DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	4 DECEMBER 2017	12

FINANCIAL FORECAST UPDATE (INCLUDING REVENUE, CAPITAL & TREASURY MANAGEMENT) 2017/18 TO 2021/22

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

The report provides Members with an update of the financial forecast for the Council for the five years 2017/18 to 2021/22. It includes changes arising since the Budget was set by Council in March 2017.

This report was considered by the Finance and Democracy Committee at the meeting of 20th November 2017. The Committee recommended that Council note the implications of this updated financial and approve the release of the balance of the Collection Fund Deficit Reserve in the sum of £381k and the transfer of this amount into the Capital Investment Reserve in 2017/18.

RECOMMENDATIONS

The Finance and Democracy Committee considered this matter at the meeting of 20th November 2017.

In accordance with those deliberations it is recommended:

1. That the Council note the implications of this updated financial forecast;
2. That the Council note the revised forecast revenue surpluses for 2017/18 and 2018/19 of £779k and £435k respectively as detailed at Appendix E; and
3. That the Council approve the release of the balance of the Collection Fund Deficit Reserve in the sum of £381k and the transfer of this amount into the Capital Investment Reserve in 2017/18.

SUMMARY OF PREVIOUS DECISIONS

The Council set its budget for 2017/18 at its meeting of 2nd March 2017. This report provides Members with an update of the financial position of the Council, including changes since that date. This report was considered by the Finance and Democracy Committee at the meeting of 20th November 2017.

CORPORATE PRIORITIES	
Spending your money in the most efficient way to achieve excellent services (**Value for Money**)	√
Delivering the services that customers expect of an excellent council (**Clean and Green**)	√
Working with all partners (**Vibrant Economy**)	√
To make sure Fylde continues to be one of the most desirable places to live (**A Great Place to Live**)	√
Promoting Fylde as a great destination to visit (**A Great Place to Visit**)	√

REPORT

1. PURPOSE OF THE FINANCIAL FORECAST UPDATE

1.1 This report is the mid-year and preliminary forecast of the Council's financial position and takes account of latest reserve balances, revenue and capital spending forecasts and treasury management issues. It also identifies and updates the financial risks and challenges facing the Council. The assumptions set out in this forecast are the latest best estimates and will be updated as and when further information becomes available.

1.2 This latest financial forecast update is designed to:

- Present an updated five-year financial forecast for revenue and capital spending based upon the best information available at the time;
- Review and update the currently identified risks and opportunities;
- Alert Members to any new specific risks and opportunities;
- Inform Members of any changes required to budgets due to external factors outside the Council's control; and,
- Provide a basis on which Members can begin to make future spending decisions.

2. BACKGROUND TO THE FORECAST

2.1 In order to 'scene set', the current financial position of the Council is summarised for Members as follows:

(i) <u>Original Budget 2017/18</u>

At the Council meeting on the 2nd March 2017 the budget for 2017/18 and the medium term financial forecast were agreed. The resolution included a 2.62% increase in the average Council Tax amounts and a total net budget requirement of £8.980m for 2017/18. The General Fund balance at that time was forecast at the end of 2020/21 to be £2.976m. In agreeing the Original Budget for 2017/18 a number of key high level financial risks and assumptions were highlighted.

(ii) <u>General Fund Revenue Outturn Position 2016/17</u>

The revenue outturn position for 2016/17 was reported to Members in June 2017. The impact of the outturn position, including transfers to earmarked reserves and slippage items in the total sum of £0.446m, has been reflected in this updated forecast.

The favourable outturn position for revenue allowed for a further contribution to be made to the Accommodation Project Reserve in the sum of £0.135m, to provide for completion of the project to Phase 7 of the scheme, and a further transfer to the M55 Link Road Reserve of £0.244m. This has the effect of reducing the amount remaining to be transferred to the M55 Link Road Reserve in 2017/18 to £0.041m (thus providing a total contribution by Fylde Council of £1m to the Link Road scheme).

A further consequential impact of the favourable outturn position, and the reduced requirement to support the M55 Link Road Reserve in 2017/18, has been to increase the scale of the budgeted transfer into the Capital investment Reserve for that year. Appendix E includes the latest estimate in this regard.

(iii) Budget Right-sizing Exercise

During the autumn each year officers undertake a budget right-sizing exercise to identify any in-year budget variances and any future budget adjustments that might be made. The exercise includes an analysis of underspends which have occurred over the last 3 financial years in order to identify structural variances and trends in income and expenditure levels. This has become part of the annual budget process. As a result a number of budget adjustments are included within Appendix C of this report under the heading 'Budget Rightsizing'. The efficiencies and savings captured by the right-sizing exercise are a combination of one-year-only and recurring savings. It is anticipated that in future years the level of efficiencies and savings that are achievable through the right-sizing exercise will be more limited.

(iv) Capital Outturn Position 2016/17

The latest approved expenditure budget in the capital programme for 2016/17 was £4.952m. After adjusting for slippage of £1.382m, the overall outturn position for 2016/17 was an in-year favourable variance of £0.027m against the latest updated estimate.

(v) General Fund Revenue Quarterly Budget Monitoring 2017/18

Revenue budget monitoring reports for the period to 31st July 2017 have been presented to each of the Programme Committees during the September cycle of meetings. These reports identified a number of budget areas for further consideration. As a result a number of changes have already been included in this latest forecast. These include revised fee income estimates, updated employee cost assumptions, and the latest estimate of employee costs.

3. THE GENERAL FUND REVENUE FORECAST

3.1 Appendix A of this report sets out the original revenue budget forecast as agreed at the Budget Council meeting on 2nd March 2017.

3.2 Appendix B shows the general assumptions underpinning the base forecast, whilst Appendix C shows the financial impact of changes to general assumptions and the impact of other significant changes that have been identified since the budget was approved, including the impact of outturn 2016/17 and the budget right-sizing exercise. Appendix D sets out the narrative which explain the significant changes made to the forecast.

3.3 The impact of all these changes are summarised in Appendix E which details the latest updated forecast. The forecast needs to be considered carefully in the light of the identified risks which cannot be fully quantified at this time but may have an impact on the forecast at some future point.

The following decisions have also been made since the Budget Council meeting on 2nd March 2017:

3.4 Business Rates: Membership of a Business Rates Pool and Future Year Income Estimates

The Financial Strategy that was approved by Council in March 2017 assumed continued membership of the business rates pool, including the beneficial financial consequences, throughout the life of the forecast.

However, the most recent government consultation on 100% Business Rate Retention, announced during the spring of 2017 (and therefore prior to the June 2017 general election) included, inter alia, proposals to update the way that business rate pools operate. If implemented as described in the consultation document the proposals would mean that the arrangements for the Lancashire-wide Business Rate pool may cease to be appropriate and relevant for 2019/20 and beyond.

Unexpectedly the legislation required to implement these changes was absent from the programme of proposed government legislation for the current parliament within the June 2017 Queen's Speech, calling into question whether these proposals will now be put in to place.

At the meeting of 25th September 2017 the Finance and Democracy Committee considered the continued membership of Fylde Council in the Lancashire Business Rate Pool for 2018/19. The Committee:

1. Approved the continuation of Fylde Council participation in the Lancashire Business Rates Pool for 2018/19 on the assumption that the pool remains in existence;
2. Noted that the next update to the Financial Forecast of the Council will be amended to reflect the latest information and expectations in respect of future levels of business rate income to the Council; and
3. Agreed that participation in the Lancashire Business Rate Pool for future years beyond 2018/19 should be kept under review and should be the subject of a report to the committee for consideration during next financial year.

At the present time it is unclear whether the earlier proposals on 100% Business Rate Retention, and the accompanying impact on the viability of business rate pools, will now be implemented as planned. Given the timescale required for implementing revised pooling arrangements and the lack of any formal government response to date to the consultation exercise, it is considered reasonable to assume that the current pooling arrangements will continue for 2018/19.

Conversely it would not be regarded as prudent to anticipate the continuation of the Lancashire Business Rate Pool in its current form, and delivering the same degree of financial benefit, beyond 2018/19.

As was referenced within the September report to the Finance and Democracy Committee the Financial Forecast as shown as Appendix E has been amended to reflect this latest position in that no pooling benefit has been assumed within the Forecast beyond 2018/19.

When the position becomes more certain any further changes will also be reflected within the Financial Forecast and will be reported within the Financial Forecast Update report at the appropriate time.

3.5 The Budget Right-sizing Exercise and further Transfers to Ear-marked Reserves

The Council meeting of 2nd March 2017 approved transfers to the Capital Investment Reserve in 2017/18 and 2018/19 equivalent to the balance of the revenue surplus for those years (after allowing for all approved transfers to other reserves), estimated at that time to be £441k for 2017/18 and £286k for 2018/19.

Following a favourable outturn position for 2016/17 and a review of the budget position for 2017/18 as part of the preparation of this Financial Forecast update, including the identification of fortuitous additional income for the year, costs-savings and the outcome of the budget right-sizing exercise, the revised forecast revenue surplus for 2017/18, currently stands at £779k as detailed at Appendix E. The revised forecast revenue surplus for 2018/19, also shown in Appendix E, is currently £435k.

Therefore the latest estimate of the scale of the transfers of revenue surpluses to the Capital Investment Reserve for both years 2017/18 and 2018/19 is a total of £1.214m.

3.6 The Collection Fund Deficit Reserve

This reserve was created in 2013/14 in response to the revised business rate regime which was introduced at that time, and the increased financial risk to local authorities inherent in the new business rates system. Since that time mechanisms to monitor fluctuations in business rate income have been developed and have improved the ability to manage the transactions within the collection fund. Currently there is no deficit on the Council's collection fund.

For 2017/18 the Council is a member of the Lancashire-wide Business Rate Pool. When the decision to join the Lancashire pool was taken by the Finance and Democracy Committee in October 2016 it was agreed that sufficient resources would be retained within a specific reserve for the duration of the Council's inclusion in the pool in order to mitigate against the possibility of losses as a result of the removal of safety-net protection. This would take the form of the creation of a "local safety net" to provide replacement funding in the event that the actual level of income received failed to meet the baseline level. This was to be funded from the initial gains from membership of the pool (in terms of business rate income retained over and above the baseline level). Consequently, the financial forecast that was approved by Council in March 2017 included a transfer of £2m from retained business rates income in 2017/18 to the Funding Volatility Reserve to achieve this purpose.

As a consequence it is now considered unnecessary to retain a separate Collection Fund Deficit Reserve, given the incorporation of a business rate support mechanism within the Funding Volatility Reserve.

It is proposed that the Committee recommend to Council the release of the balance of the Collection Fund Deficit Reserve in the sum of £381k and the transfer of this amount into the Capital Investment Reserve in 2017/18.

4. Central Government Funding and the Four-Year Settlement Offer

4.1 The Local Government Finance Settlement for 2016/17 also included indicative funding levels for years 2017/18 to 2019/20 thus providing, for the first time, an ‘illustrative’ four-year funding settlement offer.

The funding sources that form part of the total central government illustrative settlement offer comprise:

- Revenue Support Grant
- New Homes Bonus
- Business Rate Retention
- Transition Grant

Full details of the illustrative funding levels for each of these income sources was included within the March 2017 Medium Term Financial Strategy (MTFS) report to Council. No further details or amended figures in this regard have been received since the initial publication of the data in January 2017, and consequently those indicative funding levels are shown within Appendix E of this update report. The Government will announce its next Budget proposals on Wednesday 22nd November 2017. This may contain further information which could impact on assumed government funding levels for future years.

4.2 In September 2017 the Department for Communities and Local Government (DCLG) published a consultation on the 2018/19 Local Government Finance Settlement. This included a number of proposals which would, if implemented, affect the level of grant funding that would be receivable by local authorities.

Of primary interest to Fylde Council is the proposed further reform of the mechanism by which New Homes Bonus is calculated. The proposal is for a reduction in the number of qualifying new homes (for the purposes of the calculation) by the linkage of New Homes Bonus allocations to the ratio of successful appeals approved by the planning inspectorate to residential planning decisions (major and minor) over an annual period. Effectively the initial calculation of New Homes Bonus receivable by a local authority under the current methodology would be reduced by a proportion equivalent to the number of planning applications that are overturned on appeal, expressed as a percentage of all planning applications received.

A further proposal is for a review of the 0.4% baseline level above which New Homes Bonus commences to be ‘earned’.

These proposals are inconsistent with the stated intention of central government when announcing the four-year funding settlement i.e. to provide certainty with regard to future government funding allocations.

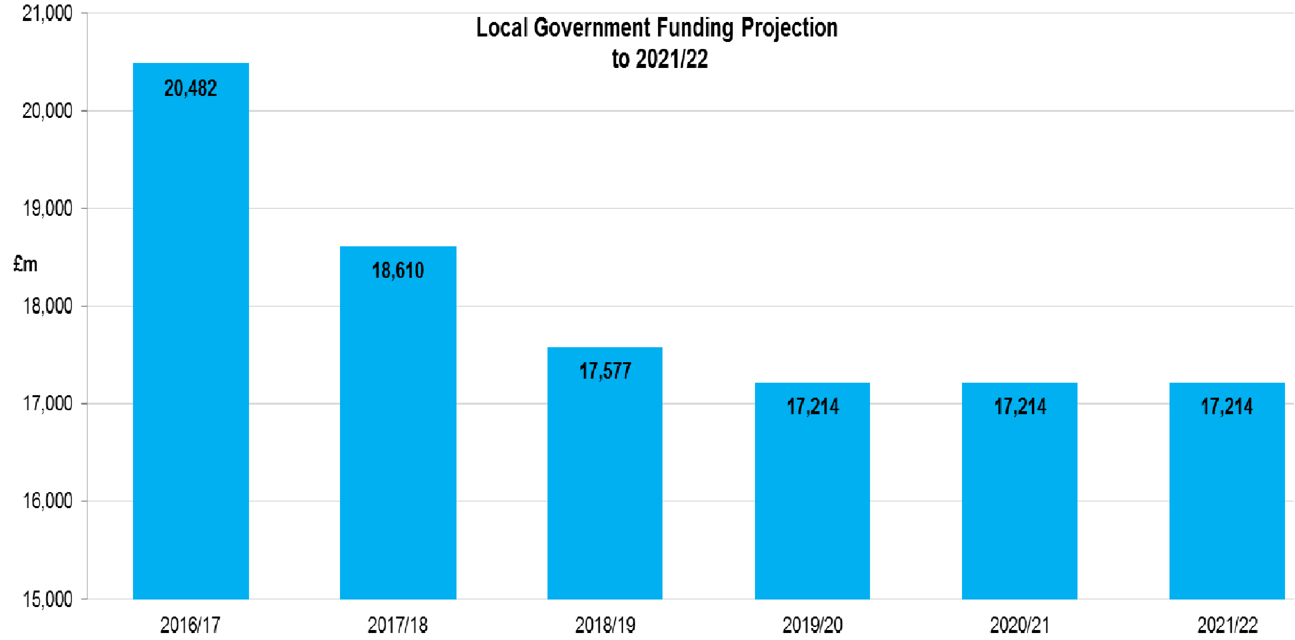
Fylde Council has provided a response to the consultation document which rejects the proposals to further reform the New Homes Bonus calculation methodology, as has the District Councils’ Network (DCN) on behalf of all district councils.

The Government may include a response to the consultation and any future reform to New Homes Bonus as part of the Budget proposals on Wednesday 22nd November.

4.3 It should be noted that the figures for central government funding as contained within the General Fund forecast at Appendix E have been amended since the March 2017 Forecast Update to reflect an updated estimate of New Homes Bonus income for 2018/19 onwards that is based upon estimated housing completions in the year to October 2017, one of the determinants of future levels of New Homes Bonus income.

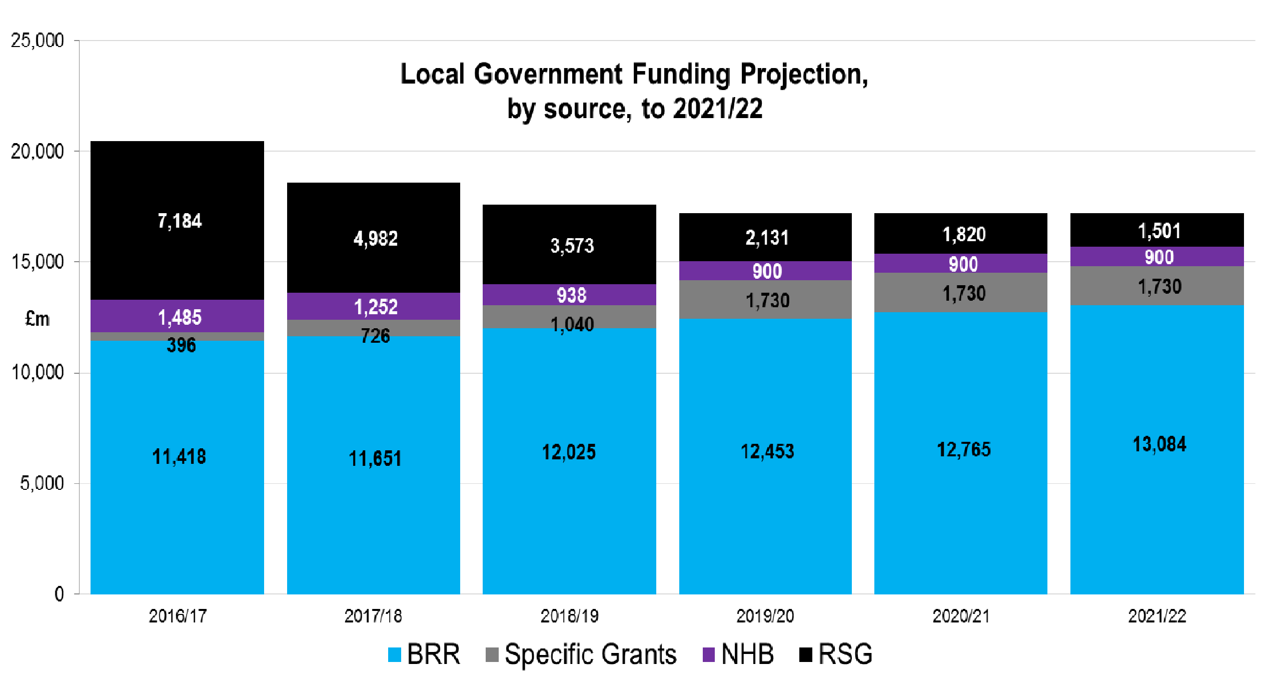
Any amendments to the levels of central government funding levels within the Financial Forecast will be made as and when any revised allocations are provided and will be reflected in future updates to the Financial Forecast.

4.4 To provide a general outlook for the financial position of the public sector the scale of the overall projected reduction in central government funding to local authorities, and the change in the composition of that funding, is demonstrated in the following charts. The first chart shows the reduction in **total** local government funding levels over the period from 2016/17 to 2021/22:



The next table illustrates the change in the composition of total local government funding over the same period. It shows the projected changes from 2016/17 that being a continuation of the phasing-out of Revenue Support Grant (RSG), the reduction in levels of New Homes Bonus and the increasing proportion of funding that is from Retained Business Rates.

Composition of Total Local Government Funding 2016/17 to 2021/22:



5. **KEY AREAS OF FINANCIAL RISK TO THE GENERAL FUND REVENUE BUDGET FORECAST.**

5.1 In considering this forecast Members should note that there are a number of significant risks. In assessing each risk the following has been taken into account:-

High Level Financial Impact Risk

- Potentially a significant sum, with the potential for impact over a number of years
- Relatively little mitigation available to spread or defer the impact
- The possibility of a significant financial impact on the council if the risk materialises
- Probable need for change to the forecast if it materialises

Medium Level Financial Impact Risk

- Potentially a large sum, with the potential for impact over a number of years
- Some mitigation may be possible to spread or defer the impact
- The possibility of a sizeable financial impact on the council if the risk materialises
- Possible need for change to the forecast if it materialises

Low Level Financial Impact Risk

- Potentially a less significant sum
- Some mitigation may be possible to spread or defer the impact
- Impact should be capable of being absorbed without major forecast changes

5.2 **High Level Financial Impact Risks**

(i) Future Central Government Funding

As detailed in Section 4 above the central government funding figures currently shown within the General Fund Forecast at Appendix E comprise the funding allocations as contained within the 'illustrative' four-year funding settlement offer that was provided as part of the 2017/18 Local Government Finance Settlement, as amended for known changes in respect of retained Business Rates (including the impact of Fylde remaining a member of the Lancashire Business Rate Pool for 2018/19) and New Homes Bonus for 2018/19 based on revised projections of housing numbers.

There is a clear risk that the actual levels of central government funding beyond the current year (i.e. for 2018/19 and 2019/20) may differ from the illustrative amounts for those years that are reflected within this update.

Furthermore, in respect of 2020/21 the government has not provided even 'illustrative' funding levels and appears intent on continuing to amend how the major drivers of government funding operate.

Meanwhile, we await a response from central government to the September 2017 consultation on the 2018/19 Local Government Finance Settlement which included a number of proposals in relation to New Homes Bonus which would, if implemented, affect the level of grant funding that would be receivable by local authorities as detailed in section 4.2 above.

To add further to the uncertainty, the government have previously announced the introduction of a revised business rate retention scheme from 2020/21 which, although referred to as a '100% Business Rate Retention Scheme', will undoubtedly retain a balancing mechanism between authorities (similar to the present 'tariff and top-up' adjustments) which will not in fact result in Fylde Council retaining 100% of its proportionate share of all business rates that are collected. Further details in respect of the Business Rate Retention Scheme are included in section (ii) below.

It is anticipated that the Government's Autumn Budget may contain further information which will impact on assumed government funding levels for future years within the four-year settlement period to 2019/20. There is also uncertainty about the level and makeup of central government funding beyond 2019/20.

Any amendments to the levels of central government funding levels within the Financial Forecast will be made as and when any revised allocations are provided and will be reflected in future updates to the Financial Forecast.

(ii) Retained Business Rates

The decision to continue membership of the Lancashire Business Rates Pool for 2018/19 on the assumptions as detailed in Section 3.4 of this report entails the continuing absence of the protection of a 'Safety Net' payment in the event of a significant reduction in Business Rate income below a defined level.

As part of the decision to join a Business Rate pool for 2017/18 it was also determined that this risk would be mitigated by the setting-aside of the initial gains from membership of the pool in terms of business rate income retained over and above the baseline level. Consequently the current Financial Forecast includes a contribution to the Funding Volatility Reserve in 2017/18 of £2m in order to effectively create a 'local safety net' to provide replacement funding in the event that actual income received fails to meet the baseline level.

As described in section 3.4 above, there is a high degree of certainty regarding the continuation of the current business rate pooling arrangements for 2018/19, whilst the setting-aside of monies to provide a local safety-net would be sufficient to protect the finances of Council in the event of a reduction in income to an extent that such losses can be reasonably expected to occur.

Until the Government consider the responses to the Autumn 2017 consultation on the future of business rates and provides details of a revised scheme, there remains uncertainty regarding the levels of income from Business Rates that the Council can expect to retain for 2019/20 and beyond.

5.3 **Medium Level Financial Impact Risks**

(i) Annual Pay Award Assumptions

The Medium Term Financial Forecast that was approved at the Budget Council meeting on the 2^{nd} March 2017 assumed pay awards for 2017/18 and each future year of 1% per annum. This was in line with the government restriction to pay awards at this level which has been in place for a number of years. As a result of growing pressure from Trades Union and others for an end to the public sector pay cap (not least as a result of Consumer Price Inflation (CPI) running at around 3%) and a number of recent public sector pay awards in excess of the 1% level, the forecast has been amended to include pay awards for 2018/19 and future years of 1.5% per annum. This will be kept under review and futures updates to the forecast will be amended to reflect the latest information on future pay award expectations.

(ii) Borrowing Cost Assumptions

In light of the current level of reserves and balances held by the Council the forecast assumes that additional external borrowing will not be required during the life of the Financial Forecast and that internal cash balances will be utilised to fund capital expenditure. This means that the base forecast does not contain any budget cover for external borrowing beyond the level currently held by the Council, on the assumption that the Council's underlying need to borrow will be funded through the life of the current forecast from internal borrowing.

There is a risk therefore that if circumstances change over the forecast period and it is necessary to take out further external borrowing to fund existing capital commitments, there is no budget cover for such an eventuality. It is not currently envisaged that such circumstances will occur during the life of the forecast, and the position will be monitored carefully on an ongoing basis.

(iii) Reduction in Housing Benefit Administration Grant

The Council receives an annual grant to support the cost of the administration of Housing Benefit and Council Tax. The grant that the Council receives for these purposes has reduced in recent years, particularly in respect of the Housing Benefit element, as the government moves away from a system of Housing Benefit payments and towards a Universal Credit Scheme. This financial forecast reflects the latest estimates of reduced grant levels for 2017/18 and for subsequent years.

As updated grant notifications are received in respect of future years it may be necessary to update the forecast accordingly.

(iv) Universal Credit

The Government has commenced the consolidation of a number of welfare benefit allowances into a revised Universal Credit Scheme. One of these is Housing Benefit which is currently administered by the Council through the shared service with Blackpool Council. The intention is that the new Universal Credit Scheme will be provided on-line and will be administered by Department of Work and Pensions. The roll-out of the new arrangements are gradual and began in Fylde in respect of a small number of the less-complex cases in

November 2014. The timing and financial implications of future developments of the scheme remain uncertain.

(v) Grounds Maintenance – External Contracts

Throughout the future life of the forecast a number of grounds maintenance contracts with external parties will come to an end or will be due for renewal/re-tender. At the same time other opportunities will arise for additional contract work and these will be actively pursued as appropriate. Income from contracts supports the work of the Parks and Leisure Service teams by way of a contribution to management costs and corporate overheads. Officers will endeavour to seek extensions to contracts as they become due for renewal/expiry and will continue to seek suitable alternative new work. Should this not be possible there may be an adverse impact on the forecast.

5.4 **Low Level Financial Impact Risks**

(i) The Living Wage

In March 2015 the Council agreed a policy to adopt the Living Wage Foundation pay rates for all employees, excluding apprentices, with effect from 2015/16, such that the Council became a 'Living Wage Employer' from that point forward. Additionally, in the autumn of 2015, the government announced the introduction of a statutory National Living Wage to apply from April 2016 for all employees over the age of 25.

The revenue estimates include annual amounts for the estimated impact of the annual increases in the hourly rates for the Foundation Living Wage and the National Living Wage. In the event that actual future year increases are higher than the estimated levels such that the increases cannot be contained within the approved budgets future adjustments to the Financial Forecast may be necessary.

(ii) Community Infrastructure Levy (CIL)

The Community Infrastructure Levy (CIL) which came into operation nationally in April 2011 is intended to assume the role of the traditional Section 106 Agreement. However Section 106 Agreements will continue to have a role to play on site specific development proposals. For the CIL to become operational within the borough the Local Plan will need to be in place. Officers will be exploring infrastructure requirements as part of the work on the Local Plan with the aim of producing, for public consultation, an Infrastructure Delivery Plan which will help inform a CIL charging schedule. At this moment in time the financial implications

(iii) Lytham Library – Cost-sharing arrangement with Lancashire County Council

For a number of years Fylde Council has been party to a cost-sharing agreement with Lancashire County Council (LCC) in respect of the Lytham Library building to reflect the joint occupation of the building. Although the building is owned by Fylde Council, a covenant permits usage of a part of the building for the delivery of services by LCC. Following a review of the provision of library services across the county by LCC the service offered within the building has now ceased. Currently we are awaiting a decision by LCC as to their intentions with regard to the area of the building which they formerly occupied. There is a risk that LCC will no longer require usage of that part of the building and that the whole of the cost of maintaining and operating the building will fall on Fylde Council as a consequence.

6. GENERAL FUND RESERVE AND OTHER EARMARKED RESERVES & PROVISIONS

6.1 The Council carries a General Fund Reserve (often referred to as General Reserves) and a number of other earmarked reserves and provisions. These are held for a number of purposes:

- As a working balance to help cushion the impact of uneven cash flows and avoid the need for temporary borrowing;
- As monies specifically set aside for future events or liabilities (known as earmarked reserves and provisions); and
- As a contingency to cushion the impact of unexpected events or emergencies.

6.2 The Council's General Fund Reserve Balance at 31st March 2017 was £3.548m.

6.3 The Council has a Useable Reserves and Balances Policy in place, which is reviewed and approved annually as part of the budget setting process. If any reserves can be released, proposals will be presented in a future financial forecast update.

7. CONCLUSIONS – GENERAL FUND REVENUE FORECAST

7.1 The overall position on the Council's financial forecast, as summarised in Appendix E of this report, is an improvement in the short-term since Budget Council in March 2017. The current position is for increased surpluses in the current year and in 2018/19, with deficits in 2019/20 and beyond. The improved financial forecast position for 2017/18 is due to a number of factors including the favourable outturn position for 2016/17 as detailed within section 2.1 of this report.

7.2 In light of the potential for future reductions in central government funding and uncertainties around 100% business rate retention from 2020/21 onwards, the Council needs to continue with the approach to delivering savings and efficiencies which have helped deliver balanced budgets and contribute to reserves over recent years. Through continued focus on the importance of financial stability the Council has delivered a significant savings programme since 2007 and has continued to reduce senior management costs and other overheads. Ongoing modernisation work and business improvement will continue to make Council services more efficient, save money and maintain high quality frontline services to customers. This work has yielded ongoing savings to help improve the Council's overall financial position over that period. For Fylde Council to continue to successfully meet the new challenges that it faces it is vital that this approach is re-doubled and that all reasonable opportunities for further cost-reduction measures and for the generation of additional income are seriously considered. Prudent financial management in previous years has provided a level of reserves which allows the necessary time to determine how this council can best respond to the increased challenges.

7.3 The assumptions that are contained within the Forecast Update are the latest best estimates and will be updated as and when further information is available. External pressures outside the Council's control are being experienced by many local authorities, and instructions remain in place that budget-holders should remain prudent and not commit to any unnecessary expenditure. This approach saves money and may result in an under-spend for the 2017/18 financial year.

7.4 Budget planning work for 2018/19 is well underway and further updates of the financial forecast will be brought before Members in due course.

8. COLLECTION FUND

8.1 As a Council Tax and National Non-Domestic Rates (NNDR) Billing Authority, the Council is required by legislation to maintain a separate fund for the collection and distribution of amounts due in respect of Council Tax and NNDR, and to calculate the surplus or deficit for each financial year on the Collection Fund. Prior to 2013/14 the requirement was to maintain this for Council Tax only, however, as part of the Local Government Finance Act 2012 the Government implemented a Business Rates Retention Scheme from April 2013, whereby the collection and distribution of NNDR is also collected and distributed via the Collection Fund (the distribution of NNDR had previously been managed nationally).

8.2 For Council Tax only, there was a cumulative surplus on the fund as at 31st March 2017 of £302k. This will be shared between the Borough Council, the County Council, the Police Authority and the Fire & Rescue Authority in 2017/18 & 2018/19. Fylde Council's share of the surplus is £40k.

8.3 For Non-Domestic Rates only, there was a surplus on the fund as at 31st March 2017 of £3.505m. This will be shared between Central Government, the Borough Council, the County Council and the Fire & Rescue Authority in 2017/18 & 2018/19. Fylde Council's share of the surplus is £1.402m which is reflected within the Business rate income forecasts within Appendix E.

9. THE CAPITAL PROGRAMME

9.1 The Capital Programme is updated continually for agreed changes and reported to Members during the financial year on a periodic basis.

9.2 The latest updated Capital Programme Summary for the years 2017/18 to 2021/22 is set out in Table 1 below. The Programme has been updated for changes to the end of October 2017. A prudent approach is taken in preparing the programme to ensure that financing resources are only recognised when there is reasonable certainty that they will be received.

TABLE 1 - SUMMARY CAPITAL PROGRAMME

	Estimate 2017/18 £000	**Estimate 2018/19 £000**	**Estimate 2019/20 £000**	**Estimate 2020/21 £000**	**Estimate 2021/22 £000**
Committee:					
Finance & Democracy Committee	500	0	0	0	0
Tourism & Leisure Committee	525	303	40	40	40
Operational Management Committee	4,269	13,292	5,501	577	107
Environment, Health & Housing Committee	2,651	2,438	929	929	929
Planning Committee	374	197	0	0	0
Total Capital Payments	**8,319**	**16,230**	**6,470**	**1,546**	**1,076**
Financing:					
Availability of Resources	**8,319**	**16,230**	**6,470**	**1,546**	**1,076**
Total surplus (-) / shortfall in year	0	0	0	0	0
Cumulative surplus (-) / shortfall	0	0	0	0	0

9.3 Capital schemes are directly linked with the Council's priorities. Major items of enhancement or renewal are identified via the Council's Asset Management Plan and work is underway to review and update this. The planned spend over the life of the programme is continuously reviewed. If any scheme profiling amendments are required these will be reflected in future periodic update reports.

9.4 The Capital Programme has been updated to reflect the removal of a scheme relating to external works around St Annes Pool as these will now form part of a wider consideration of the environment of The Island site. A contribution from Fylde Council of £30k, funded from the Capital Investment Reserve, had been previously included within the Capital Programme with further funding assumed in the form of a grant from the Arts Council.

9.5 Financing the Capital Programme

The Council finances the Capital Programme from a variety of sources. These include:-

(i) Specific Capital Grant Allocations;
(ii) Disabled Facilities Grant;
(iii) Capital Receipts;
(iv) External Funding (such as Heritage Lottery Funding and the Environment Agency);
(v) Prudential Borrowing/Leasing;
(vi) Revenue Funding; and
(vii) Capital Investment Reserve

9.6 Members are asked to note the current balanced position on the Capital Programme.

10. VEHICLE PURCHASES

10.1 The Council has adopted a Service Modernisation Strategy for Operational Services which includes a rolling programme of vehicle replacement that assumes the replacement of vehicles on a like-for-like basis at the end of their useful economic life. The approved capital programme includes significant capital expenditure for scheduled operational vehicle replacements during the life of the forecast. This expenditure has been reviewed and re-phased to reflect the currently expected profile of vehicle replacements.

11. KEY AREAS OF FINANCIAL RISK TO THE CAPITAL PROGRAMME

There are a number of financial risk areas within the Capital Programme for Members to be aware of:

11.1 Medium Level Financial Impact Risks

(i) <u>Coast Protection Scheme</u>

The Strategic Appraisal Report for the Fylde Shoreline Strategy was approved by the Environment Agency's Large Project Review Group (LRPG) in January 2014 and included the replacement of sea defences at Fairhaven and Church Scar. Following this approval further funding was released by DEFRA for a Coastal Headland Study Project Appraisal Report (PAR) in the sum of £175k with a further £95k being awarded in August 2016 for preliminary work relating to the scheme. The PAR report was submitted for approval by the Environment Agency's LRPG on the 6th August 2015. Following a number of queries and points of clarification the PAR was approved in August 2016.

Procurement of enabling studies then followed, including preliminary design of the Scheme, this being in order to obtain the relevant licenses and consents as the final step to draw down the Central Government funding of £19.4m. In conjunction with this, a supplier for the detailed design and construction of the Scheme was also successively procured under the Environment Agency's national Water and Environmental Management Framework. This lead to the execution of a deed between the Council and VBA Joint Venture Ltd (VBA) on the 20th October 2017. VBA's obligations are to develop and deliver the Scheme as authorised at the Operational Management committee meeting of the 12th September 2017, at a contract price of £17.6m. This is alongside a risk/contingency budget of £1.7m and a budget for fees of £0.5m, both to be retained initially by the Council, taking the total projected scheme cost to £19.8m, comprising the Central Government funding of £19.4m and the approved contribution from Fylde Council of £0.4m.

Due to the significant value of scheme it is classified as a medium level financial risk

(ii) Vehicle Replacement Programme

The estimated vehicle replacement profile, to replace existing fleet at the end of its useful economic life from 2017/18 to 2021/22 within the Capital Programme totals £3.7m.

It is important to note that purchase prices will fluctuate with new models and technological/legislative changes and it is therefore necessary to reality check the costs associated with new vehicles on an annual basis and make any necessary adjustments to the capital programme to ensure that ongoing fleet replacement is accurately budgeted for in future years.

Due to the significant value of the vehicle replacement programme and the potential for changes in vehicle specifications and emissions regulations this scheme has been highlighted as a potential future risk.

11.2 Low Level Financial Impact Risks

(i) Project Slippage

It is important that the Council monitors capital scheme slippage to ensure that no loss of external grant is imposed due to conditions associated within specified timescales.

(ii) Other Capital Receipts

The approved programme for 2018/19 onwards assumes "Right to Buy" receipts of £25k per annum and "General Asset Sales" of £45k per annum. Future receipts are dependent on prevailing market conditions and values cannot be predicted with certainty. This will be monitored and reviewed during the year and adjusted accordingly in future quarterly monitoring reports, along with the impact this may have on the financing of the programme.

(iii) Capital Investment in St. Annes Pool

As part of the arrangement with the YMCA for the operation of the pool, the Council undertook to provide Capital support in the event of major works, repair or breakdown and a provision of £153k was included in the programme for this eventuality. There is now a remaining capital resource of £93k in 2018/19. There is a risk that this remaining resource is insufficient to meet future capital expenditure needs for the facility.

(iv) Better Care Fund (Formerly Disabled Facilities Grants)

As the local housing authority, the Council has a statutory duty to provide disabled adaptations within the Borough. In order to fund these works the Council receives grant support which previously was provided by the Department for Communities and Local Government (DCLG). From 2015/16 the Government established the 'Better Care Fund', and under these new arrangements the funding for Disabled Facilities Grants transferred to the Department of Health, with funding being distributed to all Councils via the upper-tier authority for that area. As such, in Lancashire the fund is administered by Lancashire County

Council. Each upper-tier authority then allocates the funding to their respective housing authorities (i.e. district councils within their area) to enable them to continue to meet this statutory responsibility.

The level of government funding has increased significantly under the 'Better Care Fund' arrangements and the updated budget for 2017/18 (including slippage from 2016/17) of £1.159m provides for the delivery of more disabled adaptations than has previously been possible. A report to the Environment, Health and Housing Committee in June 2017 provided an update with regard to this scheme and included a number of variations to the operation of the programme to reflect the significant increase in available funding. It is anticipated that for 2017/18 all identified need for disabled adaptations can be met from the existing resource.

12. CONCLUSIONS – CAPITAL PROGRAMME

12.1 The current Capital Programme as updated is showing a balanced position for 2017/18 onwards.

12.2 The capital programme and the associated financing will be subject to discussion with Members during the coming months as part of the annual budget setting process for 2018/19.

12.3 Any additional expenditure which is not fully funded by external finance would normally require the generation of capital receipts or further borrowing (the latter placing further pressure on the Revenue Budget from the consequent repayment costs). However Budget Council on 4th March 2013 approved the creation of a Capital Investment Reserve to finance future capital expenditure. The current projected uncommitted balance of this reserve at 31st March 2019 is £1.244m prior to a further transfer from the Collection Fund Deficit Reserve as detailed in section 3.6 of this report. If approved that further transfer would leave a forecast unallocated balance on the Capital Investment Reserve at 31st March 2019 of £1.625m

13. TREASURY MANAGEMENT

13.1 The Treasury Management Strategy and Prudential Indicators were approved by Council on 2nd March 2017.

13.2 The regulatory framework for treasury management requires Councils to receive a mid-year Treasury Review report. This report will be presented to the Audit and Standards Committee for scrutiny on 16th November 2017 and subsequently will be presented to Council on 4th December 2017.

14. KEY AREAS OF FINANCIAL RISKS FOR TREASURY MANAGEMENT

14.1 There are a number of potential areas of significant risk associated with Treasury Management activities, the most significant of which are:

(i) Unexpected movements in cash flow;

(ii) Differences between the actual interest rate and interest rates used in the forecast; and,

(iii) The security of monies invested with counterparties

15. CONCLUSIONS - TREASURY

15.1 Investment rates available in the market continue to be at historically low levels. As a consequence of the voters' decision to exit the European Union ('Brexit') both bank base rate and investment return rates are expected to remain low for some time. A further consequence of the 'Brexit' vote has been an increased uncertainty in economic forecasts and financial markets. The Council will continue to aim to achieve the optimum return on investments commensurate with proper levels of security and liquidity that have been approved by Members.

16. OVERALL CONCLUSIONS ON THE LATEST FINANCIAL FIVE YEAR FORECAST UPDATE

16.1 The overall position on the Council's financial forecast, as summarised in Appendix E of this report, is an improvement since Budget Council in March 2017 for the current year and 2018/19, with increased deficits in 2019/20 and beyond. The increase in the level of forecast deficits from 2019/20 is largely a consequence of the removal from 2019/20 onwards of the forecast benefit in business rate income that results from membership of the Lancashire Business Rate Pool. As detailed in section 3.4 of this report this is considered a prudent position given the current uncertainty surrounding the future of business rate pools. The position will be kept under review and any developments in government policy in this regard will be reflected in future updates to the financial forecast.

16.2 In light of the budget challenges that will need to be addressed in the later years of the forecast, the Council needs to continue with the approach to delivering savings and efficiencies and maximising income which have helped deliver balanced budgets and contribute to reserves over recent years. Through continued focus on the importance of financial stability the Council has delivered a significant savings programme since 2007 and has continued to reduce senior management costs and other overheads. Ongoing modernisation work and business improvement will continue to make Council services more efficient, save money and maintain frontline services to customers. This work has yielded ongoing savings to help improve the Council's overall financial position over that period.

16.3 Although it is clear that further challenges lie ahead in the later years of the current update to the financial forecast, the finances remain generally stable and the reserves and balances are at healthy levels as compared to earlier periods. Furthermore Fylde Council has a past record of taking actions in order to meet and overcome those challenges; the introduction of a chargeable green waste collection service in the current year being a recent and a prime example of such action, as was the decision to join a Business Rates pool from 2017/18. Fylde Council will continue to seek other such opportunities to maintain a robust financial position in the face of a challenging and changing financial environment. This approach will ensure that the Council continues to achieve and sustain a balanced budget position on an ongoing basis and is able to deliver the priorities set out in the Corporate Plan.

16.4 The assumptions set out in this forecast are the latest best estimates and will be updated as and when further information becomes available. External pressures outside the Council's control are being experienced by all local authorities, and instructions remain in place that Officers should not commit to any unnecessary expenditure

16.5 **The financial position of the Council remains robust. Members should, however, continue to be cognisant of the risks that are detailed within this report and note that**

the gap between in-year income and expenditure in later years of the forecast will need to be addressed in order to achieve a sustainable financial outlook.

IMPLICATIONS	
Finance	The financial implications are contained within the body of the report.
Legal	None arising from this report
Community Safety	None arising from this report
Human Rights and Equalities	None arising from this report
Sustainability and Environmental Impact	None arising from this report
Health & Safety and Risk Management	None arising from this report

LEAD AUTHOR	CONTACT DETAILS	DATE
Paul O'Donoghue Chief Financial Officer	01253 658566	November 2017

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Medium Term Financial Strategy (MTFS) Update, Including General Fund, Capital Programme and Treasury Management for 2016/17 – 2020/210	Budget Council meeting 2nd March 2017	www.fylde.gov.uk
MTFS – Outturn Position For 2016/17 (Including General Fund, Capital Programme & Treasury Management)	Finance and Democracy Committee meeting 19th June 2017	www.fylde.gov.uk
Revenue Budget Monitoring Report 2017/18 – to 31st July 2017	Finance and Democracy Committee meeting 25th September 2017	www.fylde.gov.uk

Capital Programme Monitoring Report 2017/18 – to 31st July 2017	Finance and Democracy Committee meeting 25th September 2017	www.fylde.gov.uk

Attached Documents:

1. Appendix A – Forecast approved at Council on 2nd March 2017
2. Appendix B – Schedule of general assumptions underpinning the forecast
3. Appendix C – Schedule of changes to the forecast
4. Appendix D – Explanation of changes to the forecast
5. Appendix E – Updated latest forecast position

Appendix A

General Fund Budget Forecast 2016/17 to 2020/21 - Approved at Budget Council March 2017

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Adverse / Favourable
Forecast approved at Council on 2nd March 2016	**9,371**	**9,397**	**10,387**	**10,825**	**10,825**	
Forecast Changes - per Appendix C of March 2017 MTFS report	- 322	- 474	- 713	- 780	- 601	**Favourable**
Budget Proposals - per Appendix F of March 2017 MTFS report	0	57	32	32	32	**Adverse**
Forecast Budget Requirement	**9,049**	**8,980**	**9,706**	**10,077**	**10,256**	
Financed by:						
Council Tax Funding:						
Council Tax - Precept	5,484	5,733	5,954	6,181	6,413	
Council Tax - Share of Previous Years Surplus/(Deficit)	70	50				
Sub Total - Council Tax Funding	***5,554***	***5,783***	***5,954***	***6,181***	***6,413***	
Business Rates Funding:						
Retained Rates (including pooling benefit & contbtn from CF deficit reserve)	1,771	3,879	2,819	2,611	2,633	
Approved Contribution to Funding Volatility Reserve		- 2,000				
Sub Total - Business Rates net of reserve transfers	***1,771***	***1,879***	***2,819***	***2,611***	***2,633***	
Other Funding:						
New Homes Bonus	1,863	1,661	1,176	994	996	
Revenue Support Grant	861	354	47			
Transition Grant	56	56				
Less - Parish Element of Council Tax Support Funding	- 66	- 27	- 4			
Sub Total - Other Funding	***2,714***	***2,044***	***1,219***	***994***	***996***	
Forecast Financing	**10,039**	**9,706**	**9,992**	**9,786**	**10,042**	
Forecast surplus(-)/deficit for year	**- 990**	**- 726**	**- 286**	**291**	**214**	
Reserves						
Forecast surplus/deficit(-) for year from above:	990	726	286	- 291	- 214	
Less: Approved Contribution to Accommodation Project Reserve	- 151					
Less: Approved Contribution to Accommodation Project Reserve	- 320					
Less: Approved Contribution to M55 Link Road Reserve	- 519	- 285				
Less: Proposed Transfer to Capital Investment Reserve		- 441	- 286			
Balance of surplus/deficit(-) remaining:	0	0	0	- 291	- 214	
Balance of General Fund Reserves b/f	3,481	3,481	3,481	3,481	3,190	
Less transfer to/from(-) General Fund Reserves in year				- 291	- 214	
Forecast Reserves at Year End	**3,481**	**3,481**	**3,481**	**3,190**	**2,976**	
Band D Council Tax (Excl Parish Precepts)	**£190.77**	**£195.76**	**£200.75**	**£205.74**	**£210.73**	
Band D Average Council Tax Increase	**£4.98**	**£4.99**	**£4.99**	**£4.99**	**£4.99**	
Band D Average Council Tax Increase	**2.68%**	**2.62%**	**2.55%**	**2.49%**	**2.43%**	

Appendix B

General Base Budget Assumptions

The forecast has been prepared on the basis of the following assumptions:

- General Prices Inflation – a freeze or cash-limiting of all general revenue expenditure budgets with the exception of pay, fuel & utility budgets;
- Slippage - underspend items from 2016/17 agreed by the Finance and Democracy Committee in June 2017 have been slipped into 2017/18;
- Pay award - assumed to be 1% per annum for 2017/18 and thereafter 1.5% per annum;
- Employers Pension Contributions – the Council's contribution to the Lancashire pension fund scheme is set in accordance with the estimated outcome of the 2016 Triennial Pension Review at 15.2% plus 9% deficit recovery lump sum payment for the period to 2019/20; any amendments resulting from the final review will be reflected in later updates to the Financial Forecast;
- Employer's National Insurance contributions – the forecast reflects the statutory contribution rates currently in place, including a reduced contribution rate as a result of the Council being part of the pension scheme;
- Council tax increases – £4.99 increase per annum from 2017/18 onwards in line with latest government announcement on the threshold for referendums;
- Government Grant Support – the forecast assumes central government funding is as notified in the illustrative four-year funding settlement announced in January 2017, amended for known changes in respect of retained Business Rates and New Homes Bonus for 2017/18 onwards;
- Fees and Charges – The forecast takes account of the 5% increase in car parking fees from April 2017 and of the planned increases in cemetery and crematorium fees. In respect of other services budget-holders have reviewed fee levels as appropriate and any proposed changes to fees & charges will be considered at the Budget Council in March 2018 following consideration by the appropriate programme committee;
- Vacancy Savings – the forecast assumes vacancy savings of £200k per annum from 2017/18 onwards;
- Localisation of Council Tax Benefit Scheme – the forecast assumes a fully funded scheme with no cost to the Council from 2017/18 onwards following a decision on the 2017/18 scheme that was agreed at the Council meeting in December 2016.

Appendix C

Forecast changes since Budget Council March 2017

		17/18 £000	18/19 £000	19/20 £000	20/21 £000	21/22 £000	ADVERSE / FAVOURABLE / NEUTRAL
1	**CHANGES AS A RESULT OF MEMBER APPROVALS:**						
	F&D Committee - 20/06/17 - Slippage	67	0	0	0	0	ADVERSE
2	**BUDGET RIGHTSIZING EXERCISE:**						
	Revenue impact of budget right-sizing across all budget areas of the Council	-29	-75	-106	-105	-146	FAVOURABLE
3	**UPDATED ESTIMATES OF INCOME BUDGETS:**						
	Updated estimate of income from green waste charges	-131	-77	-17	-17	-17	FAVOURABLE
4	**STAFFING COSTS:**						
	Pay Award - Increase from assumed 1% to 1.5% for 2018/19	0	50	50	50	50	ADVERSE
	Pay Award - Increase from assumed 1% to 1.5% for 2019/20	0	0	50	50	50	ADVERSE
	Pay Award - Increase from assumed 1% to 1.5% for 2020/21	0	0	0	50	50	ADVERSE
	Pay Award for 2021/22 - assumed at 1.5%	0	0	0	0	150	ADVERSE
5	**OTHER FORECAST CHANGES**						
	Public Offices - Costs re-instated	20	40	0	0	0	ADVERSE
	Interest Charges - Receivable	-26	-7	0	0	0	FAVOURABLE
	TOTAL	**-99**	**-69**	**-23**	**28**	**137**	FAVOURABLE

Explanations of Forecast Changes set out in Appendix C **Appendix D**

The following notes relate to specific adjustments made to the Forecast set out in Appendix C

(1) Changes as a Result of Member Approvals

The forecast that was approved at the Council meeting in March 2017 has been updated to reflect the financial impact of Member decisions made since then. The significant decisions in financial terms of their effect are detailed within the body of the report.

(2) Impact of budget-right-sizing exercise across all budget areas of the Council

Each year officers carry-out a budget right-sizing exercise focussing on a review of underspends across all budget areas. This exercise has, as always, yielded in a significant level of favourable adjustments which have been reflected in the revised forecast.

(3) Updated income forecasts

The forecast has been updated to reflect additional income resulting in a higher rate of subscription for the chargeable green waste collection service in 2017/18 than was originally anticipated. The income forecasts for future years have also been amended to reflect the sooner than expected achievement of projected subscription levels in the early years of the service as well as a general increase in the anticipated maximum subscription level for the service.

(4) Staffing Costs – Pay Awards

As a result of growing pressure from Trades Union and others for an end to the public sector pay cap (not least as a result of Consumer Price Inflation (CPI) running at around 3%) and a number of recent public sector pay awards in excess of the 1% level, the forecast has been amended to include pay awards for 2018/19 and future years of 1.5% per annum. This will be kept under review and futures updates to the forecast will be amended to reflect the latest information on future pay award expectations.

(5) Other Forecast Changes:

Reinstatement of costs for the Public Offices

The original forecast for 2017/18 assumed that the Council would retain responsibility for the costs associated with continued ownership of the public offices building for the first half of that year only. However at present the Council is still responsible for the building and all associated costs. The budgets for 2017/18 and 2018/19 have been amended and now provide for those costs for all of 2017/18 and 2018/19.

Revised interest rate forecasts

The forecast has been updated to reflect the latest estimate of investment interest received on cash balances and reserves which the Council invests as part of daily treasury management activities. Interest earnings have increased as a result of the retention of higher cash balances than was anticipated.

Appendix E

Latest General Fund Budget Forecast 2017/18 to 2021/22

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	Adverse / Favourable
Forecast approved at Council on 2nd March 2017	8,980	9,706	10,077	10,256	10,256	
Forecast Changes - per Appendix C	- 99	- 69	- 23	28	137	Favourable
Forecast Budget Requirement	**8,881**	**9,637**	**10,054**	**10,284**	**10,393**	
Financed by:						
Council Tax Funding:						
Council Tax - Precept	5,733	5,969	6,200	6,434	6,673	
Council Tax - Share of Previous Years Surplus/(Deficit)	40					
Sub Total - Council Tax Funding	*5,773*	*5,969*	*6,200*	*6,434*	*6,673*	
Business Rates Funding:						
Retained Rates (including pooling benefit & contbtn to/from CF deficit reserve)	3,880	2,816	2,195	2,195	2,195	
Approved Contribution to Funding Volatility Reserve	- 2,000					
Sub Total - Business Rates net of reserve transfers	*1,880*	*2,816*	*2,195*	*2,195*	*2,195*	
Other Funding:						
New Homes Bonus	1,665	1,310	1,145	1,240	1,026	
Less - NHB distribution to Town & Parish Councils		- 66				
Revenue Support Grant	354	47				
Transition Grant	56					
Less - Parish Element of Council Tax Support Funding	- 27	- 4				
Sub Total - Other Funding	*2,048*	*1,287*	*1,145*	*1,240*	*1,026*	
Forecast Financing	**9,701**	**10,072**	**9,540**	**9,869**	**9,894**	
Forecast surplus(-)/deficit for year	**- 820**	**- 435**	**514**	**415**	**499**	
Reserves						
Forecast surplus/deficit (-) for year from above:	820	435	- 514	- 415	- 499	
Less: Approved Contribution to M55 Link Road Reserve	- 41					
Less: Proposed Transfer to Capital Investment Reserve	- 779	- 435				
Balance of surplus/deficit(-) remaining:	0	0	- 514	- 415	- 499	
Balance of General Fund Reserves b/f	3,548	3,548	3,548	3,034	2,619	
Less transfer to/from(-) General Fund Reserves in year			- 514	- 415	- 499	
Forecast Reserves at Year End	**3,548**	**3,548**	**3,034**	**2,619**	**2,120**	
Band D Council Tax (Excl Parish Precepts)	**£195.76**	**£200.75**	**£205.74**	**£210.73**	**£215.72**	
Band D Average Council Tax Increase	**£4.99**	**£4.99**	**£4.99**	**£4.99**	**£4.99**	
Band D Average Council Tax Increase	**2.62%**	**2.55%**	**2.49%**	**2.43%**	**2.37%**	