750
NHS Funding - Social Care Transformation	-15,864	-4,432	0
Estimated Variance in Resource Base	8,305	20,628	25,740
Pay inflation (1% - 1.5% - 1.5%)	2,150	3,100	3,100
Price Inflation (1.5% - 1.5% - 1.5%)	2,310	2,160	2,160
Corporate Risk Contingency Budget	-1,283	-2,117	0
Base Budget Pressures			
Employer National Insurance increase - State Pension changes	0	4,700	0
Single Status Implementation	0	0	4,500
Council Housing - if 'Large Scale Voluntary Transfer' goes ahead	3,550	0	0
Additional Employer Pension Contributions	760	940	1,000
Energy Price Increases	500	500	500
Insurance Premiums	250	0	0
Concessionary Fares	320	100	100
CAS Demographic and Hyper Inflationary Pressures	1,000	1,000	1,000
Use of Earmarked/Cash Limit Reserve in CAS	-1,000	-1,000	-1,000
Prudential Borrowing to fund new Capital Projects	2,000	2,000	2,000
Capital Financing for current programme	-2,500	0	0
TOTAL PRESSURES	8,057	11,383	13,360
SUM TO BE MET FROM SAVINGS	16,362	32,011	39,100
Savings	-16,362	-32,011	-39,100
Deferred Savings (Utilisation of PDP)	0	0	-10,000
SAVINGS REQUIREMENT	-16,362	-32,011	-49,100
Planned Delivery Programme (PDP)	0	10,000	10,000
REVISED SAVINGS REQUIREMENT	-16,362	-22,011	-39,100
Cumulative Use of PDP Reserve To Support MTFP	0	10,000	20,000