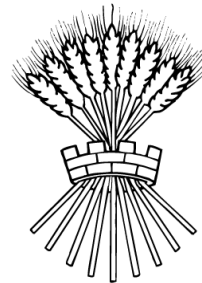


RYEDALE
DISTRICT
COUNCIL



FINANCIAL STRATEGY

2019 - 2022

FINANCIAL STRATEGY

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1 INTRODUCTION: THE PURPOSE AND SUMMARY OF THE FINANCIAL PLAN

- 1.1 The Council's current Financial Strategy was approved in July 2017 and this document is the result of work undertaken over the past year to refresh the details within that. The core theme of the approved Strategy has not changed:

Financial Management is essential in achieving good corporate governance and underpins service quality, improvement and accountability. It supports effective performance and the achievement of the organisations aims. Financial Planning is integral to an organisations strategic planning process.

- 1.2 The focus of the Financial Strategy is on long term planning and decision making for the future. The original Strategy set an objective of not concentrating simply on the forthcoming financial year and noted that "there should not be an over concentration on just one year's budget." While the principle of this remains, this refreshed Strategy seeks to take account of the work undertaken in recent months to ensure that the process is transparent – to members and the public – and that we take account of changing trends in budget pressures and efficiencies

- 1.3 The Financial Strategy sets out the overall shape of the Council's budget by establishing how available resources will be allocated between services, reflecting Council and community priorities, and therefore providing a framework for the preparation of annual budgets.

- 1.4 The focus of the Financial Strategy is on medium and long term planning, and decision making for the future. Whilst the Strategy includes specific proposals for a particular financial year, there should not be an over concentration on just one year's budget. This Strategy seeks to avoid year on year budget setting, and use of short term/one off measures to balance the budget. It is a Strategy for the future, to ensure effective resource planning and the delivery of Corporate Objectives.

- 1.5 In particular it:

- sets out the Council's medium term financial aims and the measures to be taken to ensure they will be achieved;
- sets out the Council's approach to delivering improved services and value for money over the next few years;
- describes the Council's arrangements for developing the financial strategy, including:
 - The identification and prioritisation of spending needs;
 - The key financial influences on the medium term financial planning and the assumptions made in developing the plan;

- The challenges and risks associated with the plan and how the Council will deal with them.
 - sets out the Council's policy on reserves and balances.
 - identifies the resource issues and principles, which will shape the Council's Financial Strategy and annual budgets and the Council's strategic and longer term ambitions
- 1.6 The Financial Strategy covers all revenue and capital spending plans of the Authority.
- 1.7 The Strategy covers the years up to 2022, but it should be noted that will be subject to ongoing review as the Council reacts to any changes in circumstances. These may be external – such as the expected spending review later this year – or internal, such as the local elections in May.

2 OBJECTIVES OF THE FINANCIAL STRATEGY

- 2.1 The Financial Strategy seeks to achieve the following **Objectives**: -
1. Budgets are Prudent and Sustainable in the Long Term
 2. Financial plans recognise corporate Priorities and Objectives,
 3. Significant risks are identified, and mitigation factors identified,
 4. The Capital Programme is planned over a 4 year period with no further borrowing planned.
 5. Constraints on capital and revenue resources, including the uncertainties around future government funding, are recognised and taken into account,
 6. Council Tax increases will be kept below the Government's expected upper level of increase, and the broad anticipated increase for future years will be set out within the Financial Plans, recognising that these increases may be subject to change,
 7. Prudent levels of general balances, reserves and contingencies are maintained in the context of an assessment of the risks facing the Council,
 8. Value for Money and achievement of improved efficiency and service delivery underpin the Financial Strategy,
 9. The Financial Strategy supports the achievement of Excellence in Financial Management and use of resources.

- 2.2 Further details of these objectives can be found in Appendix 1 of this Strategy.
- 2.3 In the Financial Years 2017/18 and 2018/19, the Council's budget had an in-year surplus. Whilst that currently also looks likely to be the case for 2018/19, financial pressures arising from rebuilding capacity (following a number of cross-cutting and service reviews and health checks) and reducing funding after next year mean that there will continue to be a need to achieve Value for Money and efficient ways of working.

3. ECONOMIC ASSUMPTIONS

Interest Rates

- 3.1 The bank base rate was increased by 0.25% to 0.5% in November 2017 and then raised again to 0.75% in August 2018. In the latest forecasts received from Link (the Council's treasury management advisors) rates are expected to rise steadily over the next few years. Forecast returns have been updated to reflect the latest profile.

Investment Income	2018/19	2019/20	2020/21	2021/22
Average rate %	0.75%	1.1%	1.25%	1.35%
Interest£000's	145	198	225	243

- 3.2 Rates will be kept under review and forecasts updated as necessary.

Pay and Price Inflation

- 3.3 Provision for the public sector pay award and changes to the NJC pay scale has been included within the MTFS based on the 2 year offer agreed in 2018. For 2020/21 onwards 2% is assumed.
- 3.4 As at December 2018 CPI inflation was running at 2.1%. However, it remains to be seen how the UK's exit from the European Union will impact on the outlook for the economy and inflation. Given the continued cuts to central Government funding, the MTFS assumption on inflation has been maintained at up to 3%.
- 3.5 For pay, an average of 2% has been assumed and an additional contingency of £100k has been factored in to cover the potential cost of the new national pay award from April 2019.

Settlement Funding

- 3.6 This element of funding has seen the most significant changes in recent years following the localisation of Business Rates and Council Tax Support.

- 3.7 The 2017/18 Local Government Finance Settlement provided figures for Settlement funding through to 2019/20. Settlement Funding includes Revenue Support Grant (RSG), Business Rates Baseline Funding (BRBF) and in addition Rural Services Delivery Grant (RSDG) and Transitional Grant (TG) were included in the settlement.
- 3.8 The provisional settlement for 2019/20 was announced on 13 December and figures were confirmed on 29 January whilst this report was being finalised. Overall there were no significant changes from the provisional settlement. Key changes included in the settlement from the MTFS assumptions are set out in the following sections. The Statement confirmed that negative RSG was not to take place next year (as had been assumed in figures shared with members in November) and also that Revenue Services Delivery Grant (RSDG) has been maintained at its current level for another year (this had not been expected and is welcome). The RSDG however will now be incorporated in the figures setting out the overall impact of the successful Localisation Business Rates bid (see section 3.13).
- 3.9 Funding after 2019/20 will be subject to the Spending Review which is due to take place sometime after April 2019. Like other Councils, Ryedale has expressed its desire to see a speedy outcome of this as financial planning beyond next year is dependent on it. The figures in this MTFS used after 2019/20 are therefore based on a number of assumptions which may need to be altered in due course.

BREXIT

- 3.10 As part of the final Local Government Settlement, the Secretary of State for Housing, Communities and Local Government, has allocating £56.5m of new funding to support local authorities (LAs) as they make preparations for Brexit.
- 3.11 For Ryedale this means an allocation of £17,500 in each of the financial years: 2018-19 and 2019-20. This funding has not been added to base budget but will be accounted for in the accounts as two one-off allocations.
- 3.12 Whilst not ring-fenced, the Department's strong expectation is that LAs will use it to fund preparatory work for Brexit-related activities. This will not be the only resources LAs receive to fund new pressures related to Brexit; Government departments will assess and, if appropriate, provide the necessary funding for new burdens falling on LAs as a direct consequence of any additional requirements they may place upon them.

Business Rates Retention

- 3.13 The Council is currently part of the 50% North Yorkshire Business Rates Pool¹ and with business rates above our baseline funding level we retain our share plus a pool dividend (a share of the Government's levy foregone, across the pool).
- 3.14 As mentioned above, the Council has been part of a successful bid in what may be the final year of pilots for Business Rates Retention (75% rather than 100%) prior to the system reset due from 2020/21. This pilot includes councils in West Yorkshire as well as our colleagues in the North Yorkshire pool and the City of York and the impact of this has been included in the MTFS for one year only.
- 3.15 The income figures already shared with Members remain in the MTFS and take account of higher than budgeted-for funding which has been a major factor in the recent underspends. Uncertainty remains after next year. The figures used are therefore as below in Table 1:

Table 1

	2019/20	2020/21	2021/22
REVENUE FINANCING	£000's	£000's	£000's
Local Income			
Business rates retained growth	-1,165	-100	-200
Business rates pool dividend	-320	-50	-100
Business rates renewable energy	-32	0	0
Gov't Grants			
Settlement Funding - Business Rates	-2,185	-1,652	-1,685
Total Business Rates Income Expected	-3,702	-1,802	-1,985

- 3.16 These forecasts include reasonable provision for appeals but due to the potential volatility within the system they should be treated with caution. Any additional growth will be factored into our plans once a clear trend can be established and decisions on future allocations will need to be taken in light of the overall funding available and risk at that time.

¹In order to reduce levies payable the Council has formed a business rates pool with North Yorkshire County Council (NYCC), Hambleton District Council, Craven District Council, Richmondshire District Council and Scarborough Borough Council. This should generate additional retained business rates, however this will dependent not only on Ryedale's business rate income but that of the other partners.

New Homes Bonus

- 3.17 New Homes Bonus (NHB) is an incentive scheme which rewards housing growth. It provides funding based on the number of new properties brought into use with an added element for affordable housing. The calculation provides that 80% of the funding is paid direct to District Councils with the County Council receiving the remaining 20%. The scheme is funded partly by the Government and also by top-slicing the Local Government funding settlement. Ryedale achieved £1.676m p.a. when the scheme reached maturity for 2016/17 (year 6 of the scheme).
- 3.18 However, the Government's evaluation of NHB and consultation early in 2016 resulted in it being scaled back to a 4 year scheme with a 0.4% growth threshold – for 2019/20 £861k is expected.
- 3.19 New Homes Bonus funding is only secured to 2019/20 and latest intelligence suggests that this scheme will be replaced in its entirety from 2020/21 with the Government considering alternative ways to incentivise housing growth.
- 3.20 Given the uncertain nature of NHB it is not advisable to rely on this to support the revenue budget and therefore the mid-case scenario assumes that the balance of NHB after applying £188k to fund capital expenditure, is transferred to reserves next year help to mitigate the risk of loss should the scheme ultimately be brought to a close:
- 3.21 In recent years, £188k has been allocated for capital support and this is assumed to continue in 2019/20, with the remainder being held in the NHB reserve, as below in Table 2.

Table 2: NHB Allocations and Use

Year	NHB £000	Revenue Support £000	Capital Support £000	Balance £000
2014/2015 (received)	1,127	175	0	952
2015/2016 (received)	1,387	559	288	540
2016/2017 (received)	1,676	327	188	604
2017/18 (received)	1,420	32	188	1,200
2018/19 (received)	964	0	188	776
2019/20 (due)	861	0	188	673

Special and Specific Grants and Other Funding/Costs

- 3.22 The Council is in receipt of a number of additional grants for 2018/19 which we had expected would continue in 2019/20.

Table 3 - Grants

Specific Grants	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's
New burdens – CTS Admin	50	49	0	0
Total	50	49	0	0

- 3.23 This figure was confirmed in the Final 2019/20 settlement and is therefore included in the MTFS figures. It is in addition to the Brexit-support grant referred to at 3.10ff above.
- 3.24 Negative RSG (a cost of £120k to RDC) has been removed from 2019/20 but at this stage it would be prudent to assume that this may be reintroduced in future years. This has therefore been included in the MTFS from 2020/21. A further cost from the Council Tax Collection Fund Deficit of £14k has also been included in 2019/20.

Pension Assumptions

- 3.25 The Council's employers' contribution rate for the North Yorkshire Pension Fund is set every 3 years based upon actuarial assumptions and investment expectations. Like many other Councils Ryedale's pension fund has a historic deficit - £6.472m at 31 March 2016 when the last valuation was undertaken). The employers' rate is designed to cover future service costs and a contribution towards the historic deficit, which aims to balance the fund over the long term. Changes to the scheme benefits have also been introduced in order to reduce the costs of future pension payments. The next valuation is due as at 31 March 2019 – any subsequent increases in rates will be incorporated into our forecasts once they are known.

Debt Charges Assumptions

- 3.26 Management of the Council's debt is governed by the Treasury Management Strategy and Prudential Indicators which aim to ensure the Council's capital expenditure plans are prudent, affordable and sustainable, with decisions on borrowing taken in light of spending plans and available funding, cash flow needs and interest rates (current and future forecasts).
- 3.27 Borrowing enables the Council to spread the cost of capital expenditure over time. Generally speaking it gives rise to 2 charges against the revenue budget: Minimum Revenue Provision (MRP) and interest payable on debt.
- 3.28 MRP is an amount set aside to repay debt in accordance with the approved policy within the Treasury Management Strategy. The current policy is to charge MRP for assets included within the debt liability over

the useful life of the asset or finance lease term. The current annual charge to General Fund balances is £35k.

- 3.29 The Council has resolved to fund the current capital programme through the use of grant funding and reserve balances, thus removing the need to borrow. However, should this position change, the current environment of low returns on cash investments means that it is more favourable to borrow internally (i.e. use available cash earmarked for future spend) than take out new external borrowing. This will be kept under review as part of monitoring the Council’s Treasury activities.

Significant Partnerships

- 3.30 The following have been identified as the Council’s significant partnerships:

- North Yorkshire County Council
- The Local Enterprise Partnership
- North Yorkshire Building Control Partnership
- White Rose Home Improvement Agency
- Scarborough Borough Council

- 3.31 Further partnerships and shared service may be sought to secure efficiency savings and/or service resilience in future years. Proper governance, Value for Money and security of Council finances will be an important consideration of any such proposals.

4 THE CURRENT FINANCIAL POSITION

- 4.1 The Council’s original net budget for 2018/19 totals £6.1m and is allocated to services as shown:

Table 4 – 2018/19 budget

Service	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
Central Services	4,074	3,688	386
Cultural & Related Services	1,283	27	1,256
Environmental & Regulatory Services	4,312	2,167	2,145
Highways & Transport Services	352	903	(551)
Housing Services	12,497	11,139	1,358
Planning Services	1,723	732	991
	24,241	18,656	5,585
Other Financial Adjustments			482
Net Revenue Budget			6,067

Financed By:			
Government Grant and Retained Business Rates			1,918
Collection Fund Surplus – Council Tax			31
Ryedale District Council Precept			4,118
Total			6,067

- 4.2 In the past the Council has delivered real efficiencies to tackle funding reductions. The budget figure for spend on services above shows £5.6m in 2018/19. This compares with £9.3m in 2011/12.
- 4.3 The financial strategy is to some extent shaped by factors outside the Council’s immediate control. However, there are many facets to an effective financial strategy, and the Council must ensure it proactively manages its resources with a view to ensuring robust financial planning that delivers Council priorities.

5 COUNCIL TAX 2019 - 2022

- 5.1 In accordance with Objective 6 of this Financial Strategy, the plan makes a clear assumption that future Council Tax increases will be restricted to below Government upper limits. The Government has confirmed that the limit above which increases in Council Tax must be subject to referendum for 2019/20 is the higher of £5 (which equates to 2.6% for Ryedale) or 3% on the band D equivalent including the Special levy. With a District wide referendum likely to cost in excess of £70k, the authority must look to manage increases below the threshold and future forecasts assume the referendum limit will be £5.
- 5.2 A £5 increase in Council Tax has been included within this strategy for 2019/20 in line with the decision of Council. Future years Council Tax rises are provisionally predicted at £5, which equates to 9.6p per week.
- 5.3 Two other options have been considered in the modelling:
- a) A Council Tax freeze in 2019/20 would reduce income on the proposed option by £108k.
 - b) A Council Tax increase of 2.99% - £5.71 per year or 11p per week – would increase income on the proposed option by £17k

6 RESERVES AND BALANCES

- 6.1 The Local Government Act 2003 places a specific duty on the Chief Finance Officer (s151), to make a report to the authority when it is considering its budget and the level of the Council Tax. This report must deal with the robustness of the estimates and the adequacy of reserves

allowed for in the budget proposals. The Council must have regard to this report in making their decisions.

- 6.2 The Council also has a fiduciary duty to local taxpayers and the Chief Finance Officer must be satisfied that the decisions taken on the level of balances and reserves represent the proper stewardship of funds.
- 6.3 In assessing the adequacy of the contingencies, balances and reserves, the Chief Finance Officer takes account of the key financial assumptions underpinning the budget, together with an assessment of the Council's financial management arrangements. This assessment will include a review of past performance and external influences on the financial plan, and full consideration of the risks and uncertainties associated with the plan, their likelihood and potential impact.
- 6.4 The Council's policy is to maintain its contingencies, balances and reserves at levels that are prudent but not excessive. With the outlook for the years after 2019/20 and beyond currently uncertain, and the scale and risk of achieving cost reduction being high, any reserves identified as being surplus should be prioritised to invest to save schemes and, if required, to smooth the curve of cost reduction in the light of timescales needed to drive costs out.
- 6.5 A current list of reserves and balances is shown below in Table 5. Appendix 2 sets contains more detail including for future. The Council's reserves increased from £8.7m in March 2017 to £12.8m in March 2018. They are currently expected to increase further to around £15m by March 2019.

Table 5: Reserves
£000s

	31.03.18				31.03.19
		adjust	In-year	NHB	
General Reserve	3,331	0	413	0	3,744
Capital Fund	2,929	2,500	-90	188	5,527
Collection Fund Equalisation Reserve	506	0	522	0	1,028
Ryedale Development Fund	94	-94	0	0	0
Election Reserve	61	0	30	0	91
Council Tax Hardship Fund	24	-24	0	0	0
New Homes Bonus Reserve	3,698	-2,500	399	776	2,373
Grants Reserve	163	-163	0	0	0
IT Fund	95	-95	0	0	0
ICE Fund	807	-807	0	0	0
Local Development Framework	50	-50	0	0	0
Operational Reserve	648	-648	0	0	0
Restructure Reserve	402	-402	0	0	0
Strategic Reserve (see below)		2,283	70	0	2,353
	12,808	0	1,344	964	15,116

6.6 The current list is broken down into two main areas:

General balance
Earmarked balances

6.7 There are 12 earmarked balances (including one for capital). These are currently specified to for particular areas of service or are particular holding funds.

6.8 In future, it is proposed that these balances are streamlined. Some will continue to be required for specific purposes, but the remainder can be held as one fund and then can be used – with appropriate agreements – for particular purposes as and when these are identified. This will ensure a business case approach to draw on reserves and mean stronger governance is still in place. This will include appropriate levels of delegation and Member decisions being clearly agreed in advance. This will include any regulatory requirements around the decision-making of use of reserves.

6.9 It is proposed therefore to redefine the reserves as:

General Working Balance – the Council’s funding of “last resort”, this is a contingency to manage risk across the budget

Capital Reserve – to support capital projects

Strategic Reserve – to support the corporate objectives and priorities set out in the Council Plan, including any operational decisions around these. Decision-making on this reserve would need to reflect any regulatory requirements. At this stage the New Homes Bonus is shown as separate to this in Table 5 above

Earmarked Reserves – a limited number for Elections and Business Rates (Collection Fund Equalisation Reserve).

6.10 The current Financial Strategy assumes that in 2019-20 (and future years), in addition to funding from New Homes Bonus and Business Rates, these reserves will receive contributions from revenue amounting to £204k, as below:

- £100k to Capital
- £30k to Elections
- £50k ICE (Improvement, Contingency and Emergency)
- £2k IT
- £6k Operational
- £6k Council Tax Hardship
- £10k Local Development Fund

6.11 There is also an expected call on reserves of £4k Operational Reserve, plus a planned use of the Business Rates Collection Fund Equalisation Reserve after 2019/20 – the exact amounts will need to be determined after the Spending Review. Some of these will become part of the new Strategic Reserve in future.

7. BUDGET OUTLOOK 2019/20 TO 2021/22

7.1 A series of “root and branch reviews” have taken place across the Council’s budgets to identify the true budget requirement. This enable the MTFS to remove budgets which are no longer required (and which may be contributing to in-year underspends) but also to add in any additional costs that have not been taken into account so far,

7.2 Work has also been undertaken to identify new costs and savings arising in various areas and these have been fed into the MTFS. These are highlighted in the sections below.

7.3 In general, it is assumed that on average costs will increase in line with inflation. Any additional pressures above the level included in the MTFS will be managed within the overall base budget and therefore any

proposed cost increases must be covered by equivalent savings elsewhere.

Employee Costs

- 7.4 The single largest cost to the Council is its employees. In 2018/19 the Council's payroll budget is approximately £5.5m. A 2% pay award is included in our budget forecasts - an increase of around £114k p.a. – and a further £100k has been included to cover the costs of the new pay scheme.
- 7.5 A review to ensure that the budget reflects the agreed staffing establishment will result in a net saving of £75k and a further £274k can be taken out by budgeting for all posts at mid-point of scale. Currently these are assumed as top of scale and this adds to the in-year underspend. No vacancy factor is assumed.
- 7.6 An allowance of £302k has been made for costs to other organisations – such as NYCC – which replace direct staffing costs. Therefore there is a net cost of as below (£000s):

Pay Inflation	114
Pay Scheme	100
Revision of Establishment	-75
Budget at midpoint	-274
New Bought-in services	302
	<u>167</u>

Other Pressures

- 7.7 A number of other budget pressures are listed in table 6 below and further details, including the impact on future years are shown in Appendix 3

Table 6

Budget Pressures 2019/20	2019-20	Comments
	£000's	
Items included in 2018/19 Budget		
Waste Transfer Station (part-year) - total £265k	73.6	Delays will result in saving in 18/19, full year impact now estimated at £100k
New Items identified through Budget Reviews		
Green Waste Credits	91.3	Reduction in credits from NYCC
Kerbside Collection Income	80	Reduction in income from sales of recycling materials
Transfer to Elections Reserve - increase annual contribution	10	
Market Rent income	10	Budget to be based on income received
Car Park Income	83.2	Budget to be based on income received
Ctax & Business Rates Hired Services	26.9	
Various Small Base Budget Adjustments	6.72	Software, Leases, Ctax, Hsg Ben Subsidy
New Budget Pressures	381.72	

7.8 Finally, a contingency of £638k has been added in to the baseline in 2019/20, reducing by £150k in 2020/21, to create additional capacity for staffing and other initiatives as a result of the health checks and other reviews. The final use of this funding will not be known until after the date of the budget but it would be prudent to set some funding aside for this. Further discussions will be held with Members before this money is committed. In the past a reserve has been set aside to assist with the costs of transformation, but this action will build the ongoing cost into the revenue account on a more transparent basis.

7.9 A summary of these pressures is therefore as follows:

Pressures above:	£382k
Staffing:	£167k
Non-pay inflation	£88k
Capacity	£638k

TOTAL **£1,275k**

Savings

- 7.9 The root and branch reviews show that budgets can be reduced by £528k in 2019/20 with no impact on service. Details of these, including impact on future years, can be found in Appendix 4. A reduction of £30k to base budget has been assumed from 2021/22 regarding Malton Sports Centre. Further savings may be available once the 2018/19 year-end position is known.

Fees and Charges

- 7.10 Fees and charges have been increased in line with the budget strategy, from by up to 4%, however there are some specific service areas to highlight the position for next years proposed pricing:
- There has been no increase to the garden waste licence (£38 per licence – a price freeze since 2017/18))
 - There has been no increase to the car park pay and display ticket prices or market rents (to ensure comparable pricing)
 - Inflationary increases have been applied to the pest control service price list, an advisory/call-out fee of £45 has been introduced and a freeze has been applied to the concessionary rate so there is no impact to our vulnerable customers
 - The charges for the commercial waste collection service have been realigned to reflect market-led competitive pricing (affecting only the smaller sized containers)
- 7.11 Service related income levels are helping to support our savings plan although some areas are under pressure. Opportunities for growing income generation remain a priority and proposals for commercialisation will continue to be developed. A strategic review of income generation will take place as part of a general review of the Council's Commercial strategy in the new financial year.

8. REVENUE SUMMARY

- 8.1 Appendix 5 sets out the proposed revised budget forecast.
- 8.2 This shows that in 2019/20, the budget would balance in 2019/20, but – based on the assumptions in this paper – there would be shortfall of around £803k in 2020/21 and £706k in 2021/22. The final position for those years will not be known until the outcome of the spending review, but it seems likely that further efficiencies will be required at that stage should no funding improvements materialise.

9. THE CAPITAL PLANS 2018 - 2022

- 9.1 The capital strategy is the key vehicle for developing long term change to deliver the key priorities and corporate objectives.

a) Prioritisation methodology

- 9.2 New schemes are reviewed against the Council priorities plus a detailed assessment of deliverability prior to consideration by Council. This methodology will be applied to all proposals, regardless of the source of funding, prior to any decision being made to accept external capital support such as grant funding, so that the Council can ensure that they form part of an overall capital investment strategy.

b) Engagement with partners of the community

- 9.3 The Council is committed to seeking out innovative partnership and funding opportunities in order to deliver the capital strategy and achieve best value.

The Council has worked closely with funding partners. Future projects will continue to be developed through partnership working more likely with the Local Enterprise Partnership (LEP). The Council also recognises the importance of increased community engagement and participation as fundamental to the quality of public services and the health of community life. The Council will therefore seek to develop major projects with the full involvement of local communities and ensure appropriate consultation prior to scheme approval.

c) Affordability of funding

Financing the Capital Programme for the Future

- 9.4 Resources to fund capital spending are provided from central government grants, with other external grants and contributions sought. Council funding in the form of capital receipts, use of reserves, borrowing and from revenue sources make up the balance of resources. However, grants provided by central government and resources from other external agencies are often specific to an individual scheme and cannot be used for any other purpose by the Council. The Council has limited scope to generate significant capital receipts other than through the sale of major underutilised assets.

(d) Integration of Capital and Revenue Decision-Making

The Prudential Code

- 9.5 Under the Prudential Regime, which has operated since April 2004, the Council has the responsibility to demonstrate that its capital investment programme is affordable, prudent and sustainable. The Prudential Code requires that this is done by calculating specific indicators for capital expenditure and financing and by setting borrowing limits.

Revenue Implications

- 9.6 The revenue implications of funding the capital programme are built into the medium term financial forecasts.

(e) Framework for Managing and Monitoring the Capital Programme

- 9.7 The Chief Financial Officer has overall responsibility for the preparation and monitoring of the Council's capital programme and for reporting the outcome to Members. The process involves:

- Reviewing the capital programme annually.
- Reviewing the current and estimated future availability of external earmarked funding and other opportunities for obtaining or bidding for additional capital resources.
- Prioritising and appraising any new proposals against agreed corporate criteria.
- Preparing the Council's capital programme and strategy.
- Monitoring progress in achieving the capital programme objectives.
- Ensuring that the outcomes of investment are reported to members.
- Ensuring there are effective arrangements for project planning and project evaluation.
- Issuing corporate guidance to ensure that there is a consistent approach across all service areas.
- Reviewing and monitoring the Council's capital resources and asset disposal programme.

- 9.8 Full details of the programme together with funding streams are attached at Appendix 6. The programme is split into five sections:

- Asset Management
- Priority Aims
- Major Schemes
- Externally Funded Schemes
- Other

- 9.9 Schemes relating to Asset Management comprise all those that will result in the Council's assets being improved. These can include works to land and buildings or IT upgrades of either hardware or software.

- 9.10 Schemes under Priority Aims are those where the Council has taken a deliberate decision that these will help satisfy its corporate objectives/key priorities.

- 9.11 The major change to the proposed programme is profiling to take account of actual expenditure in the current financial year. At the time of writing work is being undertaken to ascertain if the current provision for the Ryedale Hub can be reduced once a final decision is taken following a financial options appraisal. If any amount of the original figure of £2.5m is reduced, this will enable funds to be added back to reserves for investment in other priorities.

10 IMPACT/RISK ASSESSMENT

- 10.1 This section recognises the challenges and risks that have implications for the Council's financial position in the medium term. This assessment of risk is an essential element of the budget process; it is used to inform decisions about the appropriate levels of contingencies and reserves that may be required and to indicate priorities for financial monitoring.
- 10.2 Managing Risk is an important part of the Financial Strategy. In addition to the Corporate Risk Register each service maintains its own risk register. The Corporate Risk Register will be reported to the Overview and Scrutiny Committee during the forthcoming year.
- 10.3 A key risk is Brexit as it remains unclear what short term impact there will be on the Council in a post EU environment. There are, however, risks that suppliers of services with significant exposure to workers from the EU and / or currency fluctuations will seek to recover additional costs from customers including the Council.
- 10.3 The key risks identified for 2019/20 and in the medium term are listed below, together with comments on how they will be managed. These complement the Council's Corporate Risk Register

Issue/Risk	Consequences if allowed to happen	Likelihood	Impact	Mitigation	Mitigated Likelihood	Mitigated Impact
Fluctuations in inflation, Government grants, business rate receipts and changes in Government legislation	Council unable to set a balanced budget without significant cuts to services and service quality, adverse external inspection, excessive call on Council reserves	Very Likely	Major	Keep under review through the financial strategy. Consider fully any changes in legislation. Ensure adequate reserves are maintained to mitigate the risk. Ensure authorities interests are represented through the LGA/other groups. Memberships of business rate pool to retain increased business rates. Ensure Longer Term plans for significant variations are in place.	Likely	Medium
Budgets are over – or under – spent	Unplanned use of reserves which may impact on future year Council Tax, adverse external inspection	Not Likely	Major	Robust budget setting, challenging budget provision. Regular monitoring with corrective actions. Develop a culture of financial awareness. Effective project planning and management. Ensure sufficient contingency sums. Review of any material overspends.	Not Likely	Minor
Savings are not achieved	If compensating savings not identified unplanned use of reserves, potential for cuts to services or service levels	Likely	Major	Regular budget monitoring to identify issues at an early stage. Detailed scrutiny and review of all savings proposals prior to approval.	Not Likely	Minor

Changes in demand/usage levels affecting income from fees and charges	Unplanned use of reserves with potential to impact on future Council Tax levels or requiring cuts to services or service levels	Very Likely	Major	Ensure regular monitoring Review trends Take appropriate action Ensure base income budgets are realistic.	Likely	Medium
Business Rate Pool does not generate savings through significant appeals success across the pool area	NNDR deficit to be carried forward to future years, possibly leading to service reductions elsewhere being required/use of NHB.	Likely	Medium	Significant risk management work undertaken before pool formed reviewing pool membership and rates risk. Prudent assumptions on business rates income taken into revenue forecasts.	Not Likely	Medium
Budget does not reflect corporate priorities	Council fails to achieve Corporate plan objectives. Adverse external inspection.	Not Likely	Major	Ensure corporate involvement in the process. Early consideration of budget pressures and legislation changes. Regular reporting to members. Up to date Service Delivery plans need to be developed and put in place linked to corporate plan.	Not Likely	Minor
The capital programme is not affordable	Council may need to remove existing planned schemes from the programme or use reserves earmarked for other purposes. Adverse external inspection.	Likely	Major	Schemes are monitored and reported on a regular basis. Financing profile based on realistic assumptions. Ensure only fully evaluated schemes are included within the programme with sufficient contingency sums.	Not Likely	Medium
Poor budget planning with decisions being made without	Council fails to meet community needs, adverse	Likely	Major	Develop a long-term financial strategy. Set out a clear budget	Not Likely	Minor

proper consideration/consultation	impact on Corporate and Community Plan. Adverse external inspection			timetable. Regular updates to Members. Effective ongoing consultation processes.		
Council Tax Support scheme –above expected demand or collection rates not achieved	Collection fund into deficit which may require savings/cuts in future years. Impact on other major preceptors	Likely	Major	Proper assessment of likely take up based on historic trends, comparison with other authorities, in year monitoring of spend and collection. Regular reporting to members and s(151). Annual approval of the scheme.	Not Likely	Major
Decision on Pension fund contribution rates create future significant cost pressure	Additional savings/cuts to services required in future years	Likely	Major	Market interest rates and investment returns are expected to improve. Monitor interim valuations and make provision in financial forecasts.	Likely	Medium

11. CONCLUSION

- 11.1 This Financial Strategy sets out a range of proposals regarding the future management of resources and delivery of priorities.
- 11.2 The Strategy is underpinned by nine key Objectives, which are set out within section 2.
- 11.3 The process of developing the Financial Strategy is ongoing. Although there is a considerable amount of work to be done, and further improvements to be made, the Council has put in place the framework for ensuring a strong financial base that delivers priorities. This strong financial base has been previously commented upon within External Audit reports.
- 11.4 As far as possible, the plan anticipates future needs and recognises the financial uncertainties, risks and challenges faced by the Council. The Council has in place rigorous financial monitoring and aims to ensure it holds balances and reserves that are considered adequate without being excessive.
- 11.5 Consequently, Ryedale has in place a sound Financial Strategy and a robust financial plan that is designed to support the delivery of the targets in the Corporate Plan and meet the Council's Objectives.

THE FINANCIAL STRATEGY OBJECTIVES

The following are the objectives of the Council's financial strategy:

Objective 1 - Budgets are Prudent and Sustainable in the Long Term

This seeks to ensure that budgets recognise real cost pressures.

This will be achieved by ensuring:-

- Adequate provision is made for inflation pressures, pay awards, and new legislation
- The revenue budget is not supported by significant one off savings, or any significant use of reserves
- Effective budget monitoring to ensure early identification of issues and action planning

Objective 2 – Financial Plans Recognise Corporate Priorities and Objectives

This seeks to ensure that financial plans link in with corporate planning and priorities, and that there is provision within the Financial Strategy for growth/development funding on an ongoing basis.

This will be achieved by ensuring:-

- additional investment, and savings proposals make explicit reference to corporate priorities
- Local and national targets are considered
- Long term vision and objectives are considered within the report
- Provision within financial planning figures for growth and contingency amounts based upon perceived risk

Objective 3 - Significant risks are identified, and mitigation factors identified

Risk Management is crucial in long term planning, and it is essential that the Financial Strategy clearly identifies the associated risks, and that this is supported by an embedded risk management culture within the organisation.

This will be achieved by:-

- Risk Management being embedded in corporate and service planning
- Financial risks being specifically considered on an ongoing basis, and specifically reflected within the Financial Strategy

Objective 4 - The Capital Programme is planned over a 4 year period, with no further borrowing planned.

This seeks to ensure that the capital programme is prudent and sustainable, and does not lead to unaffordable revenue implications.

This will be achieved by ensuring: -

- the development of a 4 Year capital programme
- regular review of reserves and balances
- a Corporate approach to external funding opportunities
- that only includes fully evaluated schemes within the programme

Objective 5 - Constraints on capital and revenue resources, including the uncertainties around future government funding, are recognised and taken into account;

It is important that the Financial Strategy is realistic and that there is a corporate awareness of the constraints on Council funding.

This will be achieved by ensuring:-

- specific reference within each financial strategy of constraints, and current issues
- regular reporting to members on local government finance issues
- awareness of the financial position within the organisation through effective communication

Objective 6 - Council Tax increases will be kept below the Government's expected upper level of increase, and the broad anticipated increase for future years will be set out within the Financial Plans, recognising that these increases may be subject to change.

It is important in developing the financial plan that an assumed Council Tax increase is included, ensuring that financial plans do not place over-reliance upon excessive Council Tax increases.

This will be achieved by ensuring that financial plans take account of this level of Council Tax increase, Government expectations on Council Tax increases, and in particular that target efficiency gains reflect the likely levels of Council Tax. However, it has to be recognised that additional burdens and demands can be placed upon local authorities, and that it may not always be feasible to achieve an increase in Council Tax in line with the inflation rate.

Objective 7 - Prudent levels of general balances, reserves and contingencies are maintained in the context of an assessment of the risks facing the Council.

It is important to strike a balance between maintaining adequate reserves and contingencies and delivering priorities and achievement of Value For Money.

This will be achieved by ensuring:-

- an annual review of reserves, linked to corporate priorities and treasury management implications
- that capital reserves are maintained at a level to fund the planned capital programme

Objective 8 - Value for Money and achievement of improved efficiency and service delivery underpin the Financial Strategy

Value For Money should be at the heart of everything the Council does, and the pursuit of improved efficiency and performance needs to be established as an ongoing underlying principle

This is being achieved through an ongoing review of costs and service standards, challenge, and benchmarking with others.

Objective 9 - The Financial Strategy supports the achievement of Excellence in Financial Management and Use of Resources

A Financial Plan in isolation will achieve little. It needs to be supported by:-

- Effective financial governance arrangements
- Financial Management that supports performance
- Effective Monitoring arrangements
- Effective Financial Reporting

This will be achieved by

- Implementation of the action plans following external inspection
- Developing the financial culture within the Council
- Financial reporting and documentation based upon stakeholder needs
- Maintaining the quality and performance of the Financial Systems
- Training and Development – finance/non finance
- Integration of financial and non-financial performance measures

APPENDIX 2 - RESERVES AND BALANCES

£000s	31.03.18			31.03.19			31.03.20			31.03.21			31.03.22	
		adjust	In-year	NHB		In-year	NHB		In-year	NHB		In-year	NHB	
General Reserve	3,331	0	413	0	3,744	0	0	3,744	0	0	3,744	0	0	3,744
Capital Fund	2,929	2,500	(90)	188	5,527	(5,226)	188	489	(215)	0	274	(215)	0	59
Collection Fund Equalisation Reserve	506	0	522	0	1,028	671	0	1,699	(600)	0	1,099	(600)	0	499
Ryedale Development Fund	94	(94)	0	0	0	0	0	0	0	0	0	0	0	0
Election Reserve	61	0	30	0	91	(90)	0	1	30	0	31	30	0	61
Council Tax Hardship Fund	24	(24)	0	0	0	0	0	0	0	0	0	0	0	0
New Homes Bonus Reserve	3,698	(2,500)	399	776	2,373	0	673	3,046	0	0	3,046	0	0	3,046
Grants Reserve	163	(163)	0	0	0	0	0	0	0	0	0	0	0	0
IT Fund	95	(95)	0	0	0	0	0	0	0	0	0	0	0	0
ICE Fund	807	(807)	0	0	0	0	0	0	0	0	0	0	0	0
Local Development Framework	50	(50)	0	0	0	0	0	0	0	0	0	0	0	0
Operational Reserve	648	(648)	0	0	0	0	0	0	0	0	0	0	0	0
Restructure Reserve	402	(402)	0	0	0	0	0	0	0	0	0	0	0	0
Strategic Reserve		2,283	70	0	2,353	(89)	0	2,264	70	0	2,334	70	0	2,404
	12,808	0	1,344	964	15,116	-4,734	861	11,243	-715	0	10,528	-715	0	9,813

APPENDIX 3 - PRESSURES

Budget Pressures 2018/19 to 2023/24

	2018-19 Original Estimates in Base £000's	2019-20 Revised Projection £000's	2020-21 Revised Projection £000's	2021-22 Revised Projection £000's	Comments
Items included in 2018/19 Budget					
Waste Transfer Station (part-year) - total £265k	38	73.6			Delays will result in saving in 18/19, full year impact now estimated at £100k
Travellers Site	11				
Cesspool Emptying	15				
Additional HR Resource	15				
Marketing Resource	20				
Salaries	19				
Benefits Admin Advice	20				
Other Budget Pressures	13				
Additional provision			220	150	
Total	151	73.6	220	150	

New Items identified through Budget Reviews

Green Waste Credits		91.3			Reduction in credits from NYCC
Kerbside Collection Income		80			Reduction in funding from NYCC
Transfer to Elections Reserve - increase annual contribution		10			This can be offset by an identified saving in Members allowances. £20k pa increase to £30kpa
Market Rent income		10			Action being taken to mitigate current shortfall of £20k pa.
Car Park Income		83.2			On-going trend of income shortfall
Ctax & Business Rates Hired Services		26.9			
Various Small Base Budget Adjustments		6.72			Software, Leases, Ctax, Hsg Ben Subsidy
New Budget Pressures	0	308	0	0	

Staffing Costs

Revision of Establishment		(75)			
Revision of budgeting approach		(274)			
New shared services		302			
Additional Capacity		638	(150)		
Election Costs					
Pay and General Inflation	138	302	150	150	
Total Pressures	289	1,275	220	300	

Planned Contributions to Reserves

<u>Contributions from revenue account</u>					
Capital Fund	100	100	100	100	
BR Collection Fund Equalisation Reserve	522	671	0	0	
District Election	20	30	30	30	
Council Tax Hardship	6	6	6	6	
New Homes Bonus Reserve	113	0	0	0	
New Homes Bonus Reserve (Included in base)	286	0	0	0	
IT Fund	2	2	2	2	
ICE Fund	50	50	50	50	
Local Development Framework Reserve	0	10	10	10	
Operational Reserve	6	6	6	6	
<u>Contributions from New Homes Bonus</u>					
To NHB reserve	188	188	0	0	
To Capital Reserve	776	673	0	0	
Total Contributions to Reserves	2,069	1,736	204	204	

APPENDIX 4 - SAVINGS

	2018-19 Original Estimates in Base £000's	2019-20 Revised Projection £000's	2020-21 Revised Projection £000's	2021-22 Revised Projection £000's	Comments																		
Savings Targets	-436	-492	-150	-100																			
Items included in 2018/19 Budget																							
Towards 2020 Streetscene Review	-175				Still need a detailed update on this, although big portion is within salary estimates																		
Root and Branch Review Net Efficiencies	-132																						
Additional Savings Identified through T2020 Phase 1	-75																						
Additional Income	-11																						
Realignment of Grant Income	-16																						
Pension Contributions	-8																						
Reduction in Capital Borrowing	-19																						
New Items Identified																							
Council Tax Recovery Cost		-10.0			In line with current activity and trend Planned maintenance work currently being identified following Stock condition survey, will need to review this in line with capital budget.																		
Reactive Repairs and Maintenance Budgets		-25.0			May need to set-aside to reserves Reviewed base budget - offset by increased requirement to set-aside reserve																		
Members Allowances		-10.1			Reviewed base budget - offset by increased requirement to set-aside reserve																		
LDF Inspection		-50.0			No Requirement for annual budget																		
Insurance		-80.0			Savings resulting from re-tender exercise																		
Central Postage and Printing		-10.4			Base Budget Review																		
Miscellaneous 'Provisions' Budget		-79.5			Held in base, adjusted each year to balance budget.																		
Hired Services		-10.0			Business Development Unit,																		
Interest On Short Term Borrowing		-5.0			No Short Term Borrowing Planned																		
External Audit Fee		-10.0			New Contract																		
Business Rates, RDC Properties		-15.4																					
Various Small Base Budget Adjustments		-1.0																					
Ryecare Services (Contact Ryedale)		-22.4			Predominantly Private Payers Income																		
Investment Income		-143.0	-53	-27	Forecast increase in investment income - due to increase in rates.																		
Public Conveniences Rate Relief			-20		Pending new relief for Public Conveniences																		
Rent Allowances		-40.0			Based on current forecasts Reviewed base budget - although need to consider future capital maintenance costs. Also dependent on outcome of Swimming Lessons																		
Leisure Management Costs		-16.0	0	-30	review																		
<i>Potential Savings from Budgeting at mid-point or actual salary</i>					<i>Dependent on Mid/Best/Worst Scenario</i>																		
Total Savings Identified	-436	-528	-73	-57																			
Savings (Shortfall) / Surplus	0	36	-77	-43																			
<table border="1"> <tr> <td>Delivered/Low Risk</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>In Progress/Medium Risk</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Not Started/High Risk</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>						Delivered/Low Risk						In Progress/Medium Risk						Not Started/High Risk					
Delivered/Low Risk																							
In Progress/Medium Risk																							
Not Started/High Risk																							
Assumed Use of Reserves																							
Contributions from Reserves:																							
BR Collection Fund Equalisation Reserve			-600	-600	Total drawdown of £1,675k over 3 years																		
Operational Reserve	-4	-4	-4	-4																			
	-4	-4	-604	-604																			
One off revenue budgets from reserves																							
District Election		-120																					
Ryedale Development Fund		-35																					
Operational Reserve		-124																					
	0	-279	0	0																			
Total Use of Reserves	-4	-283	-604	-604																			

APPENDIX 5 - REVISED REVENUE SUMMARY FORECAST

	2019/20	2020/21	2021/22
Base Budget - starting point	6,668	7,415	7,308
Pressures identified	1,275	220	300
Savings	(528)	(73)	(57)
One off revenue budgets from reserves		(254)	
	<u>7,415</u>	<u>7,308</u>	<u>7,551</u>
Other Use of Reserves			
Assumed contributions to reserves	1,736	204	204
Other Assumed use of reserves	(283)	(604)	(604)
	<u>8,868</u>	<u>6,908</u>	<u>7,151</u>
Funded By			
REVENUE FINANCING			
Local Income			
Council Tax	(4,270)	(4,423)	(4,580)
Council Tax Collection Fund (Surplus) / Deficit	14	0	0
Business rates retained growth	(1,165)	(100)	(200)
Business rates pool dividend	(320)	(50)	(100)
Business rates renewable energy	(32)	0	0
Gov't Grants			
Settlement Funding - Business Rates	(2,185)	(1,652)	(1,685)
Settlement Funding - Revenue Support Grant	0	120	120
Transitional Council Tax Support	0	0	0
Council Tax Freeze Grant	0	0	0
Settlement Funding - Rural Service Delivery Grant	0	0	0
Settlement Funding - Transitional Grant	0	0	0
New Homes Bonus	(861)	0	0
Other grants	(49)	0	0
TOTAL EXTERNAL RESOURCES - Option 2	<u>(8,868)</u>	<u>(6,105)</u>	<u>(6,445)</u>
Budget (Surplus) / Deficit	(0)	803	706

CAPITAL PROGRAMME 2018/19 TO 2021/22 - SUMMARY OF FUNDING

	2018/19	2018/19	2019/20	2020/21	2021/22	Total	
	Forecast	Est. Carry	Estimate,	Estimate	Estimate		
	£'000	Forward	Incl. C fwd	£'000	£'000	£'000	
		£'000	£'000	£'000	£'000	£'000	
External Grants and Contributions							
Department Communities & Local Government (DCLG)	586	289	785	496	496	2,363	Disabled Facilities Grant and Community Housing Fund Grant
Developers Contributions	0	0	0	0	0	0	
Total External Grants and Contributions	586	289	785	496	496	2,363	
Ryedale DC Funding of Schemes	190	2,781	5,326	315	315	6,146	
TOTAL FUNDING OF CAPITAL PROGRAMME	776	3,070	6,111	811	811	8,509	

GENERAL FUND SUMMARY

2017/18 Actual £	2018/19 Original Estimate £	2018/19 Revised Estimate £	Service	2019/20 Original Estimate £
			CENTRAL SERVICES	
658,731	760,440	760,440	Central Services to the Public	936,960
1,070,765	1,076,290	1,076,290	Corporate & Democratic Core	1,082,680
-22,369	-8,391	-8,391	Non Distributed Costs	-12,878
-2,748,148	-1,442,259	-1,442,259	Other Operating Income & Expenditure	4,254,450
-1,041,021	386,080	386,080	Total	6,261,212
860,497	1,255,940	1,255,940	CULTURAL & RELATED SERVICES	1,325,880
1,961,630	2,241,790	2,241,790	ENVIRONMENTAL & REGULATORY SERVICES	2,554,260
372,107	991,330	991,330	PLANNING SERVICES	883,200
-550,449	-550,790	-550,790	HIGHWAYS & TRANSPORT SERVICES	-479,440
779,266	1,357,665	1,357,665	HOUSING SERVICES	1,280,855
2,382,030	5,682,015	5,682,015		11,825,967
4,115,662	384,930	384,930	CONTRIBUTIONS TO/(FROM) EARMARKED RESERVES	-3,866,224
6,497,692	6,066,945	6,066,945	TOTAL NET EXPENDITURE	7,959,743

DETAIL OF NET EXPENDITURE

2017/18 Actual £	2018/19 Original Estimate £	2018/19 Revised Estimate £	Division / Subdivision of Service	2019/20 Original Estimate £
			<u>CENTRAL SERVICES TO THE PUBLIC</u>	
102,992	116,210	116,210	General Grants, Bequests & Donations	119,320
34,434	47,770	47,770	Emergency Planning	73,040
			Local Tax Collection	
173,778	151,830	151,830	Local Council Tax Support Scheme	162,950
-3,347	-	-	Council Tax Benefits	-
249,461	278,080	278,080	Council Tax Collection	280,490
-35,442	-26,240	-26,240	Non-Domestic Rates Collection	-22,150
384,450	403,670	403,670	Sub Total	421,290
			Elections	
59,399	62,000	62,000	Conducting Elections	185,400
65,761	120,610	120,610	Registration of Electors	123,820
125,160	182,610	182,610	Sub Total	309,220
11,695	10,180	10,180	Local Land Charges	14,090
658,731	760,440	760,440	Total Central Services to the Public	936,960
			<u>CORPORATE & DEMOCRATIC CORE</u>	
539,690	493,780	493,780	Corporate Management	515,180
531,075	582,510	582,510	Democratic Representation & Management	567,500
1,070,765	1,076,290	1,076,290	Total Corporate & Democratic Core	1,082,680
			<u>NON DISTRIBUTED COSTS</u>	
			Non Distributed Costs	
3,846	-	-	Retirement Benefits	-
-26,215	-8,391	-8,391	Costs of Unused Shares of Assets	-12,878
-22,369	-8,391	-8,391	Sub Total	-12,878
-22,369	-8,391	-8,391	Total Non Distributed Costs	-12,878
			<u>OTHER OPERATING INCOME & EXPENDITURE</u>	
78,300	85,210	85,210	External Interest Payable	72,880
			Interest & Investment Income	
-85,333	-55,000	-55,000	Interest & Investment Income	-198,000
-154,403	-33,860	-33,860	Investment Property	-35,180
-239,736	-88,860	-88,860	Sub Total	-233,180
488,000	620,000	620,000	Pensions Interest Cost & Expected Return on Assets	490,000
-2,750,000	-	-	Pensions Actuarial Gains & Losses	-
-220,315	-	-	Surplus or Deficit on Revaluation of PP&E Assets	-
			Other Corporate Costs & Operating Expenditure	
-2,160	161,611	161,611	General Financial Provisions	778,500

2017/18 Actual £	2018/19 Original Estimate £	2018/19 Revised Estimate £	Division / Subdivision of Service	2019/20 Original Estimate £
-1,952,899	-1,536,410	-1,536,410	Non Ringfenced Government Grants	-909,980
1,850,662	-683,810	-683,810	Adjs between Accounting & Funding under Regulations	4,056,230
-2,748,148	-1,442,259	-1,442,259	Total Other Operating Income & Expenditure	4,254,450

DETAIL OF NET EXPENDITURE (CONTINUED)

2017/18 Actual £	2018/19 Original Estimate £	2018/19 Revised Estimate £	Division / Subdivision of Service	2019/20 Original Estimate £
			<u>CULTURAL & RELATED SERVICES</u>	
			Culture & Heritage	
37,921	39,810	39,810	Museums & Galleries	36,040
69,558	67,410	67,410	Arts Development & Support	67,480
107,479	107,220	107,220	Sub Total	103,520
			Open Spaces	
78,674	142,960	142,960	Community Parks & Open Spaces	100,990
			Recreation & Sport	
33,165	346,340	346,340	Community Centres & Public Halls	495,760
488,384	542,750	542,750	Indoor Sports & Recreation Facilities	514,110
26,113	8,740	8,740	Outdoor Sports & Recreation Facilities	8,950
5,884	7,840	7,840	Sports Development & Community Recreation	7,870
553,546	905,670	905,670	Sub Total	1,026,690
			Tourism	
115,994	100,090	100,090	Tourism Policy, Marketing & Development	94,680
4,804	-	-	Visitors Centres	-
120,798	100,090	100,090	Sub Total	94,680
860,497	1,255,940	1,255,940	Total Cultural & Related Services	1,325,880
			<u>ENVIRONMENTAL & REGULATORY SERVICES</u>	
			Cemetery, Cremation & Mortuary Services	
4,971	32,780	32,780	Closed Churchyards	20,280
2,000	19,000	19,000	Community Safety (CCTV)	-
58,247	60,480	60,480	Community Safety (Crime Reduction)	60,410
1,100	-	-	Community Safety (Safety Services)	-
			Flood Defence & Land Drainage	
35,858	14,790	14,790	Defences Against Flooding	15,080
96,273	99,160	99,160	Land Drainage & Related Work	101,910
132,131	113,950	113,950	Sub Total	116,990
			Recycling	
291,920	536,410	536,410	Recycling Collection	722,830

2017/18 Actual £	2018/19 Original Estimate £	2018/19 Revised Estimate £	Division / Subdivision of Service	2019/20 Original Estimate £
-13,764	5,040	5,040	Regulatory Services	
122,166	106,870	106,870	Alcohol & Entertainment Licensing	9,480
66,413	75,040	75,040	Animal & Public Health	106,760
123,400	125,650	125,650	Environmental Protection	75,190
35,015	34,650	34,650	Food Safety	127,730
8,114	8,800	8,800	Health & Safety	34,570
56,202	50,210	50,210	Infectious Disease Control	8,800
155,881	242,640	242,640	Pest Control	38,270
-29,457	5,010	5,010	Public Conveniences	245,980
36,451	31,130	31,130	Taxi Licensing	6,650
35,988	36,040	36,040	Water Safety	31,140
			Noise & Nuisance	35,970
596,409	721,080	721,080	Sub Total	720,540
349,039	286,710	286,710	Street Cleansing	419,700
-22,822	-81,450	-81,450	Trade Waste	
			Trade Waste Collection	-58,580
548,635	552,830	552,830	Waste Collection	
			Household Waste Collection	552,090
1,961,630	2,241,790	2,241,790	Total Environmental & Regulatory Services	2,554,260

DETAIL OF NET EXPENDITURE (CONTINUED)

2017/18 Actual £	2018/19 Original Estimate £	2018/19 Revised Estimate £	Division / Subdivision of Service	2019/20 Original Estimate £
			PLANNING SERVICES	
			Building Control	
2,717	63,650	63,650	Building Regulations	22,250
-6,175	-4,020	-4,020	Other Building Control Work	-3,550
-3,458	59,630	59,630	Sub Total	18,700
			Business Support	
-	20,000	20,000	Grants/Loans & Guarantees	10,000
1,600	40,000	40,000	Premises Development	25,000
40,133	40,010	40,010	Support to Business & Enterprise	39,670
41,733	100,010	100,010	Sub Total	74,670
86,416	83,000	83,000	Community Development	71,550
			Development Control	
168,110	167,570	167,570	Advice	170,080
-325,272	-85,140	-85,140	Dealing with Applications	-54,640
152,892	139,080	139,080	Enforcement	140,420
-4,270	221,510	221,510	Sub Total	255,860
			Economic Development	
-30,053	-50,800	-50,800	Market Undertakings	-40,480
144,425	154,380	154,380	Promotion & Marketing of the Area	130,860

2017/18 Actual £	2018/19 Original Estimate £	2018/19 Revised Estimate £	Division / Subdivision of Service	2019/20 Original Estimate £
114,372	103,580	103,580	Sub Total	90,380
86,025	90,150	90,150	Environmental Initiatives Environmental Initiatives General	89,770
5,356	5,820	5,820	Planning Policy Conservation & Listed Buildings Policy	5,800
30,164	129,020	129,020	Local Development Framework	78,940
15,769	198,610	198,610	Local Plans General	197,530
51,289	333,450	333,450	Sub Total	282,270
372,107	991,330	991,330	Total Planning Services	883,200
			<u>HIGHWAYS & TRANSPORT SERVICES</u>	
-601,425	-602,880	-602,880	Parking Services Off-Street Parking	-524,930
50,976	52,090	52,090	Public Transport Support to Operators	45,490
-550,449	-550,790	-550,790	Total Highways & Transport Services	-479,440

DETAIL OF NET EXPENDITURE (CONTINUED)

2017/18 Actual £	2018/19 Original Estimate £	2018/19 Revised Estimate £	Division / Subdivision of Service	2019/20 Original Estimate £
			<u>HOUSING SERVICES</u>	
49,281	433,090	433,090	Enabling	432,610
			Homelessness	
75,953	140,640	140,640	Homelessness Administration	145,010
69,655	65,370	65,370	Hostels (Non-RHA Support)	75,870
-2,173	-	-	Other Temporary Accommodation	-
-2,225	2,300	2,300	Leased Private Managed Accommodation	2,650
141,210	208,310	208,310	Sub Total	223,530
67,812	65,250	65,250	Housing Advice	64,660
200,491	287,760	287,760	Housing Benefits Administration	309,210
			Housing Benefits Payments	
1,393	16,000	16,000	Non-HRA Rent Rebates	16,000
-705	47,000	47,000	Rent Allowances	7,000
688	63,000	63,000	Sub Total	23,000
130,791	113,755	113,755	Housing Strategy	111,805
			Other Council Property	
81,611	29,830	29,830	Travellers Sites	30,130
-7,632	-10,280	-10,280	Non-HRA Council Property	-10,280
73,979	19,550	19,550	Sub Total	19,850

2017/18 Actual £	2018/19 Original Estimate £	2018/19 Revised Estimate £	Division / Subdivision of Service	2019/20 Original Estimate £
7,635	12,810	12,810	Other Welfare Services	-47,230
107,379	154,140	154,140	Private Sector Housing Renewal Administration of PSHR Grants	143,420
779,266	1,357,665	1,357,665	Total Housing Services	1,280,855
4,115,662	384,930	384,930	<u>CONTRIBUTIONS TO/(FROM) EARMARKED RESERVES</u>	-3,866,224
6,497,692	6,066,945	6,066,945	NET EXPENDITURE	7,959,743