



**MEDIUM TERM FINANCIAL STRATEGY
2017/18 – 2021/22**

1 INTRODUCTION

- 1.1 The **Medium Term Financial Strategy** (MTFS) sets the strategic financial direction for the Council and is regularly updated as it evolves and develops throughout the year to form the framework for the Council's financial planning. To ensure Members have a sound basis for planning and decision making, the MTFS is reviewed and updated at key points in the year these are:
- Midyear – as a framework for initial detailed budget discussions for the forthcoming financial year;
 - January – an update to include additional information received at a national level and corporate issues identified through service planning, and the detailed budget build; and
 - February – with the final Budget for the new financial year.
- 1.2 The purpose of the MTFS is to set out the key financial management principles, budget assumptions and service issues. It is then used as the framework for the detailed budget setting process to ensure that resources are managed effectively and are able to deliver the aspirations of the Council as set out in the Business Plan, over the medium term.
- 1.3 The vision of the East Suffolk Business Plan is to “Maintain and sustainably improve the quality of life for everybody growing up, living in, working in and visiting East Suffolk”. The MTFS underpins the **Efficiency Plan**, which outlines how the key Business Plan objective of Financial Self Sufficiency will be delivered.
- 1.4 The MTFS provides an integrated view of the Council's finances, recognising that the allocation and management of its human, financial and physical resources play a key role in delivering its priorities and ensuring that the Council works effectively with its partners locally, regionally and nationally.
- 1.5 The key underlying principles of the MTFS are:
- securing a balanced budget with a reduced reliance on the use of reserves and general balances to support its everyday spending;
 - setting modest increases in Council tax when appropriate; and
 - delivering service efficiencies and generating additional income where there are opportunities to do so.
- 1.6 Part of the process of delivering a robust MTFS to enable the Council to manage its affairs soundly, is to have regard to both external and internal risks, and to identify actions to mitigate those risks. MTFS key principles and a risk analysis together with mitigating actions are provided in Appendix B1.
- 1.7 Sections 2 to 4 forecast the financial challenge facing the Council, taking into account economic factors, the local government finance environment, and the Council's key funding streams. Sections 5 to 7, outline how the Council will respond to the challenge, as expressed in terms of its Budget and strategies towards reserves and capital.

2 ECONOMIC INDICATORS

- 2.1 The national economic background affects the costs the Council incurs, the funding it receives, and contributes to the demand for services as residents are affected by economic circumstances. The inflation rate impacts on the cost of services the Council purchases, as the Council delivers much of its service provision through contractual arrangements where inflationary pressures have to be negotiated and managed. Specific contractual inflation has been incorporated into the Council's financial position, where appropriate, based on the actual contractual indices.

Gross Domestic Product (GDP)

- 2.2 Forecasts for economic growth in Gross Domestic Product have been downgraded by the Office for Budget Responsibility (OBR). These are shown below, compared with the Bank of England's forecasts in its November Inflation Report:

| Gross Domestic Product (GDP) Forecasts | | |
|--|--------------|-------------------|
| Year | BoE November | OBR Autumn Budget |
| 2017 | 1.50% | 1.50% |
| 2018 | 1.70% | 1.40% |
| 2019 | 1.70% | 1.30% |
| 2020 | 1.70% | 1.30% |
| 2021 | | 1.50% |
| 2022 | | 1.60% |

Consumer Pricing Index (CPI)

- 2.3 Regarding inflation, OBR forecasts for Inflation as measured by CPI are shown below, compared with the Bank of England's forecasts in its November Inflation Report:

| Consumer Pricing Index (CPI) Inflation Forecasts | | |
|--|--------------|-------------------|
| Year | BoE November | OBR Autumn Budget |
| 2017 | 3.00% | 2.70% |
| 2018 | 2.40% | 2.40% |
| 2019 | 2.20% | 1.90% |
| 2020 | 2.10% | 2.00% |
| 2021 | | 2.00% |
| 2022 | | 2.00% |

Bank Interest Rate

- 2.4 On 2 November the Bank of England lifted the bank rate from 0.25% to 0.50%, the first increase since July 2007. Further rises are expected over the next three years at a gradual pace and to a limited extent. Another rise is anticipated in early and later 2018.

3 PUBLIC FINANCES

- 3.1 The Chancellor of the Exchequer presented the Government's Autumn Budget to Parliament on 22 November 2017. The Autumn Budget provides a formal update on the state of the economy, responds to new economic and fiscal forecasts from the Office for Budget Responsibility, and sets out fiscal measures for the following year. The Autumn Budget also sets the scene for the Provisional Local Government Finance Settlement.

4 LOCAL GOVERNMENT FINANCE

Local Business Rates Retention and the Provisional Local Government Finance Settlement

- 4.1 The introduction of the Local Business Rates Retention System in 2013/14, together with the government's programme of fiscal consolidation since 2010, have combined to both reduce the quantum of funding available to the Council, and to shift the balance of funding significantly away from central to local sources.
- 4.2 The Provisional Local Government Finance Settlement was announced on 19 December 2017. The following paragraphs provide some information on each of the Council's key funding sources and the implications of the provisional Settlement.

Government Grant Funding and Four-year Settlements

- 4.3 **Revenue Support Grant (RSG)** has been substantially reduced in recent years. The exemplifications for RSG up to 2019/20 (shown below) were included in the Local Government Finance Settlement 2017/18, and constituted the Government's four-year funding settlement offer to councils. These figures were also confirmed in the 2018/19 provisional settlement on 19 December 2017.

| Revenue Support Grant (RSG) | 2015/16 £'000 | 2016/17 £'000 | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 |
|-----------------------------|------------------|------------------|------------------|---------------------|------------------|
| Waveney RSG | (2,909) | (2,018) | (1,296) | (836)* ¹ | (323) |

**¹In 2018/19 RSG will need to be met from 100% Retained Business Rates under the Pilot. It will then return in 2019/20 after the one year pilot.*

Business Rates – 100% Business Rates Retention Proposals and Pilots

- 4.4 In its 2015 Spending Review, the Government announced proposals for Councils to retain all locally raised business rates by the end of the decade, and to end the distribution of core grant from central Government. These proposals were subject to delay as a result of the General Election and the Local Government Finance Bill not being included in the legislative programme for this Parliament. However, the government continues to be committed to this change, and is continuing to develop key aspects of the new system, for example the invitation to groups of authorities to become pilots for 100% Business Rates retention in 2018/19. See Paragraph 4.7.
- 4.5 In the provisional Settlement, the Government announced proposals for the proportion of business rates income to be retained by the local authority sector to be increased from 50% to 75% from 2020/21, a development which does not require primary legislation, unlike the move to 100% local retention. As part of this move, Central Government in conjunction with the local government sector will be reviewing the funding formulae which determine local

needs and redistribute money between local authorities, and new burdens that will be passed across to the sector. The sector will not initially, at least, have more funding: over the longer term that will depend on whether business rates grow faster or slower than local authority service demands and costs.

- 4.6 The Government has issued an initial consultation on the Fair Funding Review, which is intended to set some parameters for the review of relative needs and resources and reset of the system. This initial consultation closes on 12 March 2018. The Government is also continuing to work with the LGA and local authority representatives to develop the new system.
- 4.7 The Government issued an invitation to local authorities in England to pilot 100% Business Rates Retention in 2018/19 and to pioneer new pooling and tier-split models. These new pilots will run alongside the five current 100% pilots which have been in operation since 1 April 2017, and will help explore options, with local government, for the design of future local government finance reforms. The 2018/19 pilots are regarded as an opportunity by the DCLG to test more technical aspects of the 100% business rates retention system, such as tier-splits, providing the opportunity to evaluate how collaboration between local authorities works in practice. In total, 23 pilot bids were submitted.
- 4.8 In the provisional Settlement, ten new successful pilots were announced which will be launched in April 2018, including Suffolk. The selection criteria for the pilots were essentially concerned with dynamics of the participating authorities and the ability to test aspects of the system. The Suffolk authorities' proposal in response to this invitation was formulated as an extension to the current Suffolk Business Rates Pool arrangements (see below), with the underlying principle that each authority will receive the same amount of funding as under these current arrangements. Being a Pilot will bring significant financial gain to Suffolk in 2018/19, enabling investment in economic growth projects, and providing some support to the sustainability of Suffolk authorities. There will be further pilots in 2019/20, with a bidding process to be announced later in the year. It is not clear as yet as to whether 2018/19 pilots will automatically continue into 2019/20.

Business Rates

- 4.9 Since 2013/14, business rates income has tended to be characterised by a high degree of volatility and uncertainty. Variances between estimated and actual business rate income are realised in the form of deficits or surpluses on the business rates element of the Collection Fund. For each year, the amount of business rates income credited to the General Fund is the amount estimated on the National Non Domestic Rate (NNDR1) return to Government submitted in January in the preceding year, including a calculation of the estimated Collection Fund deficit or surplus to be charged to the General Fund. As a result, in practice, variances between business rates estimates and actual figures are reflected as an element of the Collection Fund deficit or surplus two years after they take place.
- 4.10 The impact of appeals by businesses against their rating valuations has been the main cause of this volatility in recent years, particularly where the financial impact of these has been backdated. Since April 2017, there has been a new regime for appeals entitled "Check, Challenge, Appeal". This change has been introduced at the same time as the 2017 Revaluation has come into effect. As a result, there is currently very little data available on which to base the estimation of the provisions that are required to be made in respect of the potential financial impact of appeals. However, there is a possibility that the ultimate financial impacts of appeals on local authority finances may be less than under the previous regime.

- 4.11 **Suffolk Pool-** In order to reduce the amounts paid to Government in levy, in 2012, all Suffolk Councils agreed to enter a pooling arrangement which would allow them to retain a larger proportion of their share of growth by reducing their individual rate of levy. Waveney has both made a substantial contribution to the Pool and received benefits from the Pooling arrangements in previous years. The estimated Pooling benefit for 2018/19 is dependent on all of the NNDR1 returns prepared by the Suffolk councils and then collated by Suffolk County Council.
- 4.12 The following table provides a summary of key Business Rate figures and assumptions as included in the MTFS;

| Business Rates Income | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 | 2020/21 £'000 | 2021/22 £'000 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Net Business Rates Income | 3,298 | (3,234) | (3,331) | (3,430) | (3,430) |
| Business Rates - Renewables | (365) | (267) | (275) | (283) | (283) |
| Business Rates - Suffolk Pool Benefit | (380) | (150) | (150) | (150) | (150) |
| Business Rates - Collection Fund (Surplus) / Deficit | 966 | (113) | 0 | 0 | 0 |
| Section 31 Grant (Business Rates) | (885) | (1,070) | (1,102) | (1,135) | (1,135) |

Council Tax

- 4.13 Council tax is one of the Council's most important and stable income streams, funding nearly 50% of the net budget. In the Provisional Finance Settlement, Council Tax increase referendum limits in 2018/19 for shire districts have been increased from a maximum of £5 or 2%, whichever is the greater, to a maximum of £5 or 3%, whichever is the greater. For Waveney, 3% equates to an increase of around £4.72, so this increase does not represent increased flexibility and £5 continues to be the relevant referendum limit. The Government has indicated that referendum limits will be kept under review before the 2019/20 settlement, including the £5 per year limit. The MTFS reflects an increase of £4.86 (3.09%) in 2018/19, in order to harmonise council tax levels with Suffolk Coastal, and £4.95 thereafter. The Government intends to defer the setting of referendum principles to Town and Parish Councils for another three years.
- 4.14 **Council Tax Base** - Growth in the number of properties in the tax base means that overall the estimated tax base has increased by 568.20 from 35625.72 Band D equivalents in 2017/18 to 36,193.92 Band D equivalents for 2018/19. This equates to around £89k additional Council Tax income to the Council based on the current (2017/18) District Band D Council Tax of £157.41. The proposed Band D Council Tax for 2018/19 is £162.27.
- 4.15 **The Council Tax Collection Fund** is monitored closely throughout the financial year, and an estimated surplus generated from the Collection Fund of £169k in 2017/18 is included in the budget for 2018/19.
- 4.16 The Council's MTFS has been updated to reflect the following assumptions regarding the council tax:

| Council Tax Income | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 | 2020/21 £'000 | 2020/22 £'000 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Council Tax Base | (5,609) | (5,609) | (5,874) | (6,094) | (6,323) |
| Council Tax Base Increase of 0.5% from 2019/20*¹ | 0 | (89) | (29) | (31) | (32) |
| Council Tax Increase of £4.68 2018/19, £4.95 from 2019/20 | 0 | (176) | (191) | (198) | (205) |
| Council Tax Income (new baseline) | (5,609) | (5,874) | (6,094) | (6,323) | (6,560) |

**¹ Growth in the Tax Base for 2018/19 is 1.59%*

New Homes Bonus

- 4.17 The Government has established the New Homes Bonus, which is funding allocated to councils based on the building of new homes and bringing empty homes back into use. The intention for the New Homes Bonus is to ensure that the economic benefits of growth are returned to the local authorities and communities where growth takes place.
- 4.18 Over the past few years, NHB has become an extremely important source of incentivised income. The NHB allocations for 2017/18 (Year 7) reflected a previous Government consultation which had the objectives of diverting at least £800m of funding to Social Care (the Better Care Fund), and of sharpening the incentives for authorities.
- 4.19 Key features in the new NHB allocations included:
- The allocation period being reduced from 6 to 4 years in 2018/19, with 2017/18 as a transition year with a 5 year allocation.
 - The threshold for baseline growth was set at 0.4% of growth in the number of properties, to remove “deadweight” growth that would occur normally without active delivery by councils – councils will only receive NHB for new properties above this level.
- 4.20 In consultation on the 2018/19 Local Government Finance Settlement, the Government stated that the threshold for baseline growth will be reviewed and notified later in the year at the time of the Settlement. The Consultation also proposed that reductions in the NHB allocations will be made to reflect the “quality of planning decision making”, with this reduction to be based on the number of successful planning appeals (not housing units) as a proportion of total number of planning applications. However, following consultation and representations from local authorities, these proposals are not being implemented in 2018/19, and the 2018/19 allocations notified in the provisional settlement are based on the current methodology.
- 4.21 The table below shows the NHB allocations for the authority and updated forecasts based on the level of allocation for 2018/19 being replicated in subsequent years. The Council Tax Base return to Government (CTB1) provides the basis for calculating the allocation each year, and this indicates slower growth in the number of properties over the past year than in previous years, although the 2018/19 allocation is slightly higher than that forecast (£605k) before the provisional settlement.

| New Homes Bonus | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 | 2020/21 £'000 | 2021/22 £'000 |
|------------------------|-----------------------|------------------|------------------|------------------|------------------|
| Waveney NHB allocation | (1,225)* ¹ | (635) | (391) | (306) | (333) |

**¹ In 2017/18 an additional £9k of NHB funds were received, giving a total of £1.234m as received in the year.*

5 MEDIUM TERM FINANCIAL POSITION

Budget Planning Assumptions

- 5.1 **Goods & Services** - The Council's financial strategy assumes that any inflationary pressures incurred on goods and services expenditure are contained within existing budgets, or through more efficient spending. This will be kept under review to ensure this planning assumption remains adequate. This does not impact on inflation for specific contracts where the budget planning assumptions reflect specific contract increases.
- 5.2 Contracts have been inflated based on the specified inflation indices within each individual contract. Additional negotiation has taken place with contractors to determine how these cost increases can be reduced where possible. This negotiation and retendering of contracts is part of the Council's strategy for cost reduction and will continue over the medium-term.
- 5.3 **Fees and Charges** are based on the Council's agreed principles of increasing existing fees and charges on a market forces basis whilst having regard to the Council's policies and objectives. As a minimum, fees and charges should be increased by price inflation. The Council will also review opportunities to introduce new fees as appropriate. Proposed fees and charges for 2018/19 were agreed by the Cabinet in December 2017.
- 5.4 Regulations to introduce the 20% increase in planning fees were made on 20 December 2017, which means that local planning authorities will be able to start applying the fee increase from 17 January 2018. Due to this late announcement from DCLG the Council has taken a prudent approach not to mainstream this income until a decision has been made on re-investing this in resources to improve productivity and to deliver better outcomes.
- 5.5 **Public Sector Pay** - In the Summer Budget in 2015, the Chancellor imposed further restraint on public sector pay, setting increases of 1% for a further 4 years from 2016/17, although the Government does not set pay increases for local government employees. However, there has recently been indication of some relaxation of this. In December 2017 the National Employers made a final pay offer covering the period 1 April 2018 to 31 March 2020, which included a 2% increase in 2018/19 and 2019/20. The MTFs assumes a one-off 2% increase in pay for 2018/19 and 2019/20, followed by 1% per annum thereafter. A 1% increase in pay equates to approximately £100k including on-costs of employer national insurance and pension contributions. In addition to pay increases, pay costs include incremental progression with growth for increments assumed in each of the future years.
- 5.6 **Local Government Pension** - The Pensions Act 2014 received Royal Assent in May 2014 and introduced a new Single Tier Pension from April 2016. This has ended the practice of contracting-out whereby Local Government Pension Scheme (LGPS) employers and their employee pension scheme members pay a lower rate of National Insurance Contributions (NICs).

- 5.7 **Actuarial Valuation** - The latest triennial actuarial valuation of the assets and liabilities of the Suffolk County Pension Fund was completed on 31 March 2016. To ensure the Council stays in line with the policy of aiming to have its share of the pension fund fully funded within the next 20 years, the employers pension contribution rate for 2017/18, 2018/19 and 2019/20 has increased from 16% to 22.9%. At the same time, the annual pension back funding amounts have reduced to £1.6m in 2017/18, £1.5m in 2018/19 and £1.4m in 2019/20. Overall, these changes represent a 1% reduction in total cost in 2017/18, with a further 1% reduction in 2018/19 and a further 1% reduction in 2019/20, which reflects how well the Suffolk County Pension Fund is funded. The next review will be carried out during 2019/20 with an effective date of 31 March 2019.
- 5.8 In formulating its detailed spending plans, the Council has also taken account of past performance and the previous year's outturn position.
- 5.9 The Council's financial planning assumptions are shown in the table below:

| Financial Planning Assumptions | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|---|----------------|----------------|----------------|----------------|
| | % | % | % | % |
| Goods and Services | 0 | 0 | 0 | 0 |
| Fees & Charges (RPI June 2017) | 3.5 | 3.5 | 3.5 | 3.5 |
| Pay | 2 | 2 | 1 | 1 |
| Utilities and Energy | 3 | 3 | 3 | 3 |

- 5.10 **Other Pressures** – Ranging from increased demand for services or changes in national policy, the Council's MTFs has been adjusted to reflect the financial implications of these changes. A summary analysis of the key budget movements is provided in the following table and a detailed analysis is provided in Appendix B3.

| WDC - Summary of Key Budget Movements | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|--|----------------|----------------|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Community Investment | 64 | 46 | 46 | 46 | 46 |
| Community Governance Arrangements | 241 | 200 | 200 | 200 | 200 |
| National Policy | 35 | 146 | 236 | 220 | 146 |
| Operational Requirements | 428 | 637 | 765 | 959 | 814 |
| Operational Requirements - Staffing | 0 | 239 | 117 | 121 | 229 |
| Additional Income | (533) | (533) | (403) | (377) | (377) |
| Reduced Income | 198 | 448 | 93 | 93 | 93 |
| Operational Efficiencies | (295) | (299) | (238) | (243) | (204) |
| Partnerships | (3) | (88) | 71 | 35 | 127 |

MTFS Forecasts 2017/18 to 2021/22

5.11 The table below outlines the updated MTFS Forecasts for 2017/18 to 2021/22. These are attached in more detail as Appendix B3. These forecasts have been updated in respect of the external funding issues referred to in previous sections, and ongoing budget monitoring during the course of 2017/18. From 2019/20 onwards, these forecasts represent a base MTFS position giving the underlying budget gap - the reported budget gaps below do not include incentivised external income due to the high degree of uncertainty. The present base MTFS position also does not take account of the following major issues in this timeframe:

- The possible creation of a new East Suffolk council with effect from April 2019 (see paragraphs 5.15 to 5.17 below);
- The possible implementation of 100% Business Rates Retention in 2019/20 or 2020/21;
- Any other actions or use of balances to address the currently forecast budget gap.

| MTFS Forecasts | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 | 2020/21 £'000 | 2021/22 £'000 |
|----------------|------------------|------------------|------------------|------------------|------------------|
| February 2017 | 0 | 1,344 | 1,875 | 2,003 | |
| November 2017 | 387 | 369 | 2,384 | 2,545 | 2,433 |
| January 2018 | 0 | 0 | 2,275 | 2,665 | 2,589 |

5.12 Appendix B4 provides an analysis of the key budget movements for the 2017/18 original budget to the 2017/18 revised budget. Appendix B5 provides an analysis of the key budget movements for the 2017/18 original budget to the 2018/19 budget. Appendix B6 presents the General Fund Budgets for 2017/18 to 2021/22 summarised at Portfolio level.

5.13 To deliver a balanced and sustainable budget for 2018/19 and beyond, the Council will be adopting and working through the strategy outlined in the Efficiency Plan (Appendix A).

New Council for East Suffolk

5.14 In January 2017, Suffolk Coastal and Waveney both resolved to dissolve and create a new Council for East Suffolk from 1 April 2019. The business case for a single council was refreshed in September 2017 and indicated that creation of a single council should enable a range of cashable and non-cashable savings to be made across what are currently two separate councils. However, at this stage, this MTFS has been prepared on the basis that Waveney will continue to be a separate council over the medium term period, and no savings associated directly with the establishment of a single council have been included. Regardless of the progress on this process, the Council will, in any event, have to set its own budget and council tax for 2018/19.

5.15 On 7 November, 2017 the Secretary of State, confirmed his backing to the proposal and issued a 'minded to' decision. Before the Secretary of State takes his final decision, he has invited representations, which closed on 8 January 2018. He will then make his final decision, which will be subject to Parliamentary approval.

5.16 If a final decision is received, the formal process of parliament creating the necessary laws needed to bring about a new Council will begin. It is expected for that process to conclude around April/May 2018. This then means an electoral review process can take place where

the Councils will be recommending new electoral wards for the new East Suffolk Council - which will be elected to in May 2019 when the new Council will hold its first election.

6 RESERVES AND BALANCES

- 6.1 In order to manage its financial affairs soundly, the Council needs to hold an appropriate level of reserves and balances. These allow it to:
- a) manage its cash flows economically and avoid temporary borrowing pending receipt of income due during the year;
 - b) deal promptly and efficiently with emergencies if they occur, as this year;
 - c) take previously unseen opportunities to secure benefits that may arise during the year;
 - d) mitigate reliance on volatile sources of funding
 - e) set money aside for known events but where the timing or precise amount required is not yet certain; and
 - f) accumulate monies to meet costs that it would be unreasonable for taxpayers to meet in a single year.
- 6.2 In addition to the General Fund Balance, the Council keeps a number of earmarked reserves on the Balance Sheet. Some are required to be held for statutory reasons, some are needed to comply with proper accounting practice, and others have been set up voluntarily to earmark resources for future spending plans or potential liabilities.
- 6.3 The Council has continued to develop its prudent financial management arrangements, through the development of earmarked reserves to mitigate potential future risks. As issues arise, the potential requirement for an earmarked reserve is considered. New earmarked reserves are formally considered as part of the detailed budget process, to ensure that risks identified are adequately mitigated, and throughout the annual budget monitoring process as risks arise or become clearer.

General Fund Balance and Earmarked Reserves

- 6.4 The detailed budget process includes an assessment of risk, the adequacy of General Fund Reserves and a review of earmarked reserves, to both create, or change earmarked reserve levels and to also release reserves which are no longer required, to become one-off resources for the Council. A risk assessment of the General Fund Balances informs the Chief Finance Officer's view of the adequacy of reserves to provide assurance to the budget. Having regard to the financial risks surrounding the budget planning process; the Council maintains the level of General Fund Balance at around 3%-5% of its budgeted gross expenditure. At 31 March 2017, the General Fund balance stood at £4.160m.
- 6.5 One of the key underpinning financial principles of the MTFS is to not use the Council's Reserves (and other one-off resources) as a primary method to balance the ongoing pressures in the budget. Earmarked reserves are now used for specific one-off purposes to support the delivery of corporate objectives and to mitigate risks.
- 6.6 The current projected position on Reserves and Balances is set out in Appendix B7 and summarised in the following table. Sections 6.7 to 6.26 below provide further detail on the reserve movements.

| WDC Reserves Projected Position | Actual April 2017 £'000 | Projected April 2018 £'000 | Projected April 2019 £'000 | Projected April 2020 £'000 | Projected April 2021 £'000 | Projected April 2022 £'000 |
|--|--|---|---|---|---|---|
| General Fund | 4,160 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 |
| Earmarked | 8,643 | 8,281 | 6,663 | 6,377 | 6,377 | 6,368 |
| Capital | 498 | 421 | 448 | 314 | 202 | 265 |

Earmarked Reserves Movements

- 6.7 The 2017/18 budget includes £160k transfer to the Actuarial reserve to ensure sufficient funds are available to meet any future costs of redundancies and early retirements during the year. £145k is expected to be used from this reserve in the current financial year.
- 6.8 £15k is planned to be used from the Community Development and Safety reserve to fund related initiatives.
- 6.9 In support of Community Health projects, £9k is planned to be used in 2017/18 from the Community Health reserve.
- 6.10 Year End Carry Forward requests are now set aside in an earmarked reserve. This is to enable closer monitoring of their use throughout the year. Services are able to request “draw down” of the additional budget provision to fund their project areas, subject to there not being underspends within their normal available budget that could be alternatively used. During 2017/18 £26k is planned to be drawn down from this reserve.
- 6.11 During 2017/18 £71k is planned to be used from the HCA-Area Action Plan (AAP) reserve. This is fund received from the HCA (land contamination grant) for site investigation work within the AAP.
- 6.12 The revenue budgets include a sum of £60k set aside each year to the District Elections reserve to fund the four yearly Council Elections, with £65k planned to be used from this reserve in 2019/20.
- 6.13 In 2017/18 £74k is planned to be used from the Economic Development reserve to fund Business activities.
- 6.14 In 2017/18 £16k is planned to be transferred to the Domestic Violence reserve. This is funding received to provide support to schemes supporting those affected by domestic violence.
- 6.15 £18k is planned to be transferred to the Rough Sleepers reserve. This is funding received to assist, for example, MEAM (Making Every Adult Matter) and mental health support services.
- 6.16 From 2017/18 to 2021/22, a net total of £22k is to be transferred to the Homelessness reserve to support ongoing Homelessness prevention initiatives.
- 6.17 At 1 April 2017, the balance on the In-Year Savings reserve was £1.3m. This reserve was created at the 2015/16 outturn for the purpose of supporting budget funding shortfalls in future years. £500k was originally budgeted to be used from this reserve to balance the 2017/18 budget. During the detailed budget process in 2017/18, further savings and additional income have been identified, requiring less use of this reserve than original provided for. For the 2017/18 revised position, £175k has been budgeted to be used from the

reserve and a further £1.229m is planned to be used to assist with balancing the 2018/19 budget.

- 6.18 In 2017/18, the balance of £16k remaining on the Major Projects reserve is planned to be used to support projects and initiatives for the AAP.
- 6.19 The position regarding the New Homes Bonus reserve is referred to in sections 4.17 to 4.21 of the report. The reserve summary in Appendix B7 shows the full allocation of NHB being used in all years.
- 6.20 The Planning & Building Control reserve is a statutory fund to ensure Building Control expenditure works on a break even basis over a rolling annual period. The movements on this reserve reflect this position.
- 6.21 In 2017/18 £15k has been set aside for a newly created Planning Training reserve. This is to support ongoing training and development costs for planning staff that are over and above the available allocation to planning from the corporate training budget.
- 6.22 From a review of the Rent Guarantee reserve it has been considered that a balance of £10k is sufficient to cover potential landlord claims. Therefore the balance on this reserve has been reduced from £30k to 10k in 2017/18, with plans to develop a new Rent Guarantee scheme in 2018/19.
- 6.23 In 2017/18 the Council received a new source of funding from DCLG called the Flexible Homelessness Grant. The total grant received was £76k and the unused balance (estimated to be £15k) will be transferred to a newly created earmarked reserve, to be available to the Council to support a greater range of homelessness prevention services.
- 6.24 The Southwold Beach Huts reserve is ring fenced for work relating to Southwold assets. In 2018/19 £175k is planned to be transferred from the Southwold reserve. This is to part fund the Direct Revenue Financing requirement, related to capital works in Southwold.
- 6.25 In 2017/18 and 2018/19, £56k and £28k respectively is planned to be transferred to the Transformation reserve to provide ongoing support for transformation initiatives. Over the period of the MTFS, £618k is planned to be used from the reserve.

Capital Reserve

- 6.26 The Short Life Assets reserve reflects usage over the duration of the Capital Programme. This reserve funds the purchase of short life assets such as vehicles and IT equipment. Contributions in the region of £600k are made into the reserve each year, with planned use of the reserve annual from 2017/18 to 2021/22.

7 CAPITAL PROGRAMME STRATEGY

- 7.1 The Council is taking a more focussed look at its long-term asset management strategy, which will take into consideration the infrastructure investment needs to drive growth and generate income.
- 7.2 The Council continues to improve its framework for the planning and management of its Capital Programme and long-term investment needs and available resources.

- 7.3 The Council will continue to develop its strategic approach to the capital programme based on detailed asset management plans to ensure that the strategic investment needs of the Council, together with the ongoing maintenance demands of the assets are being addressed.
- 7.4 The Council agrees a medium-term rolling capital programme each year as part of the budget process. The items included in the programme must provide value for money, by delivering outputs that best match the Council's priorities set out in the Corporate Business Plan and meeting statutory requirements such as the provision of health and safety regulations.
- 7.5 The revenue implications of capital projects are identified through the project appraisal process, and fed into the Council's revenue assumptions in the MTFs to ensure that all revenue implications are taken into account.
- 7.6 Value for money is sought through:
- Efficient procurement of facilities through competitive processes and partnership working.
 - Scrutiny of the project business case to ensure that outcomes from the scheme contribute directly to the Council's aims.
 - Pre-project planning with identification of defined and measurable benefits, along with a post-project benefits review.
- 7.7 The Council's capital programme process ensures that managers define the outputs and benefits from their schemes as part of the development of the project. There is careful scrutiny of possible projects at the appraisal stage, and they are prioritised according to the extent to which the outcomes they promise to deliver match the priorities of the Council.
- 7.8 At its meeting on 17 January 2018, Cabinet recommended the approval by Full Council of the Capital Programme for 2018/19 to 2021/22, including revisions to the 2017/18 programme. At the Full Council meeting on 24 January 2018, the total capital investment presented for the period for the General Fund was £80.3m, the largest for the Council in recent years. In addition to use of its internal resources and both internal and external borrowing, the Council will be benefiting from receiving £54.3m of external grants and contributions. Within the same report the capital investment programme for the Housing Revenue Account (HRA) was also presented. The Total HRA Capital investment for the period is anticipated to be £68.6m (financed by Direct Revenue Financing) and benefiting from receiving £9.6m of external grants and contributions.
- 7.9 One of the key sources of funding a Capital Programme is using capital receipts which are generated from disposal of any surplus assets. Whilst there are a number of opportunities for the Council to receive future capital receipts, the authority has adopted a prudent approach of not including this source of funding in the Programme until such a time when the income is received.
- 7.10 As an important part of delivering financial self sufficiency, Suffolk Coastal and Waveney are developing a Commercial Investment Strategy, approved in draft by a Simultaneous Cabinet meeting in September 2017.

8. FLEXIBLE USE OF CAPITAL RECEIPTS AND EFFICIENCY STRATEGY

- 8.1 Original guidance issued by the Government applied to capital receipts and projects over the period 2016/17 to 2018/19, but in the 2018/19 Provisional Local Government Finance Settlement it was announced that:

“Local government operates in a society that is constantly changing. To meet the challenges of the future, the Communities Secretary confirmed that the flexibility to use capital receipts to help meet the revenue costs of transformation will be extended for a further three years to April 2022”

- 8.2 Capital receipts can be used to finance the initial revenue costs of projects generating ongoing revenue savings or transforming service delivery. This flexibility is dependent on the authority approving an Efficiency Strategy (which can be as part of budget) outlining the projects proposed for funding by this method. There is no formal process for this, and no check on eligible projects is intended by DCLG.
- 8.3 Any proposal would need to be considered in the context of revenue and capital financing strategies, and in practice would also depend upon there being capital receipts available. However, given the financial position faced by the Council, and the potential need for radical re-shaping of services, it was considered appropriate for the Council to be in a position to take advantage of this additional flexibility. Consequently, an Efficiency Strategy meeting the requirements of the Guidance was approved by Full Council together with the Budget in February 2016. The Guidance allows for the strategy to be revised during the course of the year.
- 8.4 An updated Efficiency Strategy for 2018/19 is attached as Appendix B8. At present, it is not proposed that any use of the flexibility on capital receipts should be made in 2017/18 and 2018/19.

WAVENEY DISTRICT COUNCIL MEDIUM TERM FINANCIAL STRATEGY - KEY PRINCIPLES

1 PRIORITIES, AIMS AND OBJECTIVES

1.1 The **East Suffolk Business Plan** provides the overarching vision for East Suffolk of both Waveney and Suffolk Coastal District Councils. In fulfilment of the Plan, the Council makes use of significant resources to achieve its aims including money, people, property and technology. In order to allocate resources to competing demands, achieve effective and efficient use of its resources, best value and ultimately achieve its vision, the Council has several strategies and plans which give a clear sense of direction and underpin the deployment of those resources. The **Medium Term Financial Strategy** sits under the **Efficiency Plan**, and combined with other strategies and plans, they support and embrace the strategic direction of East Suffolk.

2 STRATEGY OBJECTIVES

2.1 The Council's MTFS aims to ensure the provision of the best quality services possible within the resources available. To do so it must maximise the use of its resources to ensure they are used efficiently and effectively to support the development of longer term sustainable objectives.

2.2 The specific objectives of the MTFS are to:

- a) ensure that the Council sets a balanced, sustainable budget year by year, so that forecast spending does not exceed forecast resources available to it;
- b) plan for a level of council tax that the Council, its residents and Government see as necessary, acceptable and affordable to ensure that it has the financial capacity to deliver the Council's policies and objectives;
- c) redirect resources over time to adequately support and resource the priorities of the both the Council and the wider community; and
- d) maintain sufficient reserves and balances to ensure that the Council's long term financial health remains sound.

3 STRATEGY PRINCIPLES

3.1 The principles set out below provide a framework within which the Council will develop its detailed financial plan over the medium term.

General

There are a number of overarching principles that will apply across the Council's detailed financial accounting, planning and monitoring:

- a) that the Council's budgets, financial records and accounts will be prepared and maintained in line with approved Accounting Standards, the CIPFA Code of Practice on Local Government Accounting, the CIPFA Prudential Code and the relevant sections of the Council's Constitution and Finance Procedure Rules;
- b) prior to setting a budget, the Council will always analyse potential risks and ensure these are minimised in line with its Risk Management Strategy;

- c) that the Council's Corporate Management Team will review the budget proposals for reasonableness and adherence to corporate policies and objectives prior to the budget being submitted to Cabinet;
- d) the Council will monitor its revenue and capital budgets effectively. Monitoring will be undertaken monthly by Heads of Service together with their portfolio holders, and integrated quarterly monitoring reports will be reported to Cabinet. In cases of significant financial and service performance that deviates from that planned, action plans setting out corrective action will be drawn up by Heads of Service / Portfolio Holders and reported to Cabinet as appropriate;
- e) that the Council's Corporate Management Team will take appropriate steps to continue to maintain and improve the accuracy and quality of data that it uses throughout the Council thereby ensuring that budget and other decisions are taken on a sound basis; and
- f) the Council will seek to maximise external contributions towards revenue and capital spending for example through bidding for specific grants, attracting levered funding, participating in new funding streams and engaging in further strategic partnering opportunities where appropriate.

General Fund (Revenue)

3.2 In relation to its revenue budgets the Council will:

- a) set a balanced budget each year that will be constructed to reflect its objectives, priorities and commitments. In particular, the budget will influence and be influenced by the Business Plan, the Organisational and Development Strategy, Capital and Asset Management Strategies, the Risk Management Strategy, its Comprehensive Equality Scheme and its Consultation and Engagement Strategies;
- b) within the constraints of the resources available to it, set a sustainable budget each year that meets on-going commitments from on-going resources. The Council will continue to aim to maintain its level of general balances when it sets its revenue budget each year now that a prudent level of balances has been achieved;
- c) seek to identify annual efficiency savings through business process improvement, shared service initiatives, service best value reviews and benchmarking and strategic partnering opportunities within and across county borders;
- d) review the appropriateness of service delivery between the Council, parishes and other partners;
- e) increase existing fees and charges on a market forces basis whilst having regard to the Council's policies and objectives. As a minimum fees and charges should be increased by price inflation. The Council will also review opportunities to introduce new fees as appropriate; and
- f) within Government guidelines, set a level of council tax that the Council, its residents and Government see as necessary, acceptable and affordable to deliver the Council's policies and objectives.

Capital

- 3.3 When considering its capital investment the Council will:
- a) maximise the generation of capital receipts and grants to support its planned investment programmes;
 - b) enhance its capital investment by applying specific grants and contributions, capital receipts, earmarked reserves and revenue contributions, with any balance being met by external borrowing;
 - c) not recognise capital receipts until there is certainty that the receipt will materialise, and will not be earmarked against specific developments without express Cabinet approval;
 - d) allocate its capital resources in line with its Capital Strategy and Asset Management Plan whilst recognising that other priorities may emerge that may require those plans to be amended and resources to be diverted;
 - e) annually review and prioritise capital schemes in accordance with Council objectives having regard to:
 - f) the business case for any given project; asset management planning; and
 - g) affordability in line with the application of the Prudential Code.

Balances and Reserves

- 3.4 In relation to its balances and earmarked reserves, the Council will:
- each year, maintain the level of General Fund balances at around 3% - 5% of its budgeted gross expenditure. This would lead the Council to maintain a General Fund balance in a range of around £2.5m to £4m.
 - have regard to the financial risks surrounding the budget planning process, including those associated with the structural deficit, inflationary pressures, interest rates, partnerships, the treatment of savings, new burdens and demand led expenditure.
 - review its earmarked reserves, which have been established to meet known or predicted liabilities, to ensure that the level of those reserves are still appropriate; and
 - return reserve balances no longer required to the General Fund as appropriate.

Treasury Management and Investment

- 3.5 The Council will:
- a) having regard to risk, maximise investment income and minimise borrowing costs within the overall framework set out in the Council's annual Treasury Management and Investment Strategy; and
 - b) secure the stability of the Council's longer term financial position rather than seeking to make short-term one-off gains which may lead to higher costs in the long term.

- c) having regard to risk, seek to diversify its investment portfolio; maximise investment income; and deliver economic development objectives through the Asset Investment Strategy (in development).

4 OTHER CONSIDERATIONS

4.1 The Council's spending will have regard to:

- a) the base budget position for the current financial year, adjusted for in year grant changes;
- b) the Council's medium term priorities;
- c) the refocusing of service expenditure through transactional, shared services and other efficiencies to support the achievement of its medium term priorities and satisfy Government funding changes;
- d) demographic and welfare changes;
- e) consultation outcomes; and
- f) fiscal matters including:
 - g) price inflation
 - h) the effect on the level of General Fund balances and reserves
 - i) the impact of any changes to the capital programme on the potential costs of borrowing
 - j) triennial revaluation of the pension fund
 - k) ongoing commitments, arising in part, from initiatives that have previously been funded from specific grants
 - l) achieving budgeted savings from outsourcing, shared services and service reviews
 - m) the likely passporting of some Government departmental savings targets to councils

| RISKS | PROBABILITY HIGH MEDIUM LOW | IMPACT HIGH MEDIUM LOW | MITIGATING ACTIONS |
|--|---|---|--|
| <p align="center">Strategic Risks</p> <p>The absence of a robust Medium Term Financial Strategy could adversely affect the Council's budget and resource planning and projections.</p> <p>Failure to understand changing community needs and customer expectations can result in the Council providing levels of service which are not appropriately aligned to the needs of communities and customers.</p> <p>Government is continuously reducing its departmental spending budget. Failure to respond to these funding pressures may adversely impact on the Council's ability to service delivery.</p> <p>Budget pressures arising from housing and economic growth and other demographic changes.</p> | <p align="center">L</p> <p align="center">L</p> <p align="center">M</p> <p align="center">H</p> | <p align="center">H</p> <p align="center">H</p> <p align="center">H</p> <p align="center">H</p> | <p>Continually monitor and refine the strategy in line with changing influences. Update Corporate Management Team and Cabinet.</p> <p>Continuously engage with key stakeholders and take advantage of existing consultation methodologies. Continue to monitor and more closely align service levels to demand and need.</p> <p>Take advantage of the Council's growth opportunities to reduce dependency on government funding.</p> <p>Align service delivery to funding levels, improve exist strategy to minimise risk.</p> <p>Take advantage of technological advancements to understand and reduce unit costs, monitor demand for services and proactively manage resourcing requirements, invest in schemes to promote skills and developments.</p> |

| RISKS | PROBABILITY HIGH MEDIUM LOW | IMPACT HIGH MEDIUM LOW | MITIGATING ACTIONS |
|---|--|--|--|
| <p align="center">Financial</p> <p>Uncertain medium term sustainability of incentivised income areas subject to Government policy, economic factors, and revaluation e.g. business rates and New Homes Bonus,</p> <p>Uncertainty surrounding the Government's change agenda including business rates and welfare reform over the medium term.</p> <p>Budget pressures from demand led services and income variances reflecting the wider economy.</p> <p>Costs arising from the triennial review of the Local Government Pension Scheme</p> <p>Interest rate exposure on investments and borrowing.</p> | <p align="center">H</p> <p align="center">M</p> <p align="center">M</p> <p align="center">H</p> <p align="center">L</p> | <p align="center">H</p> <p align="center">L</p> <p align="center">M</p> <p align="center">M</p> <p align="center">L</p> | <p>Constantly monitor information and update risk appraisals and financial projections. Provide timely briefings and updates to Members/ key stakeholders to facilitate decision making. Adopt prudent budgeting approach not placing undue reliance on uncertain funding sources.</p> <p>Constantly monitor information from Government and update risk appraisals and financial projections. Provide timely briefings and updates to Members/ key stakeholders to facilitate decision making. Lobby through the LGA as appropriate.</p> <p>Monitor pressures throughout the budget process and take timely actions.</p> <p>Review and monitor information from Government and actuaries. Update forecasts as necessary.</p> <p>Review cash flows, ensuring the Council has a flexible and forward looking Treasury management policy.</p> |

| RISKS | PROBABILITY HIGH MEDIUM LOW | IMPACT HIGH MEDIUM LOW | MITIGATING ACTIONS |
|---|--------------------------------------|---------------------------------|---|
| <p>The Council itself has no influence over the outcome of some of the other bigger assumptions such as formula grant, national pay awards, interest rates, inflation and statutory fees and charges.</p> | M | M | Key assumptions made are regularly reviewed from a variety of sources. Update forecasts as necessary. |
| <p style="text-align: center;">Operational</p> | | | |
| <p>The Council has entered into a number of strategic partnerships and contracts and is therefore susceptible to price changes.</p> | M | H | Effective negotiation, sound governance arrangements and regular reviews of performance and partnership risks. |
| <p>There is a potential risk to the Council resulting if there is a financial failure from an external organisations, providing services to the public on behalf of the Council</p> | L | H | Ensure rigorous financial evaluations are carried out at tender stage. Follow up with annual review of the successful organisation's Accounts, and review any external auditor comments. |
| <p style="text-align: center;">People</p> | | | |
| <p>Loss of key skills, resources and expertise.</p> | L | L | Continue to invest in staff developments, service continuity measures. Monitor succession planning. Keep staff consulted and informed. Ensure employment terms and conditions are competitive and development needs identified are satisfied. |
| <p style="text-align: center;">Regulatory</p> | | | |
| <p>Changes of responsibility from Government can adversely impact on service priorities and objectives.</p> | L | L | Sound system of service and financial planning in place. Lobby as appropriate. |

| RISKS | PROBABILITY HIGH MEDIUM LOW | IMPACT HIGH MEDIUM LOW | MITIGATING ACTIONS |
|---|--------------------------------------|---------------------------------|--|
| <p>Reputation</p> <p>Loss of reputation if unforeseen resource constraints result in unplanned service reductions.</p> | L | H | <p>identify and implement robust solutions in response to changes. Consult widely. Seek to achieve a prudent level of balances and reserves.</p> |

| PARISH | 2017/18 Taxbase | 2018/19 Taxbase |
|--|----------------------------|----------------------------|
| Somerleyton, Ashby and Herringfleet | 156.03 | 160.24 |
| Barnby | 208.20 | 211.00 |
| Barsham and Shipmeadow | 127.08 | 131.38 |
| Beccles | 3,108.69 | 3,153.90 |
| Benacre | 33.84 | 34.41 |
| Blundeston and Flixton | 435.73 | 441.09 |
| Blyford and Sotherton | 71.58 | 70.97 |
| Brampton with Stoven | 140.50 | 144.49 |
| Bungay | 1,575.36 | 1,609.39 |
| Carlton Colville | 2,602.69 | 2,624.32 |
| Corton | 544.34 | 551.18 |
| Covehithe | 10.35 | 11.26 |
| Flixton, St. Cross S E and St. Margaret South Elmham | 162.08 | 162.07 |
| Frostenden, Uggeshall and South Cove | 164.27 | 164.79 |
| Gisleham | 240.50 | 239.45 |
| Halesworth | 1,639.19 | 1,655.10 |
| Henstead with Hulver Street | 135.96 | 135.25 |
| Holton | 290.55 | 304.06 |
| Homersfield | 60.01 | 59.36 |
| St. Andrew Ilketshall | 110.26 | 111.03 |
| St. John Ilketshall | 19.45 | 19.62 |
| St. Lawrence Ilketshall | 58.39 | 58.77 |
| St. Margaret Ilketshall | 69.87 | 72.31 |
| Kessingland | 1,372.54 | 1,379.05 |
| Lound | 116.24 | 117.96 |
| Lowestoft | 12,173.90 | 12,413.92 |
| Mettingham | 79.60 | 81.11 |
| Mutford | 180.67 | 182.30 |
| North Cove | 142.86 | 148.13 |
| Oulton | 1,263.76 | 1,332.74 |
| Oulton Broad | 3,157.50 | 3,195.83 |
| Redisham | 53.11 | 53.01 |
| Reydon | 1,157.72 | 1,162.07 |
| Ringsfield and Weston | 212.34 | 216.44 |
| Rumburgh | 113.82 | 115.11 |
| Rushmere | 32.13 | 33.81 |
| Shadingfield, Sotterley, Willingham and Ellough | 174.88 | 174.38 |
| All Saints & St. Nicholas, St. Michael and St. Peter S E | 101.86 | 102.23 |
| St. James South Elmham | 85.06 | 85.62 |
| Southwold | 1,052.56 | 1,057.70 |
| Spexhall | 75.81 | 80.97 |
| Wangford with Henham | 248.39 | 247.25 |
| Westhall | 129.46 | 130.24 |
| Wissett | 121.21 | 119.08 |
| Worlingham | 1,255.75 | 1,273.52 |
| Wrentham | 359.63 | 366.01 |
| Total | 35,625.72 | 36,193.92 |

Waveney District Council

General Fund Medium Term Financial Strategy - January 2018

| | Budget 2017/18 £'000 | Forecast 2018/19 £'000 | Forecast 2019/20 £'000 | Forecast 2020/21 £'000 | Forecast 2021/22 £'000 |
|---|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Total Budget expenditure After Reserve Movements- as at February 2017 | 12,181 | 13,275 | 13,378 | 13,763 | 13,763 |
| National Policy | | | | | |
| Canvassing staff required annually due to Individual Electoral Registration (IER) | 15 | 15 | 15 | 15 | 15 |
| Credit and debit card charges will be prohibited from 2018 as part of EU law changes | 1 | 4 | 4 | 4 | 4 |
| Interest receivable, reduction to base rate | 40 | 40 | 40 | 40 | 40 |
| HRA reduced share of investment interest income | 9 | (3) | (8) | (29) | (88) |
| Provision for 2% pay award in 2018/19 and 2019/20 | 0 | 100 | 200 | 200 | 200 |
| PWLB Interest, reduction to base rate (net of HRA share) | (30) | (10) | (15) | (10) | (25) |
| | 35 | 146 | 236 | 220 | 146 |
| Community Investment | | | | | |
| Annual maintenance and deployment exercise of the Lowestoft Temporary Flood Barrier | 46 | 46 | 46 | 46 | 46 |
| Beccles Sports ground works | 3 | 0 | 0 | 0 | 0 |
| Holy Trinity Church wall, provision for additional budget | 10 | 0 | 0 | 0 | 0 |
| IT equipment supplied to the Citizens Advice Bureau (CAB) | 5 | 0 | 0 | 0 | 0 |
| | 64 | 46 | 46 | 46 | 46 |
| Community Governance Arrangements | | | | | |
| Costs incurred post establishment of LTC and OBPC (Met from the Transformation reserve) | 30 | 0 | 0 | 0 | 0 |
| Legal fees associated with the transfer of the Marina Theatre to LTC | 11 | 0 | 0 | 0 | 0 |
| Provision for further costs post establishment of LTC and OBPC | 200 | 200 | 200 | 200 | 200 |
| | 241 | 200 | 200 | 200 | 200 |
| Operational Efficiencies | | | | | |
| Business Rates of Council owned properties | 6 | (28) | (36) | (51) | (28) |
| Contingency for vacancy allowance increased to £300k in 2017/18 | (100) | 0 | 0 | 0 | 0 |
| External Audit fee reduction in line with previous years charge | 0 | (65) | 0 | 0 | 0 |
| Insurance premiums | (20) | (18) | (17) | (16) | (10) |
| Provision for miscellaneous property costs no longer required | (83) | (83) | (83) | (83) | (83) |
| Savings on postage with Housing Benefit | (7) | (7) | (8) | (8) | (8) |
| Service support no longer required following Asset Management restructure | (12) | (12) | (12) | (12) | (12) |
| Utility costs of Council owned properties | (79) | (86) | (82) | (73) | (63) |
| | (295) | (299) | (238) | (243) | (204) |

| | Budget 2017/18 £'000 | Forecast 2018/19 £'000 | Forecast 2019/20 £'000 | Forecast 2020/21 £'000 | Forecast 2021/22 £'000 |
|---|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Operational Requirement | | | | | |
| Annual contribution to CAB for advice provided in respect of Benefits and DHP support | 13 | 13 | 13 | 13 | 14 |
| ARP homeworking kits | 6 | 0 | 0 | 0 | 0 |
| Asset valuation fee | 6 | 0 | 0 | 0 | 0 |
| Bell Vue Park - Work to cottage | 7 | 0 | 0 | 0 | 0 |
| Benacre to Thorpeness Coastal Protection study | 5 | 0 | 0 | 0 | 0 |
| BID Cost of collection. At present scheme is only until 2018/19. | 23 | 23 | 15 | 15 | 15 |
| Change of Treasury Management advisors (net of HRA share) | 4 | 4 | 4 | 4 | 4 |
| Consultancy cost re Dip Farm project | 4 | 0 | 0 | 0 | 0 |
| Contribution to Coastal Management Partnership | 24 | 24 | 24 | 24 | 24 |
| Contribution to East Suffolk Partnership | 0 | 50 | 0 | 0 | 0 |
| Corporate budget for Health & Wellbeing sessions/workshops for staff | 5 | 5 | 5 | 5 | 5 |
| DRF Increase to reflect spend on IT and capital works in Southwold | 169 | 223 | 30 | 130 | (45) |
| External legal fees re Planning | 25 | 25 | 25 | 25 | 25 |
| Great Places initiatives (Funding held in reserve) | 0 | 27 | 0 | 0 | 0 |
| Habour and Yacht station reactive maintenance | 12 | 0 | 0 | 0 | 0 |
| HB subsidy based on Mid-Year estimate claim for 2017/18. | 20 | 20 | 20 | 20 | 20 |
| HB overpayments recovered | 97 | (20) | (20) | (20) | (20) |
| Insurance premiums, potential changes to discount rates and limit for indemnity | 0 | 49 | 50 | 52 | 54 |
| Minimum Revenue Provision (MRP) increases in line with the capital programme | 0 | 0 | 180 | 384 | 411 |
| Microsoft licences to change to an annual subscription basis (revenue costs) | 0 | 0 | 150 | 150 | 150 |
| Provision for Member Allowances increase | 87 | 87 | 87 | 87 | 87 |
| Rent for Kirkley Fen | 14 | 14 | 14 | 14 | 14 |
| Suffolk County Council green waste service | 300 | 400 | 400 | 400 | 400 |
| Use of contingency to fund operational requirements | (174) | (56) | 0 | 0 | 0 |
| Use of income contingency to cover payment to SCC for green waste service | (300) | (400) | (400) | (400) | (400) |
| Transformation initiatives | 63 | 173 | 160 | 60 | 60 |
| Waveney Valley Pool reactive maintenance | 13 | 0 | 0 | 0 | 0 |
| Webcasting | 16 | 16 | 16 | 16 | 16 |
| <i>balancing items</i> | (11) | (40) | (8) | (20) | (20) |
| | 428 | 637 | 765 | 959 | 814 |

| | Budget 2017/18 £'000 | Forecast 2018/19 £'000 | Forecast 2019/20 £'000 | Forecast 2020/21 £'000 | Forecast 2021/22 £'000 |
|---|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Operational Requirement - Staffing | | | | | |
| Costs of redundancies (Funded from Actuarial reserve) | 212 | 0 | 0 | 0 | 0 |
| Roll forward of 2020/21 establishment budget to 2021/22 | 0 | 0 | 0 | 0 | 100 |
| Staff changes, vacancies etc. | (212) | 239 | 117 | 121 | 129 |
| | 0 | 239 | 117 | 121 | 229 |
| Additional Income | | | | | |
| Additional AAP funding | 0 | (43) | 0 | 0 | 0 |
| Additional DWP funding received during the year | (31) | 0 | 0 | 0 | 0 |
| Additional green waste income due to increased charge from 2018/19 | 0 | (30) | (30) | (30) | (30) |
| Additional Green waste income due to higher take up | (44) | (44) | (44) | (44) | (44) |
| Back dated Rent for Dip Farm (One off income source) | (32) | 0 | 0 | 0 | 0 |
| Building Control fee income | (26) | (26) | (26) | (26) | (26) |
| Caravan & camping site income | (55) | (55) | (55) | (55) | (55) |
| Council Tax cost of collection and court costs recovered | (37) | (37) | 0 | 0 | 0 |
| DCLG Grant Council Tax Annexe Discount 2017/18 (one-off) | (4) | 0 | 0 | 0 | 0 |
| Grant claim for Discretionary Housing Payments (DHP), expected to be higher | (56) | 0 | 0 | 0 | 0 |
| Great Places Funding | 0 | (27) | 0 | 0 | 0 |
| Harbour and yacht stations | (27) | (16) | (16) | (16) | (16) |
| HRA share of Pension Backfunding | (30) | (30) | (30) | (30) | (30) |
| Income from use of open spaces for events, e.g. Royal Plain | (14) | (10) | (10) | (10) | (10) |
| Increased income from planning application fees | (51) | (51) | (51) | (51) | (51) |
| LCTRS and HB Admin Grant- updated sensitivity analysis shows an improved position | 0 | (68) | (43) | (17) | (17) |
| New Burdens grant received for Business Rates Relief 2017/18 (one-off) | (12) | 0 | 0 | 0 | 0 |
| Unidentified balances written off to I&E | (78) | 0 | 0 | 0 | 0 |
| Rent for The Kiosk, The Quay Beccles | (5) | (5) | (5) | (5) | (5) |
| Building Control share service income from IBC (staffing) | (31) | (31) | (33) | (33) | (33) |
| Universal Credit funding (new funding) | 0 | (60) | (60) | (60) | (60) |
| | (533) | (533) | (403) | (377) | (377) |

| | Budget 2017/18 £'000 | Forecast 2018/19 £'000 | Forecast 2019/20 £'000 | Forecast 2020/21 £'000 | Forecast 2021/22 £'000 |
|---|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Reduced Income | | | | | |
| Additional Static Caravan sites at the Southwold campsite has not happened | 75 | 75 | 75 | 75 | 75 |
| Income from new beach developments - project has not yet happened | 105 | 105 | 0 | 0 | 0 |
| Move to lease model (beach huts) - project has not yet happened | 0 | 250 | 0 | 0 | 0 |
| Southwold Beach Hut income - Commission on sales | 14 | 14 | 14 | 14 | 14 |
| Southwold boating lake no longer let | 4 | 4 | 4 | 4 | 4 |
| | 198 | 448 | 93 | 93 | 93 |
| Partnership | | | | | |
| ARP for provision of services - efficiencies and bailiff income | 0 | (58) | (36) | (13) | (13) |
| Waveney Norse managed income (car parks, cemeteries, recycling credits, sports grounds) | 0 | (130) | (181) | (232) | (286) |
| Partner provision for 2% pay award in 2019/20 | 0 | 0 | 135 | 135 | 135 |
| Partnership fee for managed services | 134 | 120 | 153 | 145 | 291 |
| Sentinel Health & Fitness income Share for 2016/17 | (20) | 0 | 0 | 0 | 0 |
| Sentinel Leisure reduction in management fee paid to WDC | 233 | 187 | 187 | 197 | 197 |
| Use of Income contingency for Sentinel Leisure reduction in management fee | (233) | (187) | (187) | (197) | (197) |
| Additional profit share, Waveney Norse | (117) | (20) | 0 | 0 | 0 |
| | (3) | (88) | 71 | 35 | 127 |
| Reserves and Contingencies | | | | | |
| To remove original budget transfer to Business Equalisation reserve | (180) | 0 | 0 | 0 | 0 |
| Transfer to the Actuarial reserve | 160 | 0 | 0 | 0 | 0 |
| Transfer to the Planning training and development reserve | 15 | 0 | 0 | 0 | 0 |
| Transfer to the Transformation reserve | 56 | 28 | 0 | 0 | 0 |
| Use of the Actuarial reserve to cover capital cost of redundancies | (145) | 0 | 0 | 0 | 0 |
| Use of the Building Control reserve | 55 | 4 | (4) | (12) | (19) |
| Use of the Transformation reserve | (63) | (173) | (160) | (60) | (60) |
| Use of the Southwold reserve to fund capital programme | 0 | (175) | 0 | 0 | 0 |
| Use of Short Life Asset Reserve - increase due to capital programme (IT costs) | (189) | (48) | (30) | (130) | 45 |
| Use of In-Year Saving reserve | 325 | (1,229) | 0 | 0 | 0 |
| Use of GF balance to fund Actuarial reserve | (160) | 0 | 0 | 0 | 0 |
| Use of the Enterprise Zone reserve | 0 | (130) | (130) | 0 | 0 |
| | (126) | (1,723) | (324) | (202) | (34) |

| | Budget 2017/18 £'000 | Forecast 2018/19 £'000 | Forecast 2019/20 £'000 | Forecast 2020/21 £'000 | Forecast 2021/22 £'000 |
|---|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Total Budget Expenditure after Reserve Movements | 12,190 | 12,348 | 13,941 | 14,615 | 14,803 |
| Core External Funding | | | | | |
| New Homes Bonus Allocation Received | (1,234) | (635) | (391) | (306) | (333) |
| Revenue Support Grant | (1,296) | (836) | (323) | (323) | (323) |
| Net Business Rates Income | (3,298) | (3,234) | (3,331) | (3,430) | (3,430) |
| Retained Business Rates - Renewables | (365) | (267) | (275) | (283) | (283) |
| Business Rates - Suffolk Pool Benefit | (380) | (150) | (150) | (150) | (150) |
| Section 31 Grant (Business Rates) | (885) | (1,070) | (1,102) | (1,135) | (1,135) |
| Collection Fund Deficit / (Surplus) - Business Rates | 966 | (113) | 0 | 0 | 0 |
| Council Tax Base | (5,609) | (5,609) | (5,874) | (6,094) | (6,323) |
| Council Tax Base increase 0.5% from 2019/20* ¹ | 0 | (89) | (29) | (31) | (32) |
| Council Tax Increase of £4.86 for 17/18, £4.95 from 2019/20 | 0 | (176) | (191) | (198) | (205) |
| Collection Fund Deficit / (Surplus) - Council Tax | (89) | (169) | 0 | 0 | 0 |
| Total Core External Funding | (12,190) | (12,348) | (11,666) | (11,950) | (12,214) |
| Reported Budget Gap | 0 | 0 | 2,275 | 2,665 | 2,589 |

*¹ Growth in the tax base is 1.59% for 2018/19

Waveney District Council

Key Budget Movements - 2017/18 Original Budget to the 2017/18 Revised Budget

| | £'000 |
|---|---------------|
| Original Budget Requirement 2017/18 (February 2017) | 10,071 |
| <i>Unavoidable Growth/Pressures</i> | |
| Annual contribution to CAB for advice provided in respect of Benefits and DHP support | 13 |
| Annual maintenance and deployment exercise of the Lowestoft Temporary Flood Barrier | 46 |
| ARP homeworking kits | 6 |
| Asset valuation fee | 6 |
| Beccles Sports ground works | 3 |
| Bell Vue Park - Work to Cottage | 7 |
| Benacre to Thorpeness Coast Protection Study | 5 |
| BID Cost of collection. At present scheme is only until 2018/19. Share passed to ARP | 23 |
| Canvassing staff required annually due to Individual Electoral Registration (IER) | 15 |
| Change of Treasury Management advisors, less HRA share | 4 |
| Consultancy cost re Dip Farm project | 4 |
| Contribution to Coastal Management Partnership | 24 |
| Corporate budget for Health & Wellbeing sessions/workshops for staff | 5 |
| Costs incurred post establishment of LTC and OBPC (Met from Transformation reserve) | 30 |
| Costs of redundancies (Funded from Actuarial Reserve) | 212 |
| DRF increase to reflect spend on IT and capital works in Southwold | 169 |
| External Legal Fees re planning | 25 |
| Harbour and Yacht station reactive maintenance | 12 |
| HB overpayments recovered | 97 |
| HB subsidy based on Mid-Year estimate Claim for 2017/18 | 20 |
| Holy Trinity Church wall, provision for additional budget | 10 |
| Interest receivable, reduction to base rate | 40 |
| IT equipment supplied to the CAB | 5 |
| Legal Fees associated with the transfer of the Marina Theatre to LTC | 11 |
| Waveney Norse partnership fee for managed services - invest to save initiatives | 134 |
| Provision for further costs post establishment of LTC and OBPC | 200 |
| Provision for Member Allowance increase | 87 |
| PWLB Interest, reduction to base rate (net of HRA share) | (30) |
| Rent for Kirkley Fen | 14 |
| Sentinel Leisure reduction in management fee paid to WDC | 233 |
| Staff changes, vacancies etc. | (212) |
| Transformation Initiatives | 63 |
| Use of contingency to fund operational requirements | (174) |
| Use of income contingency for reduction to Sentinel Leisure management fee | (233) |
| Waveney Valley Pool reactive maintenance | 13 |
| Webcasting | 16 |
| <i>balancing items</i> | (12) |
| | <i>Cont.</i> |

| <i>Savings/Efficiencies</i> | £'000 |
|---|---------------|
| Contingency for vacancy allowance increased to £300k | (100) |
| Insurance premiums | (20) |
| Provision for miscellaneous property costs no longer required | (83) |
| Savings on Housing Benefit postage | (7) |
| Service support no longer required following Asset Management restructure | (12) |
| Utility costs of Council owned properties | (79) |
| <i>Additional Income</i> | |
| Additional DWP funding received during the year | (31) |
| Additional Green waste income in line with actual | (44) |
| Back dated Rent for Dip Farm (One off income source) | (32) |
| Building Control fee income | (26) |
| Caravan & camping site | (55) |
| Council Tax cost of collection and court costs recovered | (37) |
| DCLG Grant Council Tax Annexe Discount 2017/18 (one-off) | (4) |
| Additional grant claim for Discretionary Housing Payments (DHP) | (56) |
| Harbour and yacht stations | (27) |
| HRA share of Pension Backfunding | (30) |
| Income from use of open spaces for events, e.g. Royal Plain | (14) |
| Increased income from planning application fees | (51) |
| New Burdens grant received for Business Rates Relief 2017/18 (one-off) | (12) |
| Old debtor balances written off | (78) |
| Rent for The Kiosk, The Quay Beccles | (5) |
| Sentinel Health & Fitness income Share for 16/17 | (21) |
| Share service income from IBC- Building Control | (31) |
| Waveney Norse profit share | (117) |
| <i>Reduced Income</i> | |
| Additional Static Caravan sites at the Southwold campsite has not happened | 75 |
| HRA reduced share of investment interest income | 9 |
| Income from new beach developments - project has not yet happened | 105 |
| Southwold Beach Hut income - commission on sales | 14 |
| Southwold boating lake no longer let | 4 |
| Suffolk County Council green waste service | 300 |
| Use of income contingency to cover payment to SCC for green waste service | (300) |
| <i>Reserves and Contingencies</i> | |
| To remove the original transfer to the Business Equalisation reserve | (180) |
| Transfer to the Actuarial reserve | 160 |
| Transfer to the Building Control reserve | 55 |
| Transfer to the Planning staff training and development reserve | 15 |
| Transfer to the Transformation reserve | 56 |
| Use of the Short Live Asset reserve to fund elements of the capital programme (IT and vehicles) | (189) |
| Use of the Actuarial reserve to fund capital cost of redundancies | (145) |
| Use of the GF balance to fund the Actuarial reserve | (160) |
| Use of the In-Year Saving reserve | 325 |
| Use of the Transformation reserve | (63) |
| Revised Budget Requirement 2017/18 (January 2018) | 10,071 |

Waveney District Council

Key Budget Movements - 2017/18 Original Budget to the 2018/19 Budget

| | £'000 |
|--|---------------|
| Budget Requirement 2017/18 (Original Budget) | 10,071 |
| <i>Unavoidable Growth/Pressures</i> | |
| Annual contribution to CAB for advice provided in respect of Benefits and DHP support | 13 |
| Annual maintenance and deployment exercise of the Lowestoft Temporary Flood Barrier | 46 |
| BID Cost of collection. At present scheme the is only until 2018/19 | 23 |
| Canvassing Staff required annually due to Individual Electoral Registration (IER) | 15 |
| Contribution to Coastal Management Partnership | 24 |
| Corporate budget for Health & Wellbeing sessions/workshops for staff | 5 |
| Direct Revenue Financing | 244 |
| External Legal fees re planning | 25 |
| HB overpayments recovered | 297 |
| HB subsidy based on Mid-Year estimate Claim for 2017/18, plus £200k allowance for variation). | 220 |
| HRA share of pension backfunding | 5 |
| Insurance premiums, potential changes to discount rates and limit for indemnity | 49 |
| Interest receivable, reduction to base rate (net of HRA share) | 52 |
| Impact of 1% pay offer in 2018/19 | 100 |
| Minimum Revenue Position (MRP) | 303 |
| Pay, incremental progression, shared service recharges, | 219 |
| Provision for further costs associated with Lowestoft Town Council and Oulton Broad Parish Council | 200 |
| Provision for Member allowance increase | 87 |
| PWLB interest , reduction to base rate (net of HRA share) | 5 |
| Waveney Norse Partnership fee | 263 |
| Suffolk County Council green waste service | 400 |
| Transformation initiatives | 43 |
| Webcasting costs | 16 |
| <i>Savings/Efficiencies</i> | |
| ARP for provision of services - efficiencies and bailiff income | (152) |
| Correction to baseline regarding utility costs at Riverside | (54) |
| Provision for miscellaneous property costs no longer required | (83) |
| Business Rates of Council owned properties | (17) |
| Utilities of Council owned properties | (77) |
| Insurance premiums | (5) |
| Service support no longer required following Asset Management restructure | (12) |
| <i>Balancing items</i> | (32) |
| | <i>Cont.</i> |

| <i>Additional Income</i> | £'000 |
|---|---------------|
| Additional Green waste income due to higher take up | (64) |
| Additional green waste income due to increased charge from 2018/19 | (30) |
| Share service income from IBC- Building Control | (31) |
| Council Tax cost of collection and court costs recovered | (37) |
| Revenues and Benefits Universal Credit funding (new funding) | (60) |
| Waveney Norse profit share | (40) |
| Waveney Norse managed income | (224) |
| S31 Grant | (185) |
| Building Control fee income | (26) |
| Caravan & camping site income | (55) |
| Increased income from planning application fees | (51) |
| | |
| <i>Reduced Income</i> | |
| LCTRS and HB Admin Grant | 42 |
| New Homes Bonus | 590 |
| Credit and debit card charges will be prohibited from 2018 as part of EU law changes | 4 |
| Additional Static caravan sites at the Southwold campsite has not happened | 75 |
| Income from new beach developments - project has not yet happened | 105 |
| | |
| <i>Reserves and Contingencies</i> | |
| Use of In-Year Savings reserve | (729) |
| Business Rates Equalisation reserve | (180) |
| Use of Southwold reserve to fund capital programme | (175) |
| Use of House condition survey reserve | 25 |
| Use of transformation reserve | (43) |
| Use of the Short Live Asset reserve to fund elements of the capital programme (IT and vehicles) | (85) |
| Contingency | (476) |
| | |
| Budget Requirement 2018/19 | 10,643 |

Waveney District Council
General Fund Revenue Budget Summary

| | 2017/18 Original £ | 2017/18 Revised £ | 2018/19 Budget £ | 2019/20 Budget £ | 2020/21 Budget £ | 2021/22 Budget £ |
|--|--------------------------|-------------------------|------------------------|------------------------|------------------------|------------------------|
| Community Health & Safety | | | | | | |
| CCTV | 700 | 0 | 0 | 0 | 0 | 0 |
| Community Safety | 66,700 | 1,500 | 4,500 | 4,500 | 4,500 | 4,500 |
| Emergency Planning | 34,200 | 34,200 | 34,200 | 34,200 | 34,200 | 34,200 |
| Food & Safety | 321,400 | 306,200 | 341,201 | 350,601 | 357,501 | 364,901 |
| Footway Lighting | 103,500 | 113,800 | 119,100 | 120,600 | 122,000 | 123,500 |
| Licencing | (21,200) | (21,800) | (15,300) | (13,600) | (12,300) | (11,200) |
| Taxi Licensing | (32,500) | (41,300) | (41,200) | (41,100) | (40,900) | (40,700) |
| Community Health & Safety Total | 472,800 | 392,600 | 442,501 | 455,201 | 465,001 | 475,201 |
| Customer Services | | | | | | |
| Customer Services | 1,073,000 | 1,141,800 | 1,198,400 | 1,219,700 | 1,233,500 | 1,235,200 |
| Customers & Communities Total | 1,073,000 | 1,141,800 | 1,198,400 | 1,219,700 | 1,233,500 | 1,235,200 |
| Housing | | | | | | |
| Homelessness | 395,300 | 400,800 | 433,700 | 437,800 | 445,800 | 454,900 |
| Housing Strategy | 0 | (1,300) | 0 | 0 | 0 | 0 |
| Private Sector Housing | 222,200 | 216,900 | 227,100 | 227,900 | 234,800 | 241,700 |
| Housing Total | 617,500 | 616,400 | 660,800 | 665,700 | 680,600 | 696,600 |
| Leader | | | | | | |
| Communications | 83,300 | 83,400 | 85,200 | 88,400 | 89,100 | 89,900 |
| Democratic Services | 458,200 | 461,800 | 454,900 | 475,200 | 470,400 | 508,400 |
| East Suffolk Partnership | 50,000 | 50,000 | 50,000 | 0 | 0 | 0 |
| Electoral Services | 363,200 | 340,200 | 349,000 | 366,600 | 356,300 | 357,700 |
| Leader Total | 954,700 | 935,400 | 939,100 | 930,200 | 915,800 | 956,000 |
| Merger & Communities | | | | | | |
| Community Development | 127,800 | 182,200 | 270,500 | 217,100 | 219,200 | 221,500 |
| Revenue Grants | 108,100 | 103,300 | 102,500 | 102,500 | 102,500 | 102,500 |
| Merger & Communities Total | 235,900 | 285,500 | 373,000 | 319,600 | 321,700 | 324,000 |
| Operational Partnerships | | | | | | |
| Cemeteries | 60,400 | 77,600 | 87,100 | 86,100 | 96,900 | 104,400 |
| Environmental Protection | 348,800 | 347,500 | 332,399 | 338,499 | 341,299 | 344,499 |
| Markets | 4,700 | 46,200 | (2,600) | (2,600) | (2,400) | (2,300) |
| Parking Services | (1,262,500) | (1,252,800) | (1,395,200) | (1,423,100) | (1,451,300) | (1,480,300) |
| Public Conveniences | 308,300 | 256,400 | 262,800 | 267,400 | 275,000 | 282,700 |
| Residents Parking | (4,100) | (4,100) | (23,000) | (24,200) | (24,500) | (24,900) |
| Street Scene | 652,200 | 645,300 | 650,200 | 655,800 | 674,300 | 693,300 |
| Waste Management | 1,354,700 | 1,709,900 | 1,813,400 | 1,838,200 | 1,916,800 | 1,998,900 |
| Operational Partnerships Total | 1,462,500 | 1,826,000 | 1,725,099 | 1,736,099 | 1,826,099 | 1,916,299 |
| Planning & Coastal Management | | | | | | |
| Building Control | 56,500 | 26,700 | 27,400 | 27,600 | 28,200 | 28,900 |
| Development Control | 435,900 | 232,000 | 289,200 | 301,900 | 313,800 | 326,200 |
| Drainage & Coastal Management | 390,300 | 460,900 | 475,400 | 481,400 | 485,800 | 489,200 |
| Planning Development & Policy | 437,100 | 429,000 | 440,900 | 448,000 | 451,800 | 457,500 |
| Planning & Coastal Management Total | 1,319,800 | 1,148,600 | 1,232,900 | 1,258,900 | 1,279,600 | 1,301,800 |

Cont.

APPENDIX B6

| | 2017/18 Original £ | 2017/18 Revised £ | 2018/19 Budget £ | 2019/20 Budget £ | 2020/21 Budget £ | 2021/22 Budget £ |
|---|--------------------------|-------------------------|------------------------|------------------------|------------------------|------------------------|
| Resources | | | | | | |
| Council Tax | 432,600 | 399,100 | 411,400 | 458,200 | 467,800 | 475,100 |
| Council Tax Benefits Admin | 675,000 | 737,800 | 705,900 | 718,800 | 728,400 | 736,000 |
| Direct Revenue Financing | 529,000 | 698,000 | 773,000 | 730,000 | 730,000 | 555,000 |
| Housing Benefits Admin | (177,300) | (240,200) | (341,500) | (290,400) | (241,100) | (240,400) |
| Rent Allowances & Rebates | (185,800) | (113,600) | 348,400 | 348,400 | 348,400 | 348,400 |
| Interest Payable | 455,000 | 405,000 | 445,000 | 455,000 | 480,000 | 480,000 |
| Interest & Investment Income | (180,000) | (140,000) | (140,000) | (140,000) | (140,000) | (140,000) |
| Land Charges | (32,500) | 4,300 | 3,800 | 2,100 | 3,100 | 4,000 |
| Management & Support | 2,786,900 | 2,704,300 | 2,891,100 | 3,098,200 | 3,160,000 | 3,220,300 |
| Miscellaneous Property | (110,600) | (203,300) | (159,200) | (194,000) | (201,600) | (209,300) |
| NNDR | (203,800) | (198,500) | (188,800) | (196,500) | (196,400) | (196,400) |
| S31 Grant | (885,000) | (885,000) | (1,070,000) | (1,102,000) | (1,135,000) | (1,135,000) |
| New Homes Bonus | (1,225,000) | (1,234,000) | (634,800) | (390,800) | (305,800) | (333,200) |
| Partnership Profit Share | (260,000) | (377,100) | (300,000) | (300,000) | (300,000) | (300,000) |
| Superannuation backfunding | 1,600,000 | 1,600,000 | 1,500,000 | 1,400,000 | 1,400,000 | 1,400,000 |
| Minimum Revenue Provision | 333,900 | 333,900 | 637,100 | 830,100 | 1,055,300 | 1,081,600 |
| Other Financial Transactions | 393,500 | (324,300) | (125,200) | 351,000 | 342,700 | 378,500 |
| Precepts & Levies | 24,900 | 24,900 | 24,900 | 24,900 | 24,900 | 24,900 |
| Reserve Movements (non-service related) | (283,100) | (195,500) | (1,349,600) | (134,000) | (112,000) | 63,000 |
| Resources Total | 3,687,700 | 2,995,800 | 3,431,500 | 5,669,000 | 6,108,700 | 6,212,500 |
| Tourism & Economic Development | | | | | | |
| Arts, Heritage & Museums Development | 7,900 | 10,100 | 8,800 | 8,900 | 8,900 | 8,900 |
| Beach Chalets & Shops | (267,800) | (147,700) | (147,600) | (502,500) | (502,400) | (502,300) |
| Beach Management | 31,100 | 32,300 | 31,700 | 32,000 | 32,700 | 33,400 |
| Caravan & Camping Sites | (283,300) | (231,300) | (243,900) | (239,800) | (235,400) | (230,800) |
| Concessions | (92,800) | (129,900) | (97,500) | (97,500) | (97,500) | (97,500) |
| East Point Pavilion | 5,800 | 12,300 | 7,300 | 7,500 | 7,700 | 7,900 |
| Economic Regeneration | 629,800 | 624,300 | 561,200 | 596,100 | 680,600 | 526,200 |
| Events | 0 | (12,200) | (8,500) | (8,500) | (8,400) | (8,400) |
| Harbours & Yacht Stations | 20,900 | 7,400 | 8,800 | 9,900 | 11,300 | 12,800 |
| Indoor Leisure | (377,000) | (141,700) | (173,900) | (311,600) | (272,500) | (271,300) |
| Industrial Estates | (425,900) | (446,100) | (457,700) | (457,300) | (456,800) | (456,200) |
| Leisure Development | 107,500 | 108,100 | 108,100 | 108,100 | 108,100 | 108,100 |
| Marina Theatre | 6,500 | 17,500 | 6,500 | 6,500 | 6,500 | 6,500 |
| Outdoor Leisure | 400 | 0 | 0 | 0 | 0 | 0 |
| Parks & Gardens | 871,400 | 998,900 | 1,015,300 | 1,020,200 | 1,037,400 | 1,055,300 |
| Playing Fields & Sports Grounds | 6,700 | 21,600 | 15,600 | 16,200 | 17,500 | 18,800 |
| Tourist Information | 5,600 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Tourism & Economic Development Total | 246,800 | 728,600 | 639,200 | 193,200 | 342,700 | 216,400 |
| Net Budget Requirement | 10,070,700 | 10,070,700 | 10,642,500 | 12,447,600 | 13,173,700 | 13,334,000 |
| Financed By: | | | | | | |
| Revenue Support Grant*1 | (1,295,700) | (1,295,700) | (836,000) | (322,500) | (322,500) | (322,500) |
| Council Tax | (5,609,000) | (5,609,000) | (5,874,000) | (6,094,000) | (6,323,000) | (6,560,000) |
| Council Tax Surplus | (89,000) | (89,000) | (168,500) | 0 | 0 | 0 |
| Business Rates*2 | (3,077,000) | (3,077,000) | (3,764,000) | (3,756,000) | (3,863,000) | (3,863,000) |
| | (10,070,700) | (10,070,700) | (10,642,500) | (10,172,500) | (10,508,500) | (10,745,500) |
| Reported Budget Gap | 0 | 0 | 0 | 2,275,100 | 2,665,200 | 2,588,500 |

*1 In 2018/19 RSG will need to be met from 100% Retained Business Rates under the Pilot. It will then return in 2019/20 after the one year pilot.

*2 It should be noted that the figures from 2019/20 onwards are indicative based on the current system, which is due to be replaced by the 100% Business Rates Retention system.

Waveney District Council
General Fund and Earmarked Reserves

| | 2017/18 | | 2018/19 | | 2019/20 | | 2020/21 | | 2021/22 | | | | | | | |
|---|--------------|---------------|---------------------------------|---------------|--------------|---------------------------------|--------------|---------------|---------------------------------|---------------|--------------|---------------------------------|--------------|--------------|---------------------------------|--------------|
| | Transfers In | Transfers Out | Transfers In | Transfers Out | Transfers In | Transfers Out | Transfers In | Transfers Out | Transfers In | Transfers Out | | | | | | |
| Closing Balance 31/03/17 | £'000 | £'000 | Closing Balance 31/03/18 | £'000 | £'000 | Closing Balance 31/03/19 | £'000 | £'000 | Closing Balance 31/03/20 | £'000 | £'000 | Closing Balance 31/03/21 | £'000 | £'000 | Closing Balance 31/03/22 | £'000 |
| Revenue Balances: | | | | | | | | | | | | | | | | |
| General Fund | 4,160 | | (160) | 4,000 | | | 4,000 | | 4,000 | | | 4,000 | | | 4,000 | |
| General Fund Balance | 4,160 | 0 | (160) | 4,000 | 0 | 0 | 4,000 | 0 | 0 | 4,000 | 0 | 0 | 4,000 | 0 | 0 | 4,000 |
| Earmarked Reserves - Revenue: | | | | | | | | | | | | | | | | |
| Actuarial Contributions | 173 | 160 | (145) | 188 | | | 188 | | 188 | | | 188 | | | 188 | |
| Benefit Verification | 253 | | | 253 | | | 253 | | 253 | | | 253 | | | 253 | |
| Business Rate Equalisation | 1,476 | | | 1,476 | | | 1,476 | | 1,476 | | | 1,476 | | | 1,476 | |
| Community Development & Safety | 98 | | (15) | 83 | | | 83 | | 83 | | | 83 | | | 83 | |
| Community Health | 37 | | (9) | 28 | | | 28 | | 28 | | | 28 | | | 28 | |
| Community Housing Fund | 685 | | (2) | 683 | | | 683 | | 683 | | | 683 | | | 683 | |
| Carry Forwards | 35 | | (26) | 9 | | | 9 | | 9 | | | 9 | | | 9 | |
| HCA - AAP land contamination grant | 263 | | (71) | 192 | | | 192 | | 192 | | | 192 | | | 192 | |
| Customer Services | 34 | | | 34 | | | 34 | | 34 | | | 34 | | | 34 | |
| District Elections | 200 | 60 | | 260 | 60 | | 320 | 60 | (65) | 315 | 60 | 375 | 60 | | 435 | |
| Individual Electoral Registration | 140 | | | 140 | | | 140 | | 140 | | | 140 | | | 140 | |
| Economic Development/Regeneration | 108 | | (74) | 34 | | | 34 | | 34 | | | 34 | | | 34 | |
| Enterprise Zone | 607 | 160 | (160) | 607 | | (130) | 477 | | (130) | 347 | | 347 | | | 347 | |
| Flood Prevention | 21 | | | 21 | | | 21 | | 21 | | | 21 | | | 21 | |
| Great Places | 41 | | (14) | 27 | | (27) | 0 | | 0 | | | 0 | | | 0 | |
| Domestic Violence | 0 | 16 | | 16 | | | 16 | | 16 | | | 16 | | | 16 | |
| Rough Sleepers | 9 | 18 | | 27 | | | 27 | | 27 | | | 27 | | | 27 | |
| Homelessness | 78 | | (27) | 51 | 14 | | 65 | 13 | 78 | 12 | | 90 | 10 | | 100 | |
| Housing Benefit Administration | 145 | | | 145 | | | 145 | | 145 | | | 145 | | | 145 | |
| House Condition Survey | 30 | | | 30 | | | 30 | | 30 | | | 30 | | | 30 | |
| In-Year Savings | 1,300 | | (175) | 1,125 | | (1,229) | (104) | | (104) | | | (104) | | | (104) | |
| Land Charges | 135 | | | 135 | | | 135 | | 135 | | | 135 | | | 135 | |
| Lowestoft Ogogo | 30 | | | 30 | | | 30 | | 30 | | | 30 | | | 30 | |
| Major Projects - AAP | 16 | | (16) | 0 | | | 0 | | 0 | | | 0 | | | 0 | |
| Municipal Mutual Insurance | 56 | | | 56 | | | 56 | | 56 | | | 56 | | | 56 | |
| New Homes Bonus | 1,079 | 1,225 | (1,225) | 1,079 | 635 | (635) | 1,079 | 391 | (391) | 1,079 | 306 | (306) | 1,079 | 333 | (333) | 1,079 |
| Planning & Building Control | 467 | 55 | | 522 | 4 | | 526 | | (4) | 522 | | (12) | 510 | | (19) | 491 |
| Planning Policy | 281 | | | 281 | | | 281 | | 281 | | | 281 | | | 281 | |
| Planning Training | 0 | 15 | | 15 | | | 15 | | 15 | | | 15 | | | 15 | |
| Private Sector Housing | 36 | 2 | | 38 | | (15) | 23 | | 23 | | | 23 | | | 23 | |
| Rent Guarantee | 30 | | (20) | 10 | | | 10 | | 10 | | | 10 | | | 10 | |
| Flexible Homelessness Grant | 0 | 15 | | 15 | 25 | | 40 | | 40 | | | 40 | | | 40 | |
| Repairs & Maintenance | 80 | | | 80 | | | 80 | | 80 | | | 80 | | | 80 | |
| Southwold Beach Huts | 175 | | | 175 | | (175) | 0 | | 0 | | | 0 | | | 0 | |
| Transformation | 525 | 56 | (165) | 416 | 28 | (173) | 271 | | (160) | 111 | | (60) | 51 | | (60) | (9) |
| Earmarked Reserves - Revenue sub-total | 8,643 | 1,782 | (2,144) | 8,281 | 766 | (2,384) | 6,663 | 464 | (750) | 6,377 | 378 | (378) | 6,377 | 403 | (412) | 6,368 |
| Earmarked Reserves - Capital: | | | | | | | | | | | | | | | | |
| Coast Protection | 156 | | | 156 | | | 156 | | 156 | | | 156 | | | 156 | |
| Short Life Assets | 342 | 621 | (698) | 265 | 625 | (598) | 292 | 596 | (730) | 158 | 618 | (730) | 46 | 618 | (555) | 109 |
| Earmarked Reserves - Capital sub-total | 498 | 621 | (698) | 421 | 625 | (598) | 448 | 596 | (730) | 314 | 618 | (730) | 202 | 618 | (555) | 265 |