

Report to Executive	Agenda Item: A.1
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Meeting Date: 27 July 2015
 Portfolio: Finance, Governance and Resources
 Key Decision: Yes: Recorded in the Notice Ref:KD05/15
 Within Policy and Budget Framework YES
 Public / Private Public

Title: DRAFT MEDIUM TERM FINANCIAL PLAN 2016/17 TO 2020/21
 Report of: DIRECTOR OF RESOURCES
 Report Number: RD21/15

Purpose / Summary:

The Medium Term Financial Plan sets out the current framework for planning and managing the Council’s financial resources, to develop its annual budget strategy and update its current five year financial plan. The Plan links the key aims and objectives of the Council, as contained in the Carlisle Plan, to the availability of resources, enabling the Council to prioritise the allocation of resources to best meet its overall aims and objectives. The MTFP will inform the budget process and will be updated for changes when known. Following consideration by the Executive and the Resources Overview and Scrutiny Panel, final recommendations will be made to Council on 8 September 2015.

Recommendations:

The Executive is asked to:

- (i) Comment on the draft MTFP for consideration by the Resources Overview and Scrutiny Panel on the 6 August.

Tracking

Executive:	27 July 2015
Overview and Scrutiny:	6 August 2015
Executive:	24 August 2015
Council:	8 September 2015

1. BACKGROUND

- 1.1 The Medium Term Financial Plan (MTFP) is the key policy document to guide the Council's forward financial planning process. The attached report details the current Plan for the period 2016/17 to 2020/21. The MTFP is reviewed annually starting with the assumptions made in the Budget Resolution approved by Council on 4 February 2015. The starting point for the MTFP is to show the impact of the Council Resolution and raise awareness of the issues that are on the horizon that will need to be considered as part of the detailed budget process.
- 1.2 The Corporate Charging Policy has also been reviewed and included within the MTFP. It provides a framework providing potential policy options for each Charging area. This recognises that different approaches may be required for different services and that there are a variety of influences that need to be acknowledged in charge setting.

2. KEY DATES

- 2.1 Following consideration of the current MTFP and other key Policy documents by the Executive and Resources Overview and Scrutiny Panel, these will be formally approved by Council on 8 September 2015.
- 2.2 A timetable for the budget process will be prepared and the overall budget position for revenue and capital, and individual reports on spending pressures, saving proposals, and charging reports will be considered by the Executive at its meeting on 16 November. These reports will be scrutinised by the three Overview and Scrutiny Panels at the end of November and beginning of December.
- 2.3 Proposals to streamline the budget reporting process will be put before the Executive in August when the MTFP returns with comments from ROSP. It is hoped that by streamlining the process and linking the reports of the Director of Resources more closely with the decisions taken by the Executive, the process will become more transparent.

3. KEY MESSAGES

- 3.1 The MTFP shows the starting position for budget considerations for the next five years and gives an indication of the likely factors that will have an impact in the budget setting process. Key to these considerations will be likely pressures in the form of:

- Reductions in Revenue Support Grant
- Re-profiling of asset sales will have a significant impact on the revenue budget through the requirement to fund the capital programme with a borrowing requirement.
- The above will have an impact on the Treasury Management budget
- Income shortfalls from the Lanes

3.2 As well as some significant pressures, there is scope for some additional savings and additional income opportunities to be considered as part of the budget process too. These considerations are likely to be around:

- Inflation savings
- New Homes Bonus allocations from 2016/17
- Business Rate Retention Growth and Pooling
- What to do with the Stock Issue loan in 2020

3.3 Further pressures and savings may become more apparent after the Emergency Budget on 8 July 2015 and in the Comprehensive Spending Review scheduled to be announced in autumn 2015.

4. CONSULTATION

4.1 The draft MTFP has been considered by the Senior Management Team and the Portfolio Holder for Finance, Governance and Resources.

4.2 The Resources Overview and Scrutiny Panel will consider the MTFP on 6 August, and recommendations made to full Council on 9 September.

4.3 The Budget Process and MTFP are also informed by consultation with wider stakeholders, including residents. Each year the Council consults with the Business Community and also carries out public consultations as appropriate

5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

5.1 The Executive is asked to:
Comment on the draft MTFP for consideration by the Resources Overview and Scrutiny Panel on the 6 August.

6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

6.1 The Medium Term Financial Plan outlines how the Council will prioritise its financial resources in the delivery of services

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Appendices Appendix 1 – Medium Term Financial Plan 2016/17 – 2020/21
attached to report:

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's -

Deputy Chief Executive –

Economic Development –

Governance – The Council has a legal duty to put in place a balanced budget to the satisfaction of the Council's Section 151 Officer. The Medium Term Financial Plan is an important part of fulfilling this obligation.

Local Environment –

Resources – Contained within the MTFP

Medium Term Financial Plan

Carlisle City Council

2016/17 to 2020/21

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1.0 Introduction

1.1 The Medium Term Financial Plan (MTFP) provides the corporate financial planning framework to provide strategic direction to the Council for the next five years and to ensure that the financial resources of the Council are directed to achieving the Council's key corporate priorities. The objectives of the MTFP are to:

- Guide the integration of financial planning with the priorities set out in the Carlisle Plan to ensure that spending decisions contribute to the achievement of the Council's priorities,
- Guide and be informed by Directorate and other relevant strategies and plans of the Council, which set out how resources will deliver the outcomes and priorities specified in the Carlisle Plan,
- Forecast a minimum five -year corporate and financial planning horizon, with longer periods developed where necessary,
- Manage performance management and decision making procedures to help achieve the best use of available resources,
- Consider the implications of the use of financial resources on the levels of Council Tax and other Council charges.
- Review the policy over the level of reserves held by the Council,
- Set out processes to monitor and evaluate proposed and actual spending to ensure that value for money is obtained.

1.2 The overarching policy guidelines of the MTFP are that resources will be redirected to Council priorities via the budget process within the overall caveats that: -

- Redirection of resources towards areas of high priority will be contained within existing budgets, unless increases can be justified and funded through the budget process.
- Council Tax increases will be limited to fair and reasonable levels, taking account of national guidance from Government
- External grants and income will be maximised wherever possible to mitigate the effects of budget increases.
- Partnership working and funding opportunities will be explored wherever feasible.

1.3 The Medium Term Financial Plan sets out how Carlisle City Council will manage its finances to deliver against its corporate priorities, whilst protecting its financial standing and responding to the many challenges it faces.

1.4 The measures announced by the Government to reduce the amount of Public Spending and to reduce the Country's structural deficit will continue to play a pivotal role in determining how much the economy grows over the coming years. Economic growth in Carlisle will impact on the income the Council receives and also the support it is able to give to vulnerable residents. Treasury Management income will also be limited whilst interest rates remain low, and the available institutions with which the Council can invest with diminishes due to restrictions in bank credit ratings. The effects on the MTFP of any changes to the state of the economy will need to be closely monitored in the short term in order to react effectively to changing situations.

1.5 **Key Considerations for 2016/17 to 2020/21**

The following summarises the key issues to be considered when setting the budget for 2016/17:

- The MTFP is to be set to achieve a minimum level of General Fund Reserves of £2.6m over the life of the MTFP.
- Reduction of 10% between 2016/17 and 2018/19 in Revenue Support Grant included in MTFP. Further reductions are likely to be required
- Consider the impact of any Spending Review and Budget implications.
- Inflation is assumed in the MTFP at 2% for expenditure and 3% for income. Savings likely due to cash amount of inflation provided for in MTFP.
- Pay Award is assumed in the MTFP at 2%, however the Budget announcement of a 1% pay freeze for four years will need to be considered
- Treasury Management budget will be reviewed during the budget process for revised interest rates, changes to average balances and the effects of capital spending decisions
- Stock Issue debt due to be repaid in 2020, and will need considered as part of the budget process.
- Capital financing decisions will likely have a revenue budget impact due to lack of capital resources (E.g. through re-profiling of capital receipts)
- Business Rate Retention growth assumed at £500,000, however, indications are there is scope to increase this.
- New Homes Bonus not budgeted from 2016/17, however, earlier years allocations also fall out after 6 years, so only the difference will be realisable in the MTFP

- Services that have a statutory requirement to be self-financing need consideration in the budget process. E.g. Licensing, Building Control
- Potential liabilities may arise from restructuring of agreement with the Market managing agents
- Consideration to be given to the use of earmarked reserves to support non-recurring expenditure
- Any re-profiling of transformation savings will affect overall level of savings to be made
- Additional income from assets is assumed to offset the £1m saving requirement from asset management in 2018/19.
- Consideration to be given to levels of income achievable as part of Corporate Charging Policy
- Income pressure from Lanes likely to be required given current performance
- Consider any likely reductions to Housing Benefit Admin Grant and the impact on the Council with the onset of Universal Credit
- Consider whether any changes should be made to the Council Tax Reduction Scheme (CTRS)
- Consider and prepare for the likely impact of future pension fund revaluation on the MTFP

2.0 Spending and Investment Priorities

2.1 The Carlisle Plan

2.1.1 The Carlisle Plan forms part of the Policy and Budgetary Framework for the Council. These frameworks work together to create the strategic framework.

2.1.2 The Medium Term Financial Plan must both support and inform the Council's vision for the Carlisle area and the strategic direction set out in the Carlisle Plan. This is to enable resources to be matched against the agreed priorities and any other supporting needs.

2.1.3 The Executive are currently reviewing the Council priorities and these will be consulted on in August 2015.

2.1.4 The Medium Term Financial Plan takes account of other Council Plans and Strategies of the Council, which have a potential impact on the use of resources by the Council. Particularly consideration is given to the following key strategies: -

- The Capital Strategy, which provides information on the proposed level of investment in capital projects and the consequent impact on the revenue budget.
- The Treasury Management Strategy Statement, Investment Strategy and Minimum Revenue Provision Strategy, which sets out the assumptions for financing requirements and interest rates and their effect on the revenue budget.
- The Asset Management Plan, which provides forecasts of necessary investment in the Council's land and property portfolio.
- The Procurement and Commissioning Strategy
- Local Plan/Local Development Framework.
- The Organisational Development Plan, which highlights the need for a thorough review of the Council's staffing needs and skill levels to ensure that the Council improves its performance to deliver excellent services to the local community in the future.
- There are also a number of strategies, which set out policy direction for key Council priority areas, and these include the Economic Strategy, and Housing Strategy and Green Infrastructure Strategy
- Directorate Service Plans

2.2 **Capital Investment Priorities**

- 2.2.1 The Medium Term Financial Plan needs to ensure that any capital investment decisions are both affordable and achieve the priorities as set out in the Carlisle Plan. The Council is at a point where capital resources have become scarce and as such any investment in assets is likely to have implications on the revenue budget.
- 2.2.2 The Medium Term Financial Plan must therefore recognise the implications of capital investment decisions and ensure that they are in line with Council priorities and financing requirements are robustly evaluated and understood.
- 2.2.3 The Capital Financing Requirement (CFR) represents the Council's underlying need to borrow. This is different to any actual borrowing. If the Council generates the same amount of resources in a year to meet its capital expenditure requirements, then there is no change to the CFR. However, if the Council spends more than the resources it generates in year, the CFR will increase as in effect the Council has created a borrowing requirement to bridge the gap in the resources it needs and the resources it has.
- 2.2.4 Although the CFR does not necessarily reflect actual borrowing taken from an external source, it can reflect the use of internal cash resources, i.e. internal borrowing.
- 2.2.5 Where the Council has a positive CFR, i.e. an underlying need to borrow, it must make provision to repay that 'debt', or repay the cash used through internal borrowing. This is known as Minimum Revenue Provision (MRP). The Council's current policy, as set out in the MRP Strategy is to charge MRP at 4% of the CFR. As MRP is a non-cash transaction it has the effect of increasing the cash balance of the Council.
- 2.2.6 The current forecast for the CFR and MRP based on the current capital programme (as detailed in the Capital Strategy) is as follows:

	Budget	Forecasts				
	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Total Capital Expenditure	9,128	2,334	2,227	6,496	1,278	1,013
Capital Resources Receivable in Year	(3,281)	(1,989)	(1,183)	(957)	(925)	(923)
MRP & Repayment of Debt	(430)	(648)	(636)	(761)	(758)	(747)
Change in Underlying need to borrow	5,417	(303)	408	4,778	(405)	(657)
CFR Brought Forward	10,400	15,817	15,514	15,922	20,700	20,295
CFR Carried Forward	15,817	15,514	15,922	20,700	20,295	19,638

2.3 Investment and Reserve Balances

2.3.1 An important consideration to understand when making capital investment decisions, especially when a borrowing requirement exists is the relationship between the Council's available cash investment balances and its reserves.

2.3.2 At 31 March 2015, the Council had investments of £19.974million. If all revenue and capital budgets are spent in line with the budget and all receipts are received in line with expectations then at 31 March 2016, investment balances would fall to around £12m. The following table shows the breakdown of the investment balance and what the cash relates to:

2.3.3 *The figures shown in below are based on forecast levels of expenditure linked to current budgets and anticipated receipts, actual figures will vary in each year depending upon actual expenditure and income levels.*

	Outturn	Forecasts					
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000	£000	£000	£000
Total Investments	19,974	12,343	13,263	13,457	14,580	14,646	14,252
<i>Made up of:</i>							
General Fund Reserve	4,732	2,969	3,571	4,157	5,152	4,912	3,965
Capital Reserves	954	585	600	615	630	645	660
Earmarked Revenue Reserves	2,144	2,744	2,744	2,744	2,744	2,744	2,744
Provisions	2,002	2,002	2,002	2,002	2,002	2,002	2,002
Capital Grants Unapplied	191	191	191	191	191	191	191
Working Capital (incl Collection Fund)	5,337	4,655	4,655	4,655	4,655	4,655	4,655
Capital Receipts applied	2,509	0	0	0	0	0	0
Total Working Capital & Balances	17,869	13,146	13,763	14,364	15,374	15,149	14,217
Surplus Cash/(Cash Deficit)	2,105	(803)	(500)	(907)	(794)	(503)	35

The figures above are based on assumptions regarding budgets being fully spent with no over/under spends and reserves utilised as per current budget projections.

2.3.4 The surplus/deficit cash position represents how much of any borrowing requirement identified can be met from internal resources (internal borrowing) when there is a surplus or how much will need to be met from actual external borrowing when there is a deficit.

2.3.5 This can be proven when comparing the CFR figures to the actual borrowing level, i.e. comparing the underlying need to borrow with the actual borrowing we carry.

	Outturn	Forecasts					
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000	£000	£000	£000
CFR (Underlying Need to borrow)	10,400	15,817	15,514	15,921	20,699	20,295	19,638
Total Borrowing	15,014	15,014	15,014	15,014	19,906	19,792	19,673
(Over)/Under Borrowing Position	(4,614)	803	500	907	793	503	(35)
Less Capital Receipts Applied	(2,509)	0	0	0	0	0	0
(Over)/Under Borrowing Position	(2,105)	803	500	907	793	503	(35)

2.3.6 Therefore, to meet its capital financing obligations, the Council was over borrowed by £2.105million in 2014/15 and assuming all else remains equal, this changes to an over borrowed position of £35,000 by 2020/21 due to the setting aside of MRP, and additional unsupported capital expenditure and assumed reduced borrowing costs on the stock issue.

3.0 Revenue Budget Forecasts

3.1 Current Budget Forecast

3.1.1 The Council has well established mechanisms in place for forecasting resources and expenditure over a five year planning period. Projections will inevitably change over the period of the plan and these forecasts are updated as part of the detailed budget process.

3.1.2 The Council approved the current forecast for the period 2015/16 to 2019/20 in February 2015 and details are shown below together with the base estimate figures for 2020/21.

	Budget	Forecasts				
	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Recurring Revenue Expenditure	11,949	11,086	11,675	11,444	12,828	13,687
Non Recurring Commitments	485	450	20	0	0	0
Carry Forwards From 14/15	646	13	13	0	0	0
Total Revenue Expenditure (Net)	13,080	11,549	11,708	11,444	12,828	13,687
Of Which: Inflation	565	631	816	839	839	839
Funded By:						
Council Tax Income	(6,110)	(6,248)	(6,391)	(6,536)	(6,685)	(6,837)
Estimated Council Tax Surplus	(35)	(35)	(35)	(35)	(35)	(35)
Revenue Support Grant	(2,245)	(2,223)	(2,128)	(2,029)	(2,029)	(2,029)
Business Rates Baseline	(3,027)	(3,145)	(3,240)	(3,339)	(3,339)	(3,339)
Business Rates Growth/Pooling	(500)	(500)	(500)	(500)	(500)	(500)
Total Funding	(11,917)	(12,151)	(12,294)	(12,439)	(12,588)	(12,740)
Total Contribution Required From / (To) Reserves	1,163	(602)	(586)	(995)	240	947
Broken Down as:						
Recurring Commitments	32	(1,065)	(619)	(995)	240	947
Non recurring Commitments	517	450	20	0	0	0
Carry Forwards	646	13	13	0	0	0

Table 1: Summary Budget Position

3.1.3 The assumptions built into the MTFP that lead to the figures above are shown in detail at section 6.

3.2 **Funding Prospects**

3.2.1 The Council receives core funding from Government each year as part of the Settlement Funding Assessment and this is made up of Revenue Support Grant and the Business Rates baseline. Although the Government set the Business Rates Baseline, the actual funding is received via the Non Domestic Rates income the Council collects.

3.2.2 As well as the core funding as agreed in the Settlement Funding Assessment, the Council is also the recipient of other support from central government in the form of specific grants. These are included in the budget as income rather than funding and are linked to specific schemes or services. Further details of grants included in the MTFP are given at section 5.3.

3.2.3 Revenue Support Grant

The outlook for Revenue Support Grant is particularly uncertain beyond 2015/16. It is widely expected that there will be further reductions to this funding however as yet there are no clear plans or data available on which to make any firm projections. The Medium Term Financial Plan includes a reduction of 10% between 2016/17 to 2018/19 however, this may be reduced further as part of any Comprehensive Spending Review.

3.2.4 Business Rates Baseline

The Council budgets for income from Business Rates at the baseline level as set in the Settlement Funding Assessment. However, the income collected and paid over to the main preceptors (Central Government, Cumbria County Council and Carlisle City Council) is based on the projections in the NNDR1 return to Government. Any difference in these amounts is included in the MTFP as part of the Growth/Pooling amount anticipated of £500,000. The Business Rates baseline is normally inflated by the inflationary increase applied to the Business Rates multiplier, however, no provision for increases to the baseline from 2018/19 has been included in the MTFP.

Performance on Business Rates in 2013/14 and 2014/15 has been encouraging with the continued participation in the Cumbria Business Rates Pool also enabling the Council to retain more of the growth it generates. There is therefore scope to increase the expected amount to be retained from the amounts currently included in the MTFP to reflect the actual performance from business Rates. However, it should also be noted that some of the

performance achieved is as a result of government policies around Business Rate Reliefs and providing grants to pay for these. Should these grants cease, then the amounts retained locally could be affected.

3.2.5 The summary of funding included in the Medium Term Financial Plan is as follows:

	Budget	Forecasts				
	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Revenue Support Grant % Change	(2,245)	(2,223) -1%	(2,128) -4%	(2,029) -5%	(2,029) 0%	(2,029) 0%
Business Rates Baseline % Change	(3,027)	(3,145) 4%	(3,240) 3%	(3,339) 3%	(3,339) 0%	(3,339) 0%
Rates Growth/Pooling % Change	(500)	(500) 0%	(500) 0%	(500) 0%	(500) 0%	(500) 0%
Total Funding	(5,772)	(5,868)	(5,868)	(5,868)	(5,868)	(5,868)

Table 2: Funding

3.2.6 Council Tax

The Council has kept its share of Council Tax at the same level since 2010 by accepting the grants on offer from the government for Council Tax freezes. With the prospect of capping any increases likely to continue, the MTFP includes Council Tax increases from 2016/17 onwards at 1.99%.

The MTFP assumes a modest increase in the taxbase of 0.279% per year and the City Council's share of the Collection Fund Surplus is assumed to be a recurring £35,000.

Any increase in the tax base as a result of new housing developments will also mean a requirement to provide services to those households. Although there will be an increase in the amount of funding received through Council Tax, the overall cost of providing council services is greater than the amount received through this, so there will be additional cost pressures that need to be recognised in order to provide services to a growing population.

	Budget	Forecasts				
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Council Tax Base % Change	31,585.86 £000	31,673.98 0.28% £000	31,762.35 0.28% £000	31,850.97 0.28% £000	31,939.84 0.28% £000	32,028.96 0.28% £000
Council Tax Surplus % Change	(35)	(35) 0%	(35) 0%	(35) 0%	(35) 0%	(35) 0%
Band D Council Tax % Change	193.43	197.27 1.99%	201.20 1.99%	205.20 1.99%	209.29 1.99%	213.45 1.99%
Total Yield	(6,110)	(6,248)	(6,391)	(6,536)	(6,685)	(6,837)

Table 3: Council Tax

3.3 **Savings Strategy**

3.3.1 In order to ensure the Council maintains a minimum level of reserves of at the end of the MTFP period, savings are required throughout the period of the MTFP. The savings strategy will concentrate on the following areas:

- Asset Strategy – to focus on ensuring the council’s asset portfolio maximises the benefit to the Council through income generation or by realising receipts of assets that do not generate a return that can then be utilised to ease pressures in capital and revenue budgets through the most appropriate means, e.g. re-investment in new assets and supporting the capital programme to reduce the CFR
- Service Reviews – A review of services to include their purpose and relevance in achieving the Carlisle Plan priorities, including a review of those services which do not fall within the Council’s core priorities or which are not statutory will be undertaken to ensure that services and resources are properly aligned to what the Council wants to achieve.

3.3.2 The profile of savings to be made as included in the Medium Term Financial Plan is as follows:

	Budget	Forecasts				
	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
In Year Savings requirement	1,211	1,601	395	1,479	0	0
Cumulative Requirement	1,211	2,812	3,207	4,686	4,686	4,686

Table 4: Savings Requirement

3.3.3 Future savings will be dependent upon future funding settlements, Council Tax increases and changes to income and expenditure levels (pressures and savings) that are out with the current Medium Term Financial Plan. Savings will be profiled in the most effective way to ensure that they are achievable, timely and ensure reserves are not unduly over utilised.

3.3.4 The savings requirement is needed to meet pressures not only from reductions in funding but also as a result of new expenditure pressures that have arisen. The table below gives details of these pressures.

	£000
Council Tax Freeze 14/15 & 15/16 Budget	1,468
Treasury Management	1,020
Reductions In RSG 14/15 Budget (to 19/20)	971
Income Pressures	954
Asset Review	785
National Insurance	250
Refuse & Recycling	173
Pensions	127
Pay Award Savings	(560)
Increase in Business Rate Funding 14/15 -19/20	(369)
Inflation Savings	(300)
Other Pressures/Savings, E.g. Rapid Response Team, Events	167
	4,686

Table 5: Breakdown of Saving Requirement

4.0 Provisions, Reserves & Balances

4.1 The Council holds balances in order to meet future commitments. The Council policy on the use of reserves is as follows:

- Reserves generally will not be used to fund recurring items of expenditure, but where it does steps will be taken to address the situation.
- Reserves will not become overcommitted.
- The Council benefits from its level of reserves as it is able to: -
 - Meet its capital programme obligations, without recourse to borrow,
 - Fund exceptional increases in its net budget requirement without affecting the Council Tax charged to its taxpayers,
 - Ensure that surplus resources are retained for the general benefit of the Council to protect against large increases in Council Tax.
 - Generate significant income received from the investment of its reserves to contribute to the budget requirement of the Council, which is a key part of the Council's Treasury Management Strategy.

4.2 General Fund

4.2.1 The balance on the General Fund shall broadly equal £2.6m. This figure is assessed taking into account the risks and working balances required, including investment income generated, it is considered prudent to leave the reserve at this level. A risk based assessment of the appropriate level of this reserve is carried out as part of the MTFP process and this is shown at **Appendix A**.

4.2.2 If the balance in the short-term falls below £2.6million, the Council will top-up the balance to this level from the General Fund Income and Expenditure Account.

4.2.3 If the balance in the short-term exceeds £2.6million then the surplus will be transferred to the Council's Project Reserve.

4.3 Earmarked Reserves

4.3.1 Earmarked reserves will not be used for recurring items of expenditure, nor become over-committed.

4.3.2 For each earmarked reserve there will be a clear protocol in place setting out:

- The purpose of the reserve.
- How and when the reserve can be used.
- Procedures for the management and control of the reserve.
- Processes for the review of the use of the reserve to ensure that it continues to have an adequate level of funds and remains relevant to the business of the Council.

(Further details of this are shown at **Appendix B**)

4.3.3 The revenue reserves the Council currently holds are as follows:

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
General Fund Reserve	2,600	2,600	2,600	2,600	2,600	2,600
Revenue Earmarked Reserves						
Projects Reserve	369	971	1,557	2,552	2,312	1,364
EEAC Reserve	43	43	43	43	43	43
Transformation Reserve	940	940	940	940	940	940
Cremator Reserve	290	290	290	290	290	290
Welfare Reform Reserve	200	200	200	200	200	200
Conservation Fund	117	117	117	117	117	117
Car Park Enhancement Reserve	151	151	151	151	151	151
City Centre Reserve	42	42	42	42	42	42
Economic Investment Reserve	128	128	128	128	128	128
Repairs & Renewals Reserve	550	550	550	550	550	550
Leisure Reserve	150	150	150	150	150	150
Building Control Reserve	94	94	94	94	94	94
BRR Volatility Reserve	39	39	39	39	39	39
Total Revenue Reserves	5,713	6,315	6,901	7,896	7,656	6,708

Table 6: Revenue Reserves

N.B. Balances on Earmarked Reserves are not shown in future years unless movements against those balances are known

4.3.4 The MTFP does not assume any use of earmarked reserves, although it does assume a transfer of £600,000 from General Fund/Projects Reserve to Transformation Reserve in 2016/17.

4.3.5 As well as revenue earmarked reserves, the Council also holds a small number of earmarked reserves for capital purposes. These are as follows:

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
<u>Capital Earmarked Reserves</u>						
Usable Capital Receipts (1)	0	0	0	0	0	0
Asset Disposal Reserve	0	0	0	0	0	0
Unapplied Capital Grant	191	191	191	191	191	191
CLL Reserve	522	522	522	522	522	522
Asset Investment Reserve	48	48	48	48	48	48
Lanes Capital Reserve	15	30	45	60	75	80
Total Capital Reserves	776	791	806	821	836	841

Table 7: Capital Earmarked Reserves

Note 1: Capital Receipts have been set aside in the Capital Adjustment Account, however, the cash is available for spending

4.4 **Provisions**

- 4.4.1 The Council holds a number of provision balances for items where future commitments are likely and use of these are delegated to the relevant Director in consultation with the Director of Resources.

4.4 **Charitable and Other Bequests**

The Council holds a number of bequests for use by the Council. These funds can only be released with the full approval of the Council under the terms set out when the bequest was given. In the first instance it will be the responsibility of the Executive to consider a report outlining proposals for the use of the bequest prior to submission of the request to Council.

4.5 **The Responsibilities of the Director of Resources**

- 4.5.1 The Director of Resources will review each reserve and its protocol annually and produce a report for the Executive as part of the annual accounts process detailing: -

- Compliance with the use of reserves and associated protocols,
- Movements in the level of reserves, including the purposes for which reserves were used during the previous financial year,
- The adequacy of the level of reserves and the effects on the Council's budget requirement,
- Any reserves which are no longer required,
- Proposals to set up new reserves, including purposes, protocols, funding sources and potential impact on the Council's Medium-Term Financial Plan.

4.5.2 The Director of Resources will review this policy at least annually and will obtain the approval of the Council for any change required to either the policy or protocols associated with specific reserves.

4.6 **Planned Use of Reserves**

4.6.1 When the budget was set in February 2015, it assumed that there would be contributions to and from General Fund Reserve over the life of the MTFP. With the outturn position for 2014/15 now confirmed, the under spend from 2014/15 has left General Fund Reserve and Projects Reserve in a healthier position (as shown in Table 5).

4.6.2 The reserves position is also subject to the savings required (as in Table 4, being met as scheduled. Any slippage on savings or any savings made in advance will impact on the contributions to and from reserves.

5.0 Income

5.1 Fees & Charges

5.1.1 Fees and Charges for individual services generate in the region of £5m p.a. for the City Council. **Appendix C** sets out the Council’s approach to the reviewing and setting of fees and charges on an annual basis. The overall aim is to increase the proportion of income raised from users of discretionary services to ensure that they meet the full cost of these services, rather than the costs falling on Council Taxpayers in general.

5.1.2 In the past the income target has been set at 1% above the inflation rate. Each directorate must prepare a Charges Review Report as part of the budget process that must clearly set out the overall policy objective. In the past few years, increases in income from charges have not always resulted in the MTFP target being achieved.

5.1.3 There are certain functions the Council provides where it has little or no control over the charges to be set and where the service is statutorily bound to be self-financing, for example Building Control. This requirement is likely to extend to Licensing in the future and this means that any surplus income generated by raising fees has to be ringfenced to these functions.

5.1.4 The main areas of fee generating income are shown in the table below:

	2013/14 Actual £000	2014/15 Actual £000	2015/16 Budget £000	2015/16 Non Recurring £000	Recurring Budget £000
Parking	(1,075)	(1,126)	(1,105)	100	(1,205)
Bereavement Services	(1,135)	(1,270)	(1,265)	0	(1,265)
Development Control	(660)	(632)	(624)	0	(624)
Land Charges	(170)	(161)	(169)	0	(169)
Total	(3,040)	(3,189)	(3,163)	100	(3,263)

Table 8: Main areas of Income

5.1.5 The 2015/16 budget made recurring adjustments to income to be achieved from Development Control and Parking. The levels now included in the MTFP are expected to be realistic levels due to this action. Any further adjustments

to these will need to be considered as pressures or savings within the Charges Review Reports.

5.2 **Property Rentals**

5.2.1 Income received from property rentals is in the region of £4.5 million per annum.

5.2.2 The forecast yield from property rentals over the period 2015/16 to 2019/20 and included in the MTFP is shown in the following table: -

	2014/15 Actual £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
The Lanes	(1,225)	(1,521)	(1,521)	(1,659)	(1,659)	(1,659)
The Market	(118)	(118)	(118)	(118)	(118)	(118)
Industrial Estates	(2,591)	(2,446)	(2,383)	(2,383)	(2,383)	(2,383)
Misc Properties	(534)	(483)	(453)	(453)	(453)	(453)
Total	(4,468)	(4,568)	(4,475)	(4,613)	(4,613)	(4,613)

Table 9: Property Income

5.2.3 The Council has an agreement with the managing agents of the Lanes whereby the Council receives a proportion of the net rental income (approx. 23%). The budgeted income for 2015/16 and 2016/17 was reduced by £138,000, however, the level of income expected is due to revert to the base budget level of £1.659million in 2017/18. Current performance of the return from the Lanes falls well below this level and it is therefore likely that a budget pressure will be required. There are investment opportunities for the Lanes that could increase the level of income in the medium term, however, this would still likely only help achieve the current budget.

5.2.4 The MTFP makes no provision for additional rental income from assets via rent reviews. However, there is a saving requirement of £1m included in the MTFP associated with asset management, and it is envisaged that any surplus rentals achieved over current base budgets be set aside against this requirement.

5.3 Grants & Contributions

The Council receives grants from various sources as part of its overall funding. Some of these grants are given as part of the Settlement Funding Assessment by DCLG and as such, these are budgeted only when notification is received.

5.3.1 New Homes Bonus

The Council receives central funding in relation to the New Homes Bonus Scheme. From 2015/16, the amounts distributed under the scheme are top-sliced from the overall funding available to local authorities. The Council receives an allocation of funding under the scheme each year and each allocation lasts for six years. No provision is made for receiving New Homes Bonus in future years in the MTFP, however, the MTFP does assume that once the sixth year allocation ceases, it will be replaced by a new six year allocation. Therefore any allocation of New Homes Bonus received for 2016/17, will be offset in the Medium term Financial Plan from 2020/21 by the 2014/15 allocation ceasing. Any change in government policy regarding New Homes Bonus would have a significant impact on the Council.

Details of allocations included in the MTFP as shown in the table below:

Allocation Year	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
2011/12	(243)	(243)				
2012/13	(408)	(408)	(408)			
2013/14	(388)	(388)	(388)	(388)		
2014/15	(269)	(269)	(269)	(269)	(269)	
2015/16	(393)	(393)	(393)	(393)	(393)	(393)
2016/17		0	0	0	0	0
2017/18			0	0	0	0
2018/19				0	0	0
2019/20					0	0
2020/21						0
Total	(1,701)	(1,701)	(1,458)	(1,050)	(662)	(393)

Table 10: New Homes Bonus

5.3.2 Housing Benefit Admin Grant

The Council receives grant funding towards Housing Benefit Administration. The Council currently has a recurring budget of £449,500 for this grant. Allocations are received on an annual basis. However, it is likely that this grant will reduce with the onset of Universal Credit and the downsizing of Housing Benefit Administration by the Council. This reduction in grant will need to be considered in line with any reductions in workload associated with any transition.

6.0 Assumptions

6.1 The MTFP includes assumptions regarding the main items of income and expenditure. Some of these assumptions have been previously explained, e.g. RSG and Council Tax. The following sections provide further details of the assumptions currently included in the MTFP. Any deviation from these assumptions will be included in the budget process for 2016/17 as pressures or savings.

6.2 Pay

- Annual increase in MTFP **2%**
- Salary Turnover Savings **£412,500**
- Pension Contribution Rate (Current Service) **13.6%**
- Pension Deficit Cost **£886,200**
- Sensitivity & Risk Analysis:

	Base Level	Sensitivity		
	£000	+/-1%	+/-2%	+/-3%
Pay Award (£000)	13,228	132	265	397
Pension Contribution (£000)	1,430	105	210	315
		Risk		
		High	Medium	Low
<u>Pay Award</u>				
Likelihood of Change				
Impact of Change				
<u>Salary Turnover</u>				
Likelihood of Change				
Impact of Change				
<u>Pensions</u>				
Likelihood of Change				
Impact of Change				

- Key Considerations:
 - Pension Fund Revaluation due 31/03/2017
 - Capacity to achieve salary turnover savings will be affected by the savings requirement from Vacancy Management and Voluntary Redundancy
 - Provision is already included in the MTFP for the scrapping of lower rate National Insurance and State Earning Related Second Pension (SERPS)

6.3 **General Inflation**

- Annual increase in MTFP for expenditure **2%**
- Annual increase in MTFP for Income **3%**
- Sensitivity & Risk Analysis:

	Base Level	Sensitivity		
	£000	+/-1%	+/-2%	+/-3%
Expenditure (£000)	9,843	98	197	295
Income (£000)	(4,919)	(49)	(98)	(148)
		Risk		
		High	Medium	Low
Expenditure Inflation				
Likelihood of Change				
Impact of Change				
Income Inflation				
Likelihood of Change				
Impact of Change				

- Key Considerations:
 - Inflation level of 2% is set at the Bank of England target for inflation.
 - Cash amount of inflation provided for in MTFP is £631,000 for 2016/17.

6.4 **Investment Income**

- Investment Returns –

	2016/17	2017/18	2018/19	2019/20	2020/21
Investments	1.61%	2.36%	2.99%	3.24%	3.24%
Property Fund	4.25%	4.25%	4.25%	4.25%	4.25%

- **The investment returns used when the budget was set in February 2015 will need to be updated given current guidance on when interest rates are expected to change.**

	Base Level	Sensitivity		
	£000	+/-1%	+2%	+/-3%
Treasury Income (£000)	10,427	104	209	313
Property Fund Income (£000)	2,836	28	57	85
		Risk		
		High	Medium	Low
<u>Investment Income</u>				
Likelihood of Change				
Impact of Change				
<u>Property Fund Income</u>				
Likelihood of Change				
Impact of Change				
<u>Average Balances</u>				
Likelihood of Change				
Impact of Change				

- Key Considerations:
 - Use of and Contribution to Reserves will impact on average balances and subsequently investment return achieved.
 - Capital Investment decisions will affect the Capital Financing Requirement and average balances
 - Investment returns have changed

6.5 **Borrowing**

- Assumed Borrowing - 2018/19 **£5m** (Leisure Facilities)
- Assumed Borrowing Rate - 2018/19 **4.50%**

This borrowing is based on a Principal and Interest repayment loan for the development of new leisure facilities and is matched by a corresponding saving in the management fee of leisure facilities.

- Assumed Capital Financing Requirement (CFR) & Minimum Revenue Provision (MRP):

	2016/17	2017/18	2018/19	2019/20	2020/21
CFR	15,514	15,921	20,699	20,295	19,638
MRP	633	621	637	628	612

	Base Level	Sensitivity		
	£000	+/-1%	+2%	+/-3%
Borrowing Rate (£000)	5,000	50	100	150
MRP	416	4	8	12
		Risk		
		High	Medium	Low
<u>Increase to Borrowing Rate</u>				
Likelihood of Change				
Impact of Change				
<u>Increase to CFR</u>				
Likelihood of Change				
Impact of Change				

- Key Considerations:
 - No additional borrowing assumed in MTFP
 - Any future Capital Programme decisions will likely require a borrowing requirement, either internal or external which will have an impact on the revenue budget
 - Re-profiling of anticipated capital receipts will impact on CFR, and subsequently MRP charge

7.0 Appendices

Appendix A – Risk Assessment of Minimum Level of General Fund Reserve 2016/17

Potential Risk	Risk Score	Weighting	Financial Exposure (£000)	Balance Required (£000)	Comment (Basis of Financial Exposure)
Base Budget Contingency for inflation or other unanticipated rise.	4	50%	111	55	Assumed at 1% of Net Revenue Recurring Budget
Underachievement of Charges Income targets and spending exceeds budgets	4	50%	214	107	Estimate of 5% Charges Income forecasts for 2015/16
Underachievement of Investment Income	4	50%	200	100	1% of exposure of average balance of £20m
Civil Emergencies	6	75%	170	128	Bellwin scheme cuts in at 0.2% of Net Budget (£28,800) and provides for up to 85% of eligible costs (assume £1m cost - not covered by insurance)
Insurance Excesses	2	25%	25	6	Based on 5% of insurance premia payments
Fall in Rental Income from Property	6	75%	225	169	5% of Rental Income (assumed at £4.5m for 2015/16)
Transformation not met	1	25%	1,601	400	2016/17 Transformation Target
Changes to existing government funding regimes	4	50%	736	368	Safety Net Threshold for Business Rates Retention Scheme + Business Rate Pooling
Additional Redundancy Costs	2	25%	400	100	Not met from Transformation Reserve
Dependence on reserves and general balances	3	25%	554	139	General Fund Reserve Balance - Audit Commission
Emergency Contingency		100%	1,000	1,000	Guidance states prudent level is 5% of Net Revenue Emergency contingency fund - Council practice to allocate £1m for any unforeseen emergencies
TOTALS			5,236	2,572	
Maximum Risk Based Reserve Balances				5,236	
Minimum Risk Based Reserve Balances				1,309	
Current Level of Reserves (Projected as at 31/03/15) (General Fund)				2,969	(Less Carry Forwards, and funding required to meet 15/16)

Appendix B - Reserves

Reserve	Estimated Balance 31/3/15	Purpose	Conditions of Use
<i>Capital Reserves</i>	£000		
Usable Capital Receipts	2,149	To provide funds to support the capital programme	Capital receipts can only be used to support capital spending or the repayment of debt. Management of the use of the receipts rests with the Director of Resources but approval of their use must be given by Council.
Asset Disposal Reserve	360	To provide resources to purchase properties and fund associated revenue costs (e.g. marketing) required as part of the Carlisle Renaissance project. To provide resources for investment in the Council's industrial estates to ensure rent yields are maintained / increased	Management of the reserve rests with the Director of Resources who will be responsible for developing proposals requiring funding from the reserve. Approval to release funds from the reserve can only be given by the Council.
CLL Reserve	522	To provide funds to purchase equipment from CLL Ltd, should the leisure management contract either not be renewed or be terminated due to breach of contract on the part of CLL Ltd.	Management of the reserve rests with the Deputy Chief Executive but can only be used with the agreement of the Council. Use of the reserve should be accompanied by a report to Council providing details of the circumstances giving rise to the need for support to be provided by the Reserve.

Reserve	Estimated Balance 31/3/15	Purpose	Conditions of Use
Lanes Capital Reserve	384	To provide funds to meet potential exceptional capital works under the terms of the lease agreement.	Management of the reserve rests with the Director of Resources who will be responsible for developing proposals requiring funding from the reserve. Approval to release funds from the reserve can only be given by the Council.
<i>Revenue Reserves</i>	£000		
General Fund Reserve	4,732	To be a general working capital / contingency to cushion the Council against unexpected events and emergencies	<p>Management of the reserve rests with the Director of Resources. The use of the reserve is dependent on judgements taken when setting the Council's revenue budget on: -</p> <ul style="list-style-type: none"> - Cash flow requirements, - Inflation and interest rates, - Demand led budget pressures, - Efficiency and productivity savings, - The availability of funds to deal with major unexpected events or emergencies, - Risks arising from significant new funding partnerships, major outsourcing arrangements or major capital developments. <p>Approval to release funds from the reserve can only be given by the Council as part of the budget process, or through consideration of supplementary estimates on an ad-hoc basis.</p>
Projects Reserve	0	The balance at 31 st March 2015 shall be earmarked to support potential revenue budget shortfalls identified by the 2015/16	Management of the reserve rests with the Director of Resources. Funding for the Reserve will be provided by windfall gains over and above those

Reserve	Estimated Balance 31/3/15	Purpose	Conditions of Use
		Medium Term Financial Plan. Additions to the balances thereafter can be used either to support revenue budget shortfalls or projects within the Council's capital programme	required to maintain the General Fund at its approved level, balances on reserves that are no longer needed and proceeds from the Local Authority Business Growth Incentive Scheme. Approval to release funds from the reserve can only be given by the Council either as part of the budget process, or through consideration of supplementary estimates on an ad-hoc basis.
Collection Fund (Carlisle Share)	(340)	To be the collection account for sums due from local taxpayers.	Management of the fund rests with the Director of Resources. The use of the Fund is determined by statute. The main use is to adjust the level of Council Tax required in any one year to reflect surpluses or deficits on collection targets in prior periods.
Building Control Reserve	94	To provide funds for improvements to the delivery of the Building Control function.	Management of the reserve rests with the Director of Economic Development. The balance is ring-fenced by statute to support improvements to the Building Control Service and is not available for general use by the Council. Funding is provided from surpluses generated by the service annually. Approval to release funds from the reserve can only be given by the Council either as part of the budget process, or through consideration of supplementary estimates on an ad-hoc basis.
Conservation Reserve	117	To purchase historic buildings at risk or fund repairs and / or improvements to historic buildings	Management of the reserve rests with the Director of Economic Development. Funding is provided from the sale of property. Approval to release funds from the reserve can only be given by the Executive

Reserve	Estimated Balance 31/3/15	Purpose	Conditions of Use
			of the Council.
Transformation Reserve	340	To fund any one off costs associated with transformation project	Management of the reserve rests with the Chief Executive. Approval to release funds from the reserve can only be given by the Executive of the Council.
EEAC Reserve	43	To hold the residual funds of the service pending future decisions with regard to the service	Management of the reserve rests with the Director of Economic Development. Approval to release funds from the reserve can only be given by the Executive of the Council.
Cremator Reserve	290	To build up resources to replace cremators when required	Management of the reserve rests with the Director of Local Environment. Approval to release funds from the reserve can only be given by the Executive of the Council.
Welfare Reform Reserve	200	To meet one off costs associated with the Welfare Reform bill and introduction of Universal Credit	Management of the reserve rests with the Director of Resources. Approval to release funds from the reserve can only be given by the Executive of the Council.
Car Park Enhancement Reserve	151	To meet future Car Park Enhancements & Land Drainage improvements	Approval to release funds from the reserve can only be given by an Officer Decision Notice by The Chief Executive in consultation with the Director of Local Environment, Portfolio Holder and Director of Resources.
Economic Investment Reserve	128	To enable continued and dedicated project resource to support employment related projects, Business Support and Regeneration	Approval to release funds from the reserve can only be given by an Officer Decision Notice by The Chief Executive in consultation with the Director of

Reserve	Estimated Balance 31/3/15	Purpose	Conditions of Use
		Projects.	Economic Development, Portfolio Holder and Director of Resources.
City Centre Reserve	42	To establish a reserve for the future Festive Lighting Programme.	Approval to release funds from the reserve can only be given by an Officer Decision Notice by The Chief Executive in consultation with the Director of Local Environment, Portfolio Holder and Director of Resources.
Repairs & Renewals Reserve	550	To establish a Repairs and Renewals Fund that can be used for revenue and capital items in the future, e.g. ICT, Vehicles	Approval to release funds from the reserve can only be given by the Executive of the Council.
Leisure Reserve	150	To meet needs for procurement work in relation to Leisure Services.	Approval to release funds from the reserve can only be given by an Officer Decision Notice by The Deputy Chief Executive, Portfolio Holder and Director of Resources
BRR Volatility Reserve	39	To cushion against losses in Business Rate income as a result of being part of the Cumbria Business Rates Pool	Management of the reserve rests with the Director of Resources with the use of the Reserve requiring an Officer Decision notice by the Director of Resources.

Appendix C - Corporate Charging Policy

This appendix sets out the corporate approach to the setting of fees and charges.

The Corporate Charging Policy applies to those fees and charges that the Council has control over and can set independently of any statutory provision. Any services where charges are set by Government or where services have to be self-financing are excluded from the Corporate Charging Policy.

The Corporate Charging Policy assumes that Income from fees included in the Charging Policy will increase by 1% above the inflation rate set for expenditure. For 2016/17 this equates to a 3% increase. The MTFP assumes that income will increase by 3% although this does not necessarily mean that charges have to increase by 3% as increases in demand could account for additional income.

Each service is required to consider how and to what extent each of the following applies to the fees and charges it proposes to set:

1. Objectives of Charge - Set out the principal objective(s) of setting the charge:

- Recover cost of service provision
- Generate Surplus Income (where permitted)
- Maintain existing service provision
- Fund service improvements or introduction of new service(s);
- Manage demand for service(s)
- Promote access to services for low-income households;
- Promote equity or fairness;
- Achieve wider strategic policy objectives (e.g. encouraging green policies);

2. Other factors influencing decisions on whether and how much to charge:

- The Council's historic approach to charging
- The views of local politicians, service users and taxpayers
- Other councils' and service providers approach to charging
- Levels of central government funding and policy objectives
- The Council's overall financial position
- Changes in demand for services
- Policy on Concessions
- Availability of powers to charge for discretionary services (eg pre application planning advice)
- Central government policy objectives

3. Targeting Concessions - The following target groups should be considered:

- Persons over the age of 65
- Unemployed
- Young persons under the age of 18
- Students in full time higher education
- Community Groups
- Those in receipt of supplementary benefits, tax credits, attendance allowance, disability living allowance and other appropriate groups

4. Trading

The Council is empowered to sell goods or services to other public bodies or trade commercially through a company with non-public bodies. The objectives should be considered for relevant services (including Building Cleaning and Maintenance, Vehicle Maintenance, Grounds maintenance, Legal Services, Human Resources, IT, Payroll, Planning and Development Services) as follows to:

- Deliver services more strategically on an area-wide basis
- Achieving greater efficiency
- Capitalise on expertise within the council
- Utilise spare capacity
- Generate income
- Support service improvement

5. Value For Money

- Has charging been used as a tool for achieving strategic policy objectives?
- Has the optimum use of the power to charge been used?
- Has the impact of charging on user groups been monitored?
- Has charging secured improvements in value for money?
- Has charging been used as a tool to reduce increases in Council Tax?

Appendix D – Gross Expenditure Breakdown

	Original Budget 2015/16 £
Expenditure	
Employee Related	15,077,000
Premises Related	3,388,300
Transport Related	1,311,900
Supplies & Services	4,312,000
Third Party Payments	3,516,400
Transfer Payments	29,997,400
Support Services	11,122,400
Capital Financing Costs	1,942,500
Recharges	(12,729,300)
Total Expenditure	57,938,600
Income	
Government Grants	(2,000,400)
Specific Grants	(30,567,400)
Other Grant/Reimbursements/Contributions	(2,048,000)
Interest	(284,200)
Other Income	0
Customer and Client Receipts	(10,604,300)
Total Income	(45,504,300)
Net Budget Requirement	12,434,300
Funded By:	
Council Tax	(6,109,700)
Council Tax Surplus	(35,000)
Revenue Support Grant	(2,245,200)
Retained Business Rates	(3,027,100)
Business Rates Growth/Pooling	(500,000)
Reserves	(517,300)
Total Funding	(12,434,300)