

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 7
DATE OF MEETING:	10th OCTOBER 2019	CATEGORY: RECOMMENDED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
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SUBJECT:	UPDATE TO THE MEDIUM TERM FINANCIAL POSITION	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM 08

1.0 Recommendations

- 1.1 That the update to the Medium-term Financial Plan (MTFP) to 2025 on the General Fund and to 2030 on the Housing Revenue Account as detailed in the report and summarised in **Appendix 1** and **Appendix 2** are approved.
- 1.2 That the risks and assumptions detailed in the report for the General Fund and Housing Revenue Account are noted and that the Council continues its cautious approach to maintain financial stability ahead of the Government's Spending Review in 2020/21.
- 1.3 That this strategy is reviewed half-yearly to ensure that potential budget deficits are addressed at the earliest opportunity.
- 1.4 That efficiencies and budget savings continue to be pursued where opportunities arise to sustain the current financial position.
- 1.5 That the financial projections provide the basis for planning and for setting the Base Budget for the General Fund and HRA for 2020/21.

2.0 Purpose of the Report

- 2.1 In accordance with the Council's financial policy framework, the report updates the Council's medium-term financial position. This follows the reported out-turn for 2018/19, together with known and potential changes since the 2019/20 budget round.
- 2.2 It should be noted that at this stage the final out-turn for 2018/19 is still in draft as the Statement of Accounts are due to be audited in October and reported to

this Committee in November. Any changes that may be required to the out-turn will be updated in the quarterly review of the MTFP.

The Council's Financial Planning Framework

- 2.3 A key factor within the Council's overall Financial Strategy is medium term financial planning. This is considered good practice and is based on Audit guidance which directs councils to achieve a resilient and sustainable financial position. The Council's arrangements for achieving this, together with its performance, are subject to an External Audit each year as part of the "Value for Money conclusion".
- 2.3 The main target within the Financial Strategy is to achieve a minimum level of General Reserves, £1.5m on the General Fund and £1m on the Housing Revenue Account (HRA), by the end of every financial planning period. This is based on a Medium Term Financial Plan (MTFP) which sets out a financial projection for 5 years on the General Fund and 10 years on the HRA.
- 2.4 The main focus of the projections is to estimate the Council's future financial position and provide an early warning sign of any financial challenges that may arise in the future. This then provides the opportunity to take a planned approach to remedial action. In addition, it is used as the basis for building detailed budget plans each year.
- 2.5 It also helps the Council to focus on the resources that it will have available at the end of each period. In addition, it identifies where resources and spending are changing in the medium term to enable action to be taken at an early stage to prevent any loss of financial stability.
- 2.6 The financial models project forward current base spending and income. This is adjusted for anticipated changes in factors such as Government policy, inflation, local spending plans and commitments approved through the Committee process.
- 2.7 Assumptions and variables are regularly updated to take account of previous spending changes and their effects over the medium term. The projection aims to show a prudent but realistic position over the planning periods.

Purpose of this Review

- 2.8 The Council's financial policy requires a mid-year review of the medium term financial position. This follows the budget out-turn for the previous year and before the forthcoming annual budget round. This provides a basis for planning purposes and identifies potential matters for consideration, together with risks and opportunities.
- 2.9 The current MTFP was approved in August 2019 and there have not been any significant changes nationally that may immediately affect the Council's financial position. However, the Government's Fair Funding Review, which is a fundamental review of the resources needed for local government and their

allocation, has been delayed until 2021/22. In the meantime, it is now expected that the Local Government Financial Settlement for 2019/20 will be rolled forward to 2020/21.

2.10 This report is divided into the following sections.

- Section 3: Detailed analysis of the General Fund
- Section 4: Housing Revenue Account

Appendices

- *Appendix 1 – Projected General Fund Revenue Account*
- *Appendix 2 – Projected Housing Revenue Account*

3.0 General Fund Revenue Account

3.1 The overall projection on the General Fund, as reported in August, is summarised in the following table.

Medium-term Projection as at Aug 2019

	Revenue Budget Deficit £	Capital Contributions £	General Reserve £
Approved Budget 2019/20	382,857	1,766,515	-8,659,899
Projection 2020/21	589,792	571,206	-7,498,901
Projection 2021/22	673,729	568,878	-6,256,294
Projection 2022/23	928,430	566,412	-4,761,452
Projection 2023/24	1,564,128	603,217	-2,594,107

Position Entering this Review

- 3.2 The position at this time highlighted a budget deficit for every year of the projection.
- 3.3 The current level of the General Reserve was healthy compared to the minimum level of £1.5m and was forecast to remain above the minimum level throughout the period to 2023/24. The budgeted deficits could be financed from the General Reserve and the forecast effectively showed the implications of taking that action.
- 3.4 However, it is considered that this is a high risk strategy. The deficits in future years were projected to be significant. If no action were taken to reduce future deficits, it could quickly de-stabilise the financial position given that any action to achieve budget savings may take time to fully implement.
- 3.5 Provision for certain cost pressures and potential risks were included in the MTFP, including £500k per annum of additional revenue being set-aside to meet potential demand on services arising from residential growth.

Financial Strengths

3.6 The Council is required to maintain a resilient and sustainable financial position. Currently, the Council continues in this position due to:

- Positive cash flow
- No debt outstanding (on the General Fund)
- Not reliant on interest rates rising to generate additional income
- Current General Reserve healthy
- Provisions in the Base Budget to mitigate inflation and growth
- Budget for a full employee establishment – no vacancy rate is assumed
- Earmarked reserves for capital replacements
- Separate provision made for bad debts, appeals and pensions
- Earmarked reserves to sustain project and capital works
- Growth in the Tax Base
- Capital expenditure not heavily reliant on revenue funding or borrowing

3.7 The Council also has a good history of spending within its Net Budget. However, this cannot be guaranteed in future years and is never assumed for future budgeting purposes.

Financial Risks

3.8 There are many variables that are included in the projection that carry a risk and if realised, could have a significant effect on the overall financial position. The main risks identified in the financial register when the Budget was approved in February 2019 were:

- **Higher risks**

- Further changes to the national funding system and in particular the allocation of the New Homes Bonus
- A reduction in Business Rates income due to appeals
- Additional pressure on service costs due to growth

- **Lower risks**

- A budget overspend
- Economic conditions
- Impact of Welfare Reform

3.9 The Risk Register details the arrangements in place to mitigate the impact of these risks. Currently, any issues arising from the lower risks (above) are not significantly impacting upon the Council's financial position. The impact of the higher risks are, or have the potential to be, more significant.

Core Funding

3.10 The Council's core funding is an aggregate of:

- Retained Business Rates
- New Homes Bonus
- Council Tax Income

Updating the MTFP

3.11 An update and assessment of the main assumptions and variables, where this has been necessary, together with a consideration of external issues, are detailed in the following sections.

3.12 A revised medium-term financial projection is detailed in **Appendix 1**. To maintain a rolling 5 year projection, the forecast position for 2024/25 has been added to the MTFP. The updated position of the General Fund projected balance is summarised in the following table.

Medium-term Projection as at Oct 2019

	Revenue Budget Deficit £	Capital Contributions £	General Reserve £
Approved Budget 2019/20	262,652	1,667,139	-8,496,623
Projection 2020/21	207,023	610,000	-7,679,600
Projection 2021/22	144,745	610,000	-6,924,855
Projection 2022/23	553,105	610,000	-5,761,750
Projection 2023/24	1,205,570	610,000	-3,946,180
Projection 2024/25	1,378,331	610,000	-1,957,849

3.13 The projected position to 2024 has improved compared to that reported in August 2019 as shown in the following table. The high level of deficits forecast for 2024 and 2025 is resulting in the General Fund Reserve balance projection to be just under £2m, which is above the statutory minimum level.

	£'000
Projected balance as at 2024 (reported Aug 2019)	-2,594
Increased New Homes Bonus funding	-1,323
Increased Business Rates funding	-383
Reduced Industrial Unit Income Losses	-380
Increased Investment Income	-338
Increased Council Tax funding	-184
Approved Restructures	-28
Grant for Toilets at Overseal	16
Reductions in Earmarked Reserve Drawdowns	107
Community Partnership Scheme	275
Increase to the Growth Provision	400
Transfer of Staff from HRA	486
Projected balance as at 2024	-3,946
Projected Revenue Deficit 2024/25	1,378
Capital Contribution 2024/25	610
	-1,958

- 3.14 The improved position, as shown in the above table, is mainly due to increased New Homes Bonus. The assumptions used regarding New Homes Bonus are detailed later in the report.
- 3.15 An update to Business Rates due to growth and a review of the projected deficits for the Fund has resulted in an increased forecast over the five year plan. Further detail on Business Rates is listed later in the report.
- 3.16 Industrial Unit income for one specific site in Swadlincote has a break option within the lease to terminate prior to the end of the term of the lease agreement. This option has not been exercised and therefore this potential loss of income has been added back into the General Fund for two financial years.
- 3.17 Due to high levels of cash deposits held by the Council and the final investment income out-turn position for 2018/19 being over £200k higher than budgeted, it is proposed to increase the Base Budget over the term of the plan.
- 3.18 Council Tax income has been updated due to growth of the Tax Base. Further detail is provided later in the report.
- 3.19 Restructures approved in August 2019 have resulted in a small saving to the General Fund.

Grant Funding

- 3.20 Approval to contribute an additional £275k to the Community Partnership Scheme was granted in August 2019 and has now been updated as a Capital Contribution in the MTFP.
- 3.21 A grant of £16k was approved in May 2019 to be paid to Overseal Parish Council for future repairs and refurbishment of the public toilets.

Earmarked reserve Drawdowns

- 3.22 A review of the level of earmarked reserves to be drawdown by revenue services such as Homelessness, Environmental Education, Safer Communities and Active Communities has been undertaken. The Council contribution to these services has been updated to include inflationary rises and has therefore resulted in a slight increase to the cost base of the Council.

HRA Recharge

- 3.23 Due to the Senior Management restructure approved in February 2019, a new performance and policy team has been created. The employees transferred into this team as part of the restructure are currently funded in full by the HRA and to ensure that the ring-fence is adhered to, the budget for this team is to be transferred from the HRA to the General Fund.

3.24 A full review of the HRA recharges from the General Fund is currently underway and will be reported to this Committee as part of the Budget round.

Other Provisions

3.25 An assumed inflationary increase of 2.5% is included in the MTFP with overall service expenditure increasing year on year.

3.26 At this stage no additional provision for potential increases to the pension deficit charges for future years has been made. An increase of 6% per annum is included within the MTFP currently. The Pension Fund revaluation occurs every 3 years with the next revaluation due in 2019/20, which will affect the Council's contributions from April 2020.

3.27 Provisions for growth, changes to Waste & Recycling due to potential increases in recycling costs, together with potential National Insurance liabilities for "Off-Payroll" employees continue to be included within contingent sums.

3.28 The growth provision has been increased from £500k per year to £600k per year from 2021/22 due to the likely call on resources for additional refuse rounds due to growth of the District. A project is currently underway to determine the potential cost of growth and this will be reported later in the year.

New Homes Bonus (NHB)

3.29 As noted at 2.9, a fair funding review of Local Government financing is in consultation and changes to the funding formula are now expected to be implemented in 2021/22. At this stage the outcome to the Council is unknown and therefore income receipts from central Government are assumed to remain on the same basis.

3.30 An update to the Tax Base has been included within the forecast. It is assumed that the Tax Base will grow at a higher rate during the next 2 years and therefore an average of the previous 2 years growth has been included. The growth assumption then returns to the former 3 year average from 2022/23.

3.31 The calculation for NHB funding is based on the Tax Base plus the average Band D value for the UK. The average Band D per property has been increased from £1,591 to £1,750 which is the UK average for 2019/20.

3.32 The overall Tax Base has been increased by 54 properties in 2020/21 and 2021/22 taking the total properties to a 917 increase per year. The following table shows the impact of the changes listed.

	2019.20 £	2020.21 £	2021.22 £	2022.23 £	2023.24 £	Total £
Increased receipt due to Tax Base	0	81,144	154,813	154,813	154,813	545,583
Receipt due to average Band D increase	0	80,719	160,770	232,127	303,485	777,101
Increased NHB	0	161,863	315,583	386,940	458,298	1,322,684

3.33 The projected growth included within the MTFP is a prudent estimate. The Planning trajectory is listing growth of the District to be far higher than that forecast but this is a best case scenario not taking into account the economy and market pressures. The following table compares the Planning growth to the MTFP growth.

	2020.21	2021.22	2022.23	2023.24	2024.25	Total
Planning Trajectory	1,250	1,476	1,298	869	724	5,617
MTFP	917	917	863	863	863	4,423
Additional Properties	333	559	435	6	-139	1,194

3.34 Based on the growth from the Planning trajectory, an additional 1,194 properties could potentially be included within the Tax Base. This would add more than £2m of income to the General Fund. It is not considered to be prudent at this stage however to add such large levels of income due to the uncertainties of the market, the EU exit and the potential impact of the fair funding review.

Business Rates

3.35 The Council has reverted back to a pooling arrangement within Derbyshire after the conclusion of the one year pilot for 2018/19 to retain 100% Business Rates.

3.36 A review of the expected revenue generated through Business Rates has been undertaken and has resulted in the forecast for Business Rates Relief being increased for 2019/20 by £52k based on current experience.

3.37 In addition to the income increase mentioned above, an additional increase has been assumed of approximately £80k per annum from 2019/20 due to a continuing growth in the Tax Base for commercial properties.

Council Tax

3.38 The Tax Base for Council Tax is forecast to grow by 828 properties in 2020/21 and 2021/22 reducing back down to the former growth projection of 674 properties per annum from 2022/23.

3.39 The MTFP includes an annual increase in the rate of Council Tax of 1.95%, subject to annual review. This is below the Government's current limit of £5 per Band D property, i.e. approximately 3%.

3.40 The current Band D Tax for 2019/20 is £162.31 which if increased by 1.95% for 2020/21 will raise the Band D to £165.48, an increase of just over £3 per year. This would be adjusted across other bands accordingly.

3.41 An increase of £5 would equate to £167.31, an increase of 3.1%. A summary of the impact to the MTFP five year planning period of the two options are listed in the following table. An increase of £5 would add approximately £947k in income to the General Fund.

	2020.21	2021.22	2022.23	2023.24	2024.25	Total
Increase of 1.95%	£249,736	£230,840	£237,601	£244,537	£251,653	£1,214,367
Increase of £5	£312,359	£356,965	£427,092	£497,369	£567,625	£2,161,410
Additional Taxation	£62,623	£126,125	£189,491	£252,832	£315,972	£947,043

Updated General Fund Position - Summary

3.42 In principle, the overall scenario for the General Fund has not changed. The current level of the General Fund Reserve remains healthy and is projected to do so over the planning period.

3.43 Although the current level of reserves can be used to meet the projected deficit, this is not a sustainable solution in the longer-term. The MTFP assumes that base budget expenditure will increase year-on-year and overall core funding will increase at a slower rate resulting in larger annual deficits each year over the planning period.

3.44 The Council has historically generated additional income and underspent compared to its Budget, although clearly this cannot be guaranteed. The MTFP aims to set out a realistic but prudent assessment of the future financial position. This includes setting-aside resources for known changes, for example, pay awards, pension contributions, bad debts, together with known service pressures associated with waste collection and recycling.

3.45 It is considered that the biggest risks are changes to the New Homes Bonus allocation and the associated cost of growth.

3.46 A further review of services needs to be undertaken to more accurately assess future costs. This would enable a more accurate reflection and enable better planning to meet these financial pressures.

3.47 Although the current financial position remains strong, a cautious approach is still recommended pending the outcome of the Government's Fair Funding Review and the internal service review regarding future demand due to growth. In the meantime, efficiencies and budget savings should continue to be pursued wherever opportunities arise, to sustain the financial position.

4.0 Housing Revenue Account (HRA)

- 4.1 The HRA budget for 2019/20, together with an updated financial plan to 2029, was approved by Committee in February 2019. In summary, based on the associated projections, the financial plan showed a sustainable position with the HRA's minimum reserve remaining above the minimum level £1m in the medium-term, with resources being set-aside to meet future debt repayment and capital works.
- 4.2 The main risks identified were the impact of Welfare Reform, the reduction in housing stock due to Right to Buy and the ongoing reduction of Supporting People Grant from Derbyshire County Council.
- 4.3 An updated projection is detailed in **Appendix 2**.

HRA Financial Plan

- 4.4 The projection is based on a financial model designed so that a £1m minimum balance is maintained on the HRA's General Reserve and that planned resources are set-aside for debt repayment and capital expenditure in future years. These are the priority financial objectives to ensure that the HRA Business Plan is sustainable and the core housing service is delivered.
- 4.5 Given that these objectives are met, any increase or decrease in resources are reflected in the planned capital or new build programmes and these can be flexed accordingly into the longer term where there is a more significant change in resources.
- 4.6 Overall, the Plan shows a sustainable position and is forecast to make surpluses as planned each year over the 10 year period. There has been an increase in the projected General Reserve balance to 2029 as shown in the following table.

Projected HRA Reserve Balance as at Oct 2019

	£'000
Projected balance as at 2029 (reported Aug 2019)	-6,997
Transfer of Staff from HRA	-1,032
Increased Investment Income	-289
Removal of Job Evaluation Support Costs	-51
Rental Income Reduction	602
Projected balance as at 2029	-7,767
Projected Surplus 2029/30	-2,738
Debt Repayment Provision 2029/30	500
	<u>-10,005</u>

- 4.7 An increase to the investment income projection has been included within the HRA due to healthy cash balances. This is in line with increases to the General Fund.

- 4.8 Due to the Senior Management restructure and also noted at 3.23, employees have been transferred into the General Fund from the HRA to form a performance and policy team. General Fund recharges to the HRA are currently under review and will be reported to this Committee as part of the budget round.
- 4.9 A provision for potential on-going costs relating to the Job Evaluation Scheme has been set-aside on an annual basis over the term of the plan. The protection period has now ended and therefore this provision will no longer be required.
- 4.10 Right to Buy is a large risk to the HRA as the uptake of dwelling purchases in recent years has far surpassed the number forecast. The projected sales have been updated to include losses of an additional 25 over the ten year plan. The sale of only 25 additional properties over a ten year period results in a loss of income of over £600k. If the current trend continues over coming years then this could potentially more than double the loss of revenue which impacts on the General Reserve.
- 4.11 The contribution to the New Build Reserve will increase with any Right to Buy receipts and the loss of revenue for the 25 dwellings has increased this reserve by £1.2m over the ten year period but these are one-off capital receipts and cannot be utilised towards revenue expenditure.

Other Risks

- 4.11 Implementation of Universal Credit (UC) was started in part of the District in July 2018. Full roll out is not due to be completed until 2023. Not all tenants claiming housing benefit will be affected by the change but it is estimated that up to 60% of cases will see an impact.
- 4.12 Currently, housing benefit is applied directly to rent accounts internally at the Council so that a tenant's rent is paid. There has been some concern that UC could increase rent arrears as the one "all-encompassing benefit" will be paid directly to housing tenants.
- 4.13 Reports from across the Country suggest that this is increasing rent arrears which will cost the HRA in the form of a Bad Debt Provision if the rents are considered irrecoverable.
- 4.14 This is being kept continually under review but the impact cannot be assessed in detail at this stage and therefore this is noted as a risk. However, the HRA's provision for bad and doubtful debts has previously been increased to allow for additional rent arrears. The impact of Universal Credit is being monitored by the Overview and Scrutiny Committee.
- 4.15 Another potential risk to the HRA is the Supporting People Grant which is paid by the County Council for tenants receiving Careline support.

- 4.16 The contribution has been reduced in recent years and £164k per year is included within the projection in perpetuity but this is reviewed annually by the County Council and there is a potential that funding could be withdrawn.

6.0 Financial Implications

- 6.1 As detailed in the report.

7.0 Corporate and Community Implications

The aim of medium-term financial planning is to “maintain financial health” – a key outcome in the Corporate Plan. The purpose of the MTFP is to ensure that the financial position remains sustainable and that sufficient resources are maintained to deliver current and future service levels.

8.0 Background Papers

- 8.1 None.

GENERAL FUND MEDIUM TERM FINANCIAL PLAN

BUDGET & PROJECTION as at OCTOBER 2019

	Proposed Budget £ 2019.20	Projection £ 2020.21	Projection £ 2021.22	Projection £ 2022.23	Projection £ 2023.24	Projection £ 2024.25
BASE BUDGET						
Environmental & Development	4,640,985	4,806,511	4,947,600	5,092,446	5,241,562	5,394,565
Housing & Community	2,994,946	3,223,039	3,288,769	3,356,090	3,428,841	3,511,960
Finance & Management	5,074,400	5,244,708	5,417,071	5,591,871	5,769,476	5,950,240
Net Service Expenditure	12,710,331	13,274,258	13,653,440	14,040,408	14,439,879	14,856,765
Accounting Adjustments						
Reverse out Depreciation	-842,289	-842,289	-842,289	-842,289	-842,289	-842,289
Minimum Revenue Provision (MRP)	197,409	189,512	181,932	174,654	167,668	160,962
Voluntary Revenue Provision (VRP - Recycling Bins & Grove Active Zone)	131,226	131,226	75,891	20,556	20,556	1,639
	12,196,676	12,752,707	13,068,974	13,393,328	13,785,813	14,177,077
Add: Known Variations						
Proposed Senior Management Restructure - One-Off Costs Provision	0	21,090	21,618	9,216	0	0
Vehicle Maintenance Plan (Tyres and Spare Parts)	0	17,000	15,000	38,000	35,000	60,000
Restructures Approved in August	10,895	491	-21,391	-10,547	-8,183	-8,183
Local Plan Review	0	25,000	40,000	40,000	25,000	25,000
Incremental Salary Increases	0	48,035	20,610	8,843	8,843	8,843
Refurbishment Grant for Toilets at Overseal	8,000	8,000	0	0	0	0
Savings from the Senior Management Restructure	-23,646	0	0	0	0	0
Investment Income	-100,000	-100,000	-70,000	-49,000	-19,600	-1,960
Administration of Childcare Vouchers	1,750	1,750	1,750	1,750	1,750	1,750
Temporary Posts, Rosliston and Elections Updates	0	-307,492	-333,767	-334,109	-325,565	-314,477
Potential Cost of New Waste Disposal Site	0	27,089	47,400	49,770	52,259	54,871
Potential Loss of Industrial Unit Income	0	0	0	190,000	190,000	190,000
Pension Earmarked Reserve Drawdown	-8,481	-38,794	-41,122	-43,589	-6,783	0
Transfer of Staff Budgets from HRA to General Fund	92,502	94,815	97,185	99,615	102,105	104,658
District Election May 2023	0	0	0	0	125,000	0
TOTAL ESTIMATED SPENDING	12,177,697	12,549,690	12,846,257	13,393,277	13,965,639	14,297,579

GENERAL FUND MEDIUM TERM FINANCIAL PLAN
BUDGET & PROJECTION as at OCTOBER 2019

	Proposed Budget £ 2019.20	Projection £ 2020.21	Projection £ 2021.22	Projection £ 2022.23	Projection £ 2023.24	Projection £ 2024.25
Provisions						
Provision for Employer's NIC on "off-payroll" payments	10,000	10,000	10,000	10,000	10,000	10,000
Contingent Sum - Growth	500,000	575,000	600,000	600,000	600,000	600,000
Waste and Recycling	100,000	100,000	100,000	100,000	100,000	100,000
TOTAL PROJECTED SPENDING	12,787,697	13,234,690	13,556,257	14,103,277	14,675,639	15,007,579
FINANCING						
Business Rates Retention	-3,707,693	-3,678,425	-3,667,438	-3,687,623	-3,706,624	-3,724,368
Discretionary Business Rate Relief Scheme	-20,000	-3,000	0	0	0	0
New Homes Bonus	-3,281,951	-3,643,502	-3,791,597	-3,679,233	-3,342,528	-3,239,425
Council Tax Income	-5,405,401	-5,647,740	-5,897,476	-6,128,316	-6,365,917	-6,610,454
Core Spending Power	-12,415,045	-12,972,668	-13,356,511	-13,495,173	-13,415,069	-13,574,247
Add Estimated Collection Fund Surplus - Council Tax	-110,000	-55,000	-55,000	-55,000	-55,000	-55,000
TOTAL FINANCING	-12,525,045	-13,027,668	-13,411,511	-13,550,173	-13,470,069	-13,629,247
REVENUE DEFICIT	262,652	207,023	144,745	553,105	1,205,570	1,378,332
Capital Contributions						
Melbourne Sports Park Drainage	433,799	0	0	0	0	0
IT and Digital Strategy	210,000	210,000	210,000	210,000	210,000	210,000
Purchase of Town Centre Land	44,335	0	0	0	0	0
Community Partnership Scheme (2017 contribution)	239,005	0	0	0	0	0
Community Partnership Scheme (2019 contribution)	275,000	0	0	0	0	0
Swadlincote Woodlands Nature Reserve	15,000	0	0	0	0	0
Rosliston Forestry Centre - Play Project	50,000	0	0	0	0	0
Asset Replacement and Renewal Fund	400,000	400,000	400,000	400,000	400,000	400,000
TOTAL CAPITAL CONTRIBUTION	1,667,139	610,000	610,000	610,000	610,000	610,000
TOTAL GENERAL FUND DEFICIT	1,929,791	817,023	754,745	1,163,105	1,815,570	1,988,332

GENERAL FUND MEDIUM TERM FINANCIAL PLAN
BUDGET & PROJECTION as at OCTOBER 2019

	Proposed Budget £ 2019.20	Projection £ 2020.21	Projection £ 2021.22	Projection £ 2022.23	Projection £ 2023.24	Projection £ 2024.25
GENERAL FUND RESERVE BALANCE						
Balance b/fwd	-10,426,414	-8,496,623	-7,679,600	-6,924,855	-5,761,751	-3,946,181
Revenue Deficit	262,652	207,023	144,745	553,105	1,205,570	1,378,332
Capital Contributions	1,667,139	610,000	610,000	610,000	610,000	610,000
Balance c/fwd	-8,496,623	-7,679,600	-6,924,855	-5,761,751	-3,946,181	-1,957,849

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HOUSING REVENUE ACCOUNT FINANCIAL PROJECTION - OCTOBER 2019

	2019.20	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
ICT Upgrades	0	105	0	0	0	0	0	0	0	0	0
Investment Income	-85	-85	-60	-42	-17	0	0	0	0	0	0
Capital works non-traditional properties	200	100	100	100	0	0	0	0	0	0	0
Updates to General Fund Recharges	-92	-94	-97	-99	-102	-104	-107	-109	-112	-115	-118
Incremental Salary Increases	0	10	10	10	10	10	10	10	10	11	11
HRA Surplus (-) / Deficit	-132	-130	-311	-760	-955	-1,441	-1,626	-1,733	-2,285	-2,487	-2,738

HRA General Reserve

HRA Reserve B/fwd	-6,919	-7,051	-7,181	-5,792	-4,352	-3,278	-3,369	-3,545	-3,744	-5,779	-7,767
Surplus for year	-132	-130	-311	-760	-955	-1,441	-1,626	-1,733	-2,285	-2,487	-2,738
Transfer to Debt Repayment Reserve	0	0	1,700	2,200	2,029	1,350	1,450	1,533	250	500	500
HRA Reserve C/fwd	-7,051	-7,181	-5,792	-4,352	-3,278	-3,369	-3,545	-3,744	-5,779	-7,767	-10,005

RESERVES

Debt Repayment Reserve

Balance B/fwd	-5,046	-6,470	-8,012	-1,482	-5,642	0	-3,265	-6,572	0	-2,446	-5,052
Depreciation balance	-1,424	-1,542	-1,770	-1,960	-2,329	-1,915	-1,857	-1,895	-2,196	-2,106	-1,830
Transfers to reserve	0	0	-1,700	-2,200	-2,029	-1,350	-1,450	-1,533	-250	-500	-500
Repayment of loan	0	0	10,000	0	10,000	0	0	10,000	0	0	0
Reserve C/fwd	-6,470	-8,018	-1,499	-5,674	0	-3,289	-6,624	0	-2,446	-5,052	-7,382

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	2019.20	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Earmarked Reserve											
Balance B/fwd	-141	-186	-231	-276	-321	-366	-141	-186	-231	-276	-321
Transfers to reserve	-45	-45	-45	-45	-45	-45	-45	-45	-45	-45	-45
Asset Replacement	0	0	0	0	0	270	0	0	0	0	0
Reserve C/fwd	-186	-231	-276	-321	-366	-141	-186	-231	-276	-321	-366
Major Repairs Reserve											
Balance B/fwd	-3,454	-4,354	-5,054	-5,754	-6,454	-6,754	-7,354	-7,954	-8,554	-9,154	-9,754
Transfers to reserve	-700	-600	-600	-600	-300	-600	-600	-600	-600	-600	-600
Earmarked non-traditional properties	-200	-100	-100	-100	0	0	0	0	0	0	0
Reserve Drawdown	0	0	0	0	0	0	0	0	0	0	0
Reserve C/fwd	-4,354	-5,054	-5,754	-6,454	-6,754	-7,354	-7,954	-8,554	-9,154	-9,754	-10,354
New Build Reserve											
Capital Receipts B/fwd	-2,460	-1,724	-2,451	-3,072	-3,689	-4,150	-4,607	-5,064	-5,366	-5,668	-5,970
Lullington Rd Phase 2	237	0	0	0	0	0	0	0	0	0	0
Acquisitions in year	1,274	0	0	0	0	0	0	0	0	0	
Homes England grant	-45	0	0	0	0	0	0	0	0	0	0
RTB Receipts in year	-730	-727	-621	-618	-460	-457	-457	-302	-302	-302	-199
Borrowing in year	0	0	0	0	0	0	0	0	0	0	0
Balance c/fwd	-1,724	-2,451	-3,072	-3,689	-4,150	-4,607	-5,064	-5,366	-5,668	-5,970	-6,170