

The Arc
High Street
Clowne
S43 4JY

To: Leader & Members of the Executive

Contact: Donna Cairns
Telephone: 01246 242529
Email: donna.cairns@bolsover.gov.uk

Wednesday 5th February 2020

Dear Councillor

EXECUTIVE – MONDAY, 10TH FEBRUARY, 2020 AT 10:00

Please find enclosed a copy of the additional papers/presentation for the above meeting.

Yours faithfully



Joint Head of Corporate Governance & Monitoring Officer



We speak your language
Polish **Mówimy Twoim językiem**
Slovak **Rozprávame Vaším jazykom**
Chinese **我们会说你的语言**

**If you require this agenda in large print
or another format please call us on 01246 217753**

If you require an adjustment to enable you to participate in or access the meeting please contact the Governance Team at least 72 hours before the meeting starts.

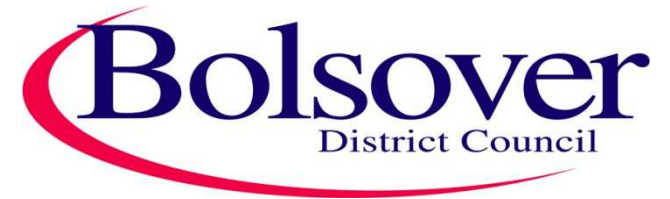
EXECUTIVE

Monday, 10th February, 2020 at 10:00 in the Council Chamber, The Arc, Clowne

Item No.	PART 1 – OPEN ITEMS	Page No.(s)
5.	Medium Term Financial Plan 2020/21 to 2023/24 Presentation	3 - 16

Medium Term Financial Plan 2020/21 to 2023/24

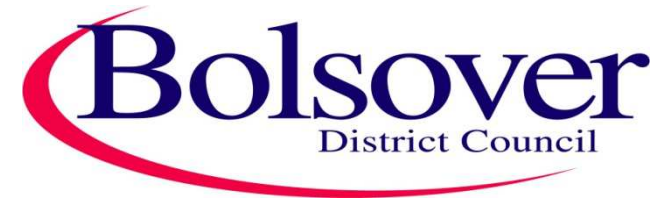
Introduction to the report



- Finances for the Council for the years 2020/21 to 2023/24.
- Includes revenue and capital expenditure.
- Includes General Fund (GF) and Housing Revenue Account (HRA) expenditure and income.
- Council Tax implications are discussed.
- HRA dwelling rents are proposed.
- Capital Programme detailed.

- The report contains:
 - Appendix 1 is GF summary
 - Appendix 2 gives the GF detail.
 - Appendix 3 is HRA summary
 - Appendix 3 table 1 gives HRA fees and charges
 - Appendix 4 gives the capital programme detail

Revenue or Capital?



- The revenue budget is the term used to describe the amount spent on the Council's day-to-day running of services.
- In addition to the costs of running services, we also have to fund the costs of borrowing money to pay for capital assets.
- The capital budget covers the money the Council spends on investing in or the construction of buildings, infrastructure and expensive pieces of plant or equipment.
- It also includes grants and advances made to the private sector for capital purposes, such as grants for disabled adaptations.
- As a Council we have decided anything costing less than £10,000 is automatically revenue, unless a number of the same item are purchased such as photocopiers.

What is the HRA?



- Housing Revenue Account
- 'Councils with more than 50 properties are required to maintain a separate account that contains all the income and expenditure necessary to manage and maintain their housing stock.'
- This is a ring-fenced account and all transactions must be kept separate from other Council income and expenditure.
- The Council must balance the HRA each year, they must not budget for a deficit after the working balance is taken into account.
- Housing rents provide the income for the HRA and this must not be used to pay for general fund items.
- The main area of expense is the repair and maintenance of properties and interest and debt repayments.
- Separation applies to revenue and capital expenditure.

What is the GF?



- Any transaction that is not housing is automatically general fund!
- The main sources of income are business rates, council tax and a small amount of government grant.
- The main cost for GF is salaries.
- GF income must not be used to pay for HRA expenditure.
- Again, we have to keep separate, revenue and capital expenditure.

The proposed General Fund revenue budgets



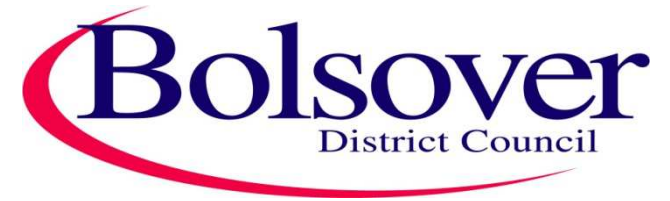
∞

	2020/21 Original Budget £'000	2021/22 Forecast £'000	2022/23 Forecast £'000	2023/24 Forecast £'000
Budget Shortfall	290	441	594	682
Estimate of one-off vacancies each year	(100)	(100)	(100)	(100)
Estimate of tax base growth	0	(40)	(80)	(120)
Assumption for future council tax increases	(111)	(220)	(332)	(443)
Pension costs to be funded by GF balance	(79)	(81)	(82)	(19)
Closing Budget Shortfall	0	0	0	0

Government Funding

- Delay to the 'real' Spending Review 2019.
- 2019/20 was rolled over into 2020/21 and this was good news for us.
- New homes bonus extra £0.343m
- Business rates £0.519m
- Revenue support grant £1.1m
- These are only a one year benefit!
- 2021/22 onwards reverts to previous assumptions.
- The Spending Review 2020 is likely to cover 2021/22, 2022/23, 2023/24 and should be announced this Autumn.

NNDR Growth Protection Reserve



- Established a few years ago from business rates income.
- A savings pot to fund GF for when the growth is taken from us.
- In recent years any excess government income has been transferred in.
- Contributions to and use of, the reserve:

10

	2020/21 £'m	2021/22 £'m	2022/23 £'m	2023/24 £'m
Movement (to)/from reserve	(0.336)	1.027	1.033	1.246

- For 2024/25 we have £0.481m left!

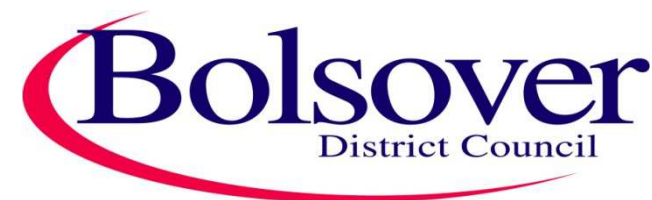
Council Tax implications – Band D

- The Council's part of the bill in 2019/20 was increased by 2.99%.
- This year we are limited to 2% or £5 whichever is greater.

Increase	New Band D £	Annual Increase £	Weekly Increase £	Extra Revenue £
1%	178.05	1.76	0.03	39,023
2%	179.81	3.52	0.07	78,105
2.83%	181.29	5.00	0.10	110,789

- For 2020/21, 2.83% is proposed, which is £5 for a band D property.

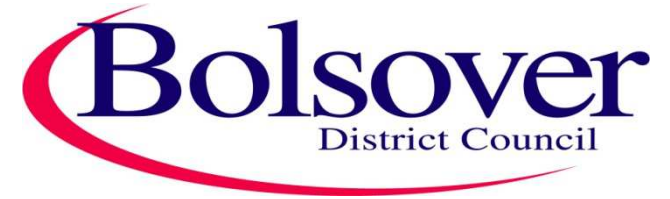
The proposed Housing Revenue Account revenue budgets



12

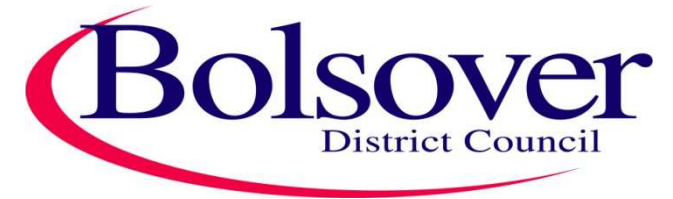
	2020/21 Original Budget £'000	2021/22 Forecast £'000	2022/23 Forecast £'000	2023/24 Forecast £'000
Expenditure	15,652	15,761	15,865	15,970
Income	(21,568)	(21,917)	(22,362)	(22,986)
Net Cost of Service	(5,916)	(6,156)	(6,497)	(7,016)
Depreciation	3,800	3,800	3,800	3,800
Net t/f to reserves and balances	2,010	2,309	2,610	3,169
Net (Surplus)/Deficit	(106)	(47)	(87)	(47)

Proposed HRA dwelling rents and fees and charges



- In 2019/20 rents were set in line with Government regulations with a reduction of 1%.
- For 2020/21 – 2023/24 we are allowed Consumer Price Index (CPI) plus 1%.
- For 2020/21 the increase is 2.7%.
- 2.7% has been assumed for all years of the plan.
- Fees and Charges increased by 2.7% where an increase has been applied.

The GF Capital Programme



14

	2020/21 Original Programme £'000	2021/22 Forecast Programme £'000	2022/23 Forecast Programme £'000	2023/24 Forecast Programme £'000
Building Assets	338	260	260	260
IT Schemes	123	164	54	174
Leisure Schemes	65	385	0	0
Disabled Facilities Grants	900	900	900	900
Vehicles and Plant	442	756	740	1,536
GF Total	1,868	2,465	1,954	2,870

The HRA Capital Programme



15

	2020/21 Original Programme £'000	2021/22 Forecast Programme £'000	2022/23 Forecast Programme £'000	2023/24 Forecast Programme £'000
Vehicles	64	69	364	580
Public Sector Housing Schemes	4,049	4,108	4,708	4,708
IT Schemes	59	0	0	0
HRA Total	4,172	4,177	5,072	5,288

Any Questions?