COUNTY COUNCIL – 15th FEBRUARY 2018

Medium Term Financial Strategy 2018/23 and 2018/19 Budget and Council Tax

Recommendations of the Leader of the Council and the Cabinet Member for Finance

(a) We recommend that:

(b) The County Council approve the following:

i) a net revenue budget of £495.463m for 2018/19 as set out in **Appendix 9**;

ii) planning forecasts for 2019/20 to 2022/23 as set out in **Appendix 9**;

iii) a contingency provision of £3.5m for 2018/19;

iv) a net contribution from general reserves of £6.383m for 2018/19;

v) a budget requirement of £489.080m for 2018/19;

vi) a council tax requirement of £336.534m for 2018/19;

vii) a council tax at Band D of £1,210.52 for 2018/19 which is an increase of 5.95% when compared with 2017/18. This results in council tax for each category of dwelling as set out in the table below:

Category of dwelling	Council Tax rate £
Band A	807.01
Band B	941.52
Band C	1,076.02
Band D	**1,210.52**
Band E	1,479.52
Band F	1,748.53
Band G	2,017.53
Band H	2,421.04

viii) that the Director of Finance and Resources be authorised to sign precept notices on the billing authorities respectively liable for the total precept payable and that each notice state the total precept payable and the council tax in relation to each category of dwelling as calculated in accordance with statutory requirements;

ix) the Capital Programme set out in **Appendix 12**;

x) the Prudential Indicators set out in **Appendix 13**;

xi) the Authorised Limit for external debt determined for 2018/19 as detailed in **Appendix 13** referred to above will be the statutory limit determined under Section 3(1) of the Local Government Act 2003;

xii) the Financial Health Indicators set out in **Appendix 14**;

(c) The Director of Finance and Resources' comments in respect of the adequacy of reserves and the robustness of the budget set out in the attached report be noted and the County Council be asked to take note of these comments when considering the budget and council tax recommendations.

(d) That the Director of Finance and Resources be authorised to adjust the contingency provision to reflect any grant changes announced in the final 2018/19 Local Government Finance Settlement.

(e) That the Cabinet Member for Finance and the Director of Finance and Resources be authorised to begin the MTFS process for 2019/20 in March 2018 and that they be authorised to challenge services to identify further cost reductions and income generation opportunities.

COUNTY COUNCIL – 15th FEBRUARY 2018

Report of the Director of Finance and Resources

Medium Term Financial Strategy 2018/23 and 2018/19 Budget and Council Tax

Introduction

1. I am pleased to be able to introduce the Medium Term Financial Strategy (MTFS) 2018/23 and the detailed 2018/19 budget and council tax proposals. The MTFS has been prepared in conjunction with the Strategic Plan and sets out the framework for the preparation of detailed revenue and capital budgets, decisions on council tax and savings and investment plans.

2. The council has reaffirmed its priorities to reflect both county-wide and national issues. The three priority outcomes, which are clearly connected to ensure that the people of Staffordshire will:

   - Be able to access more good jobs and feel the benefits of economic growth;
   - Be healthier and more independent;
   - Feel safer, happier and more supported in and by their community.

3. In addition to the above, the County Council is committed to ensuring that as a well run council, management and support services are provided in the most effective and efficient manner.

4. The Strategic Plan requires an appropriate financial plan to make sure funding is available to deliver priority outcomes. For the council the financial plan is the MTFS. The aim of the financial planning framework is to identify opportunities to drive out savings whilst protecting vital services and securing priority outcomes as identified in the Strategic Plan.

5. The county council remains hugely ambitious for Staffordshire's future yet realistic about the challenges ahead. We are clear where we need to concentrate our efforts: growing the economy to create better jobs for local people; supporting the construction of more homes to meet growing demand; improving schools and skills levels; improving health and care across the county; preventing ill health through lifestyle choices; and transforming the way we support vulnerable children and families.

6. In order to do this against a backdrop of reduced Government funding and growing demand for much of the support we provide, the way the County Council operates must continue to evolve. We have identified four themes, or enablers, that will underpin delivery of the Strategic Plan. They are: Workforce; Digital; People

Helping People; and Networks. Full details on these enablers are contained within the new Strategic Plan elsewhere on this agenda.

MTFS Underlying Principles

7. Underpinning the planning framework is the council's aim of setting a good and balanced budget:

   A **good** budget means that:

   - It has a medium term focus, supporting the Strategic Plan;
   - Resources are focused on our vision for a Connected Staffordshire and our priority outcomes;
   - It is not driven by short term fixes;
   - It demonstrates how the County Council has listened to consultation with local people, staff and our partners;
   - It is transparent and well scrutinised;
   - It is integrated with the capital programme; and
   - It maintains financial stability.

   A **balanced** budget means that:

   - Income equals expenditure;
   - Cost reduction targets and investment proposals are credible and achievable;
   - Key assumptions are "stress tested".

8. The MTFS has been informed by rigorous feedback from the Corporate Review Committee. Their comments together with Cabinet's response are set out in **Appendix 2**.

9. The proposed budget would result in achieving a balanced budget for 2018/19 in difficult financial circumstances. There remain large budget gaps from 2019/20 onwards of circa £30m with the starting point for 2019/20 being a gap of £35.4m. A fundamental re-think is therefore required which needs to commence as soon as the 2018/19 budget is approved. Radical proposals will need to be developed before the summer of 2018 so that plans can be put in place to deliver financial balance for 2019/20 and beyond.

Summary

10. The MTFS and budget is simply the Strategic Plan expressed in financial terms. The MTFS provides the financial framework within which the Strategic and Delivery Plans have been developed and refined over the past six months.

11. The headline figures are:

- a net revenue budget of £495.463m;

- the budget includes a contingency provision of £3.5m;

- the 2018/19 budget is supported by a net contribution of £6.383m from reserves;

- a 2018/19 budget requirement of £489.080m;

- a council tax requirement of £336.534m;

- a proposed 2018/19 council tax at Band D of £1,210.52, which is an increase of 5.95% when compared with 2017/18;

- the council tax base has increased by 1.5% to 278,008 equivalent Band D properties;

- the County Council's share of the estimated overall net surplus on the District/Borough Councils' collection funds is £3.044m;

- after taking account of all the resources available to support capital spending, the capital budget for 2018/19 is £119.3m including delegated budgets for schools. The five year capital programme involves £188m of investment;

- the Strategic Plan and the MTFS will continue to be developed on the basis of the assumptions shown in **Appendix 3**.

12. Section 25 of the Local Government Act 2003 places a requirement on the Chief Finance Officer to report to the Council on the adequacy of reserves and robustness of the budget. The Council must have regard to this report when making its budget decisions. I have set out my comments in paragraphs 61 to 63 of this report. Given the degree of review and scrutiny of the budget that has taken place, the level of the contingency provision and the risk-based assessment of the level of general balances, this does, in my opinion, provide the reassurance required under Section 25 of the Local Government Act 2003.

13. I would like to thank Cabinet, Select Committee Members, the Senior and Wider Leadership Teams and colleagues throughout the council for their help and support in developing the MTFS and 2018/19 budget.

Current Economic Climate

14. Following the EU referendum in 2016 and the decision to end Britain's membership of the European Union, there has been economic uncertainty, inflation has increased and the Bank of England has increased interest rates for the first time since 2009. Britain will officially leave the European Union in March 2019 but the

Government has much work to do before then to ensure agreements are in place to cover every aspect of Brexit.

15. This impacts on the County Council in two ways. Firstly there is the potential for economic uncertainty to affect people's living standards, leading to increased demand for services and falling tax receipts that fund public services. Secondly, the Government has a great deal of work to do on Brexit which takes up its time and diverts it from other issues.

16. The Government's Office for Budget Responsibility (OBR) has direct control over the forecasts and judgements and is required to make an independent assessment of the public finances and the economy. The Bank of England continues to exercise control over interest rates and the supply of money.

17. The OBR produces forecasts for the economy and public finances. There are a number of briefings produced throughout the year, setting out best estimates of inflation and other economic measures such as Gross Domestic Product (GDP) over the medium term. Whilst these measures do not necessarily have a direct bearing on council activity, it is important that plans are set with regard to these measures as they are the best estimate of the state of the economy and the impact they may have on council services and funding.

18. In March 2017, the OBR predicted growth of 1.6% in 2018. However its November forecasts have reduced this estimate to 1.4% in 2018, 1.3% in 2019 and 1.5% in 2020.

19. The economic outlook regarding interest rates also has an impact on the MTFS and is reflected in the capital financing budget. The capital financing budget is made up from three component parts as follows:

    - The repayment of the principal on our debt;
    - Payment of interest on our debt outstanding; less
    - Receipt of interest earned on cash we hold.

20. The interest on debt remains fairly constant due to the long term nature of the county council's borrowing. The average rate for interest on debt is just below 4%. The income receipts generated are dependent on the interest rates set by the Bank of England.

21. The Bank of England base interest rate was at the historic low of 0.5% since March 2009, until August 2016 when it was reduced to 0.25% following the EU referendum. In November 2017, the base interest rate was increased to 0.5% with the Bank of England hinting at further rate risings in the coming years but only around two further rises in the next three years are predicted. The forecast produced by the council's advisers, Arlingclose Ltd, shows that interest rates are forecast to remain static for the whole MTFS period.

22. On current investments a 1% rise in interest rates generates £1.5m worth of gross income to the county council.

23. In terms of inflation, the MTFS currently assumes 0% inflation in 2018/19 on non-pay costs, rising to 2% thereafter. This excludes any contractual commitments, energy and utility costs which are funded in line with the rates specified. A list of the major assumptions used in preparing the MTFS is attached as **Appendix 3.**

Business Rates Pilot

24. In 2016, the Government announced its intention to move to a system of 100% business rates retention and in September 2017, DCLG published an invitation for local authorities to bid for a business rates pilot.

25. The County Council submitted a bid as part of a Staffordshire-wide pilot. The bid included all District and Borough Councils in Staffordshire, plus the County Council, the Fire and Rescue Authority and Stoke-on-Trent City Council. The bid proposed a tier split of 59% to the County Council, 40% to District and Borough Councils with the remaining 1% going to the Fire and Rescue Authority.

26. This tier split would have meant additional income of circa £10 million for the County Council but unfortunately the bid was not successful for 2018/19. However the intention is to bid again for 2019/20 once the criteria for doing so are announced by the Ministry for Housing, Communities and Local Government. This means the current business rates system remains in place and the County Council will continue to receive 9% of the business rates collected in Staffordshire. The MTFS continues to assume that 9% is retained from 2019/20 onwards.

Autumn Budget 2017

27. The Chancellor presented the Autumn Budget on 22nd November 2017 to the House of Commons. The Budget included initiatives to encourage economic growth such as further increases to the National Productivity Investment Fund and further investment in housing. The announcement included additional funding for the NHS, in both 2017/18 and 2018/19. However there was no mention of any additional money for social care.

Flexible Use of Capital Receipts

28. The Government issued a Capitalisation Direction to allow revenue expenditure of a transformational nature to be funded from capital receipts. This formed part of the MTFS last year and as such, £15 million of receipts was included in the budget for 2017/18 and 2018/19. The County Council is on target to deliver the £30 million over the two year period. As part of the Provisional Settlement, the Capitalisation Direction was extended for a further three years, until 2021/22.

Provisional Local Government Finance Settlement

29. The Provisional Settlement was announced on 19th December 2017 by Secretary of State, Sajid Javid. This is the third year of the Four Year Multi Settlement and the amount of Revenue Support Grant allocated to Staffordshire was confirmed as

previously announced. Also confirmed was the amount of Improved Better Care Fund allocated for 2018/19 and 2019/20, the allocations include the additional funding announced in the Spring Budget.

30. The Government will be reviewing the relative need basis for allocating funding and this new basis will come into effect from 2020/21 onwards. This could mean a wholescale change in the way local government is funded and the amount of funding allocated to the County Council. In addition, the intention is to introduce retention of 75% of business rates from 2020/21, not the 100% retention as previously announced. These changes introduce significant uncertainty into the later years of the MTFS period.

31. The referendum principle for council tax will be increased to allow a rise of up to 3% on the general precept before a referendum is required. This principle is in effect for 2018/19 and will be reviewed for 2019/20. The MTFS already assumed an increase of 1.95% on the general precept in 2018/19 and if this is increased to 2.95%, it would generate a further £3.4m of income.

Projected pressures and cost reduction options

32. When the 2017/18 MTFS was agreed in February, the position was a gap of £6.1m in 2018/19 with larger gaps of around £20m a year in the future years. It was agreed that action to close the gap in 2018/19 would commence from March 2017. Therefore the MTFS process has continued, on a rolling basis, alongside the delivery plan and the development of various options for transforming service delivery.

33. The pressures and cost reductions have been subject to challenge with senior officers and Cabinet members. The main area of demand for council services remains social care, for both adults and children and financial pressures in this area are increasing.

34. In the Spring Budget, announced in March 2017 after the 2017/18 budget had been approved, additional funding for adult social care was allocated to Staffordshire. This was a further allocation of the Improved Better Care Fund (iBCF) and the additional funding amounts to £15 million in 2017/18, £10 million in 2018/19 and £5 million in 2019/20. As this was announced after the 2017/18 MTFS had been approved, it is additional and can contribute towards funding those new pressures emerging in 2018/19 and 2019/20. As part of the Better Care Fund plan the County Council and the Staffordshire CCGs have agreed expenditure of the improved Better Care Fund additional grant to support adult social care.

	2017/18	2018/19	2019/20
	£m	£m	£m
Admission avoidance / discharge to assess	3.234	0.474	0.004
Enhanced primary and community care	1.496	0.896	0.396
Ensuring sustainability of adult social care	10.829	8.710	4.603
Total	**15.559**	**10.080**	**5.003**

35. The plan includes investment in transformation, meeting cost pressures in adult social care and covering financial risks. The MTFS includes pressures based on all the iBCF planned expenditure from 2018/19 onwards. The majority of these pressures are deemed to be ongoing at least in the medium term, as shown in the table below. The pressures are only partially funded from the additional iBCF allocation with the MTFS picking up the shortfall as the funding reduces. The tables show how the iBCF monies have been used to protect adult social care across the three years of the allocation. From a review of the risks in the 2017/18 allocation, £2m is deemed to be available to carry forward to manage the reduction in future years' funding.

£m	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**
Spend on iBCF Pressures					
Care Commissioning	14.730	21.803	28.246	34.264	40.764
Adult Social Care and Safeguarding	0.396	0.396	0.000	0.000	0.000
Public Health	0.500	0.000	0.000	0.000	0.000
iBCF Funding					
iBCF carry forward 2017/18	(2.000)				
iBCF Grant	(10.080)	(5.003)			
Net additional pressure	**3.546**	**17.196**	**28.246**	**34.264**	**40.764**

36. The main pressures in the Health and Care Directorate result from increasing demands for services across all client groups, although this is rising less steeply than would be expected given the ageing population. In addition the Council is assuming inflationary price rises, including proportionate rises around National Living Wage, to homecare and residential care providers. The Spring Budget allocation of iBCF helps to mitigate pressures in 2018/19 but as the additional funding reduces, the pressures increase which is therefore adding to the budget gap for future years. Also, in future years, the Public Health ring-fenced grant will reduce further and this introduces a pressure into the MTFS from 2019/20 onwards.

37. The Families and Communities Directorate is facing increasing demand in Children's Services with both numbers and placement costs for Looked After Children increasing. Preventative work to reduce the numbers of children needing to be taken into care will provide benefits further into the future and a related saving included in the 2017/18 budget will not be achieved in this current year, or in 2018/19.

38. In addition, increasing placement numbers have resulted in an overspend in the current year for Children's Services. There are increases in the 9-11 and under 4 age ranges and this combined with a slowing of numbers exiting the care system is placing additional demands on the service. In order to address these significant additional pressures, a total of £8.8m has been added to the Children's Services budget for 2018/19 onwards.

39. There are also pressures in the Special Educational Needs (SEN) Home to School Transport service and as a result of the School Forum's decision not to allocate funding from the Dedicated Schools' Grant (DSG) for the Local Support Teams.

40. Outside the issue of social care, there are a number of minor pressures in other service portfolios with the main one being around the level of waste tonnages arising from economic growth. Taking all the pressures into account, this makes a total of £33.5m in 2018/19. The details of all pressures are shown in **Appendices 4a to 4e**, by Directorate.

41. Cost reductions in the Health and Care Directorate that contribute towards the overall budget gap have been identified by reviewing and renegotiating contracts, alongside reviewing service provision. There are already cost reductions in this directorate which were approved in prior years but which increase during the MTFS period.

42. Across the Families and Communities Directorate, cost reductions have been identified across a range of services. The Schools' Forum has approved the use of £1.7 million of DSG to fund LEA activities. This funding was previously provided as part of the Education Services Grant and requires annual approval from the Forum.

43. The remaining directorates have identified further cost reductions and in total the reductions included in the MTFS amount to £11.3m in 2018/19. These cost reduction options are shown in **Appendices 4a to 4e.**

44. Pay awards for County Council staff are agreed nationally and negotiations are ongoing with Local Government Employers, however 2% has been allocated to pay for 2018/19 and future years. Inflation for non-pay items was previously assumed to be 2%, however in accordance with previous years, inflation has been reduced to zero (with budget holders expected to manage any inflationary increase within existing cash limits) with the exception of inflation required to meet contractual commitments. Assumptions on inflation are shown in **Appendix 3.**

45. The total pressures and cost reductions are shown in the table below. A summary by Directorate is attached at **Appendix 5**.

	2018/19	2019/20	2020/21	2021/22	2022/23
	£m	**£m**	**£m**	**£m**	**£m**
Total pressures	24.4	30.2	36.6	43.1	50.5
Inflation	9.1	20.1	30.6	41.4	52.6
Total cost reductions	(11.3)	(18.7)	(26.3)	(29.8)	(29.8)
iBCF Funding	(10.1)	(5.0)			
Total	**12.1**	**26.6**	**40.9**	**54.7**	**73.3**

MTFS Approach

46. There is a significant estimated gap from 2019/20 which requires a different approach. There is no single answer to addressing this gap and therefore the developing Strategic Plan proposes six strands of activity which together set out the approach to balancing the MTFS over the medium term. Each of these strands is discussed in the paragraphs that follow.

Grow Council Tax

47. As the County Council becomes self-financing due to the loss of government grant, initiatives to increase income become more important. Levels of housebuilding in Staffordshire, in keeping with the rest of the UK, are failing to keep up with the needs and demands of our people. This was recognised by the Government with additional investment in housing in the Autumn Budget. The County Council is pursuing the option of encouraging house building to meet local demand. In doing so, this will also increase the number of properties in the county and therefore increase the income received from council tax.

Grow Business Rates

48. The other income stream which can be increased is business rates and the County Council already has a strong track record of creating the right conditions for economic growth and job creation across Staffordshire. This work will continue. In the current business rates scheme, the County Council retains 9% of the business rates collected and on this basis, would need a 96% increase in the business rates collected to generate an additional £10m. The business rates pilot, if successful, would mean that the benefit to the council of growth would be greater than is the case under the current system.

Lobby Government

49. The County Council plays an active role in consultations with Government and ensures that the situation in Staffordshire is made clear to Whitehall. In addition we work with the Local Government Association (LGA), County Councils Network (CCN) and others to influence Government policy and secure additional funding and responsibilities for the benefit of Staffordshire and its people. There is a green paper on social care due to be published in summer 2018 and the expectation is that this will set out plans for a longer term solution to stabilise social care and support the NHS. In addition the Government is undertaking a fair funding review

of local government and Staffordshire has already made a contribution to consultation in this area. Changes in funding would be reflected through a new, 100% retention system for business rates. The costs of children in care also continues to be of concern with the number of children looked after increasing, together with higher care package costs, all placing more pressure on already stretched budgets.

Leverage Balance Sheet

50. In recent years the County Council has become more commercial in its approach and is considering making investments in property, particularly where there is both a return to be earned and a wider benefit for the citizens of Staffordshire.

New Offer

51. There are three new and interconnected initiatives that are being developed, in order to re-define and shape a new offer to the citizens of Staffordshire. Firstly the County Council is developing its own digital programme, exploring how to better use technology and data to help people and business access the support they need. This is linked to a wider Smart Staffordshire project which brings together the County Council, universities, businesses and other public partners to create a single digital transformation programme with shared objectives across the entire county. The final element of this new approach is the County Council's work with communities, called People Helping People, which aims to give citizens more control and the ability to act on the issues that matter most to them. The County Council will continue to provide care and support for people where it has a legal duty to do so. In doing this we will have to take our overall funding into account. This may mean that not everyone gets exactly the support that they want.

Reduce Costs

52. In the last eight years the County Council has reduced its costs by £240 million, finding new, more efficient ways of working that deliver outcomes for residents. As a well-run council, we will continue this approach across the whole organisation, identifying opportunities to reduce overheads for instance through greater use of technology, joint working with partners, and closer working with the community.

Council Tax Base and Collection Fund

53. The District and Borough Councils have provided their tax bases to allow the council tax to be calculated. The council tax for the County Council is calculated by dividing the council tax requirement by the notified council tax base. The council tax base is the number of households in the county area expressed as a Band D equivalent.

54. An increase in the tax base of 0.8% had been assumed, in accordance with the 2017/18 MTFS. However, the notifications show an increase for 2018/19 of 1.5%. Details of the council tax base by District and Borough council are attached as **Appendix 6**. Following discussions with District and Borough Councils, the MTFS

assumes an average increase of around 1% in the tax base for the remaining years of the period. This assumption includes data on house building where available.

55. District and Borough councils are required to declare the surplus or deficit on their council tax collection funds each year. The surplus or deficit is then reflected in the council tax bills for the following year. The estimated position set out in **Appendix 6** shows a surplus for the council of £3.044m. The final figures are subject to audit and any adjustments required are made in the following year.

56. The surplus on the collection fund shows that collection rates in some District and Borough Councils have been higher than anticipated. However, despite the surplus declared this year, it is prudent to continue to assume that the collection fund will be in balance for the remaining four years of the MTFS.

Council Tax

57. The County Council has consistently maintained one of the lowest council tax rates of any English county council. For four years the council tax was either kept the same or reduced. However the demands for our services mean that we can no longer maintain this and we need to ask local people to pay more towards the services they need.

58. The Government has allowed local authorities with responsibility for providing adult social care to levy an additional precept, with a maximum increase of 3% but a total increase of no more than 6% over three years. In February 2017, the County Council approved the 2017/18 MTFS which included a planning assumption of increasing the Adult Social Care precept by 3% in 2017/18 and 2018/19 and then a zero increase in 2019/20.

59. In recent years the Government has set a referendum limit annually which means that if a local authority increases its general precept by more than the limit, it must hold a referendum. That limit has been set at 2% in previous years but the Provisional Settlement included an announcement that the limit would be set at 3% for 2018/19 and will be reviewed in future years. The County Council is proposing to increase the general precept by 2.95% in 2018/19. This will make the total increase of 5.95% on the Band D rate.

60. The County Council must notify District and Borough Councils of its council tax rate for each property band before 1st March each year. The council's proposed council tax at Band D is £1,210.52 which is an increase of £1.30 per week for the average taxpayer. As there are no special expenses for the council, the same rate applies across all District and Borough Councils. The table below sets out the council tax proposals for each category of dwelling. The Band D rate produces a Council Tax Requirement of £336.534m for 2018/19.

Category of dwelling	Council Tax rate £
Band A	807.01
Band B	941.52
Band C	1,076.02
Band D	**1,210.52**
Band E	1,479.52
Band F	1,748.53
Band G	2,017.53
Band H	2,421.04

Review of Reserves and Balances

61. Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to report to the Council on the adequacy of proposed reserves and the robustness of the budget.

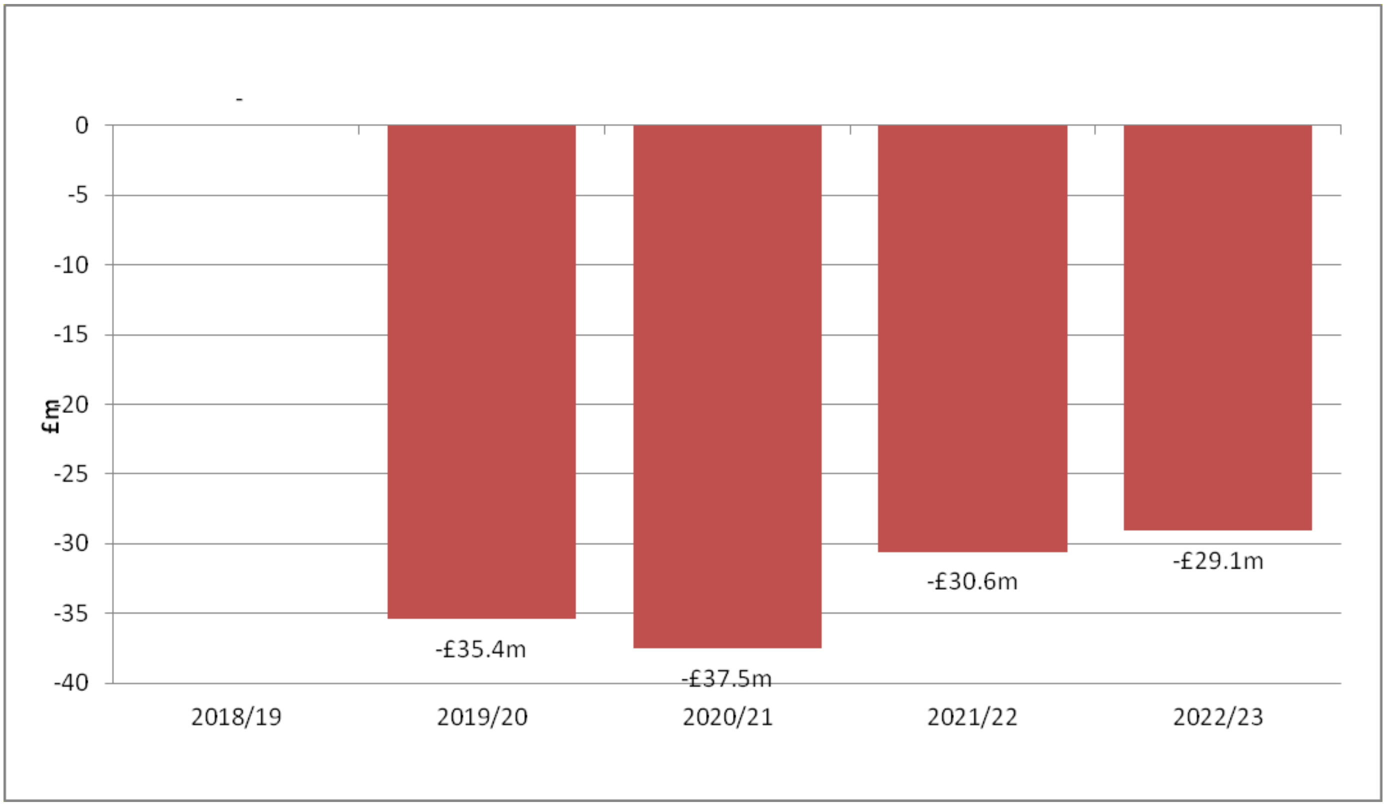
62. We have reviewed the earmarked reserves and provisions we hold to make sure they are still required and that they are adequate. The details of this review are attached in **Appendix 7.**

63. At the end of 2017/18, general balances are forecast to be in the region of £16m. We have carried out a risk assessment of the level of general balances the council needs to hold. In doing this we have taken into account the uncertain future economic outlook and the risks surrounding the MTFS which are set out later in this report. This assessment attached as **Appendix 8** has concluded that £21.5m is required to reflect the financial risks the council is facing. A contribution back to balances of £5m has been assumed in 2019/20, this is intended to repay the overspend in the current year. Over the MTFS period, balances plus the contingency provision of £11.5m over the MTFS period is considered sufficient to cover this risk.

Summary of MTFS Position

64. The MTFS as set out in this report results in a budget requirement after approved use of reserves for 2018/19 of £489.080m. The proposed 2018/19 detailed net budgets across services together with planning forecasts for future years of the MTFS are included in **Appendix 9**. An analysis of the year on year changes to the budget is summarised in **Appendix 10**, while **Appendices 11a-11e** provide details of the budget allocations within each portfolio.

65. Although the budget for 2018/19 is a balanced one, there are significant gaps in future years from 2019/20 onwards. The MTFS process will begin in March 2018 in order to develop the new offer and close the gap for 2019/20.



Capital Strategy

66. The latest capital programme for 2017/18 amounts to £152.7m with the main areas of spend being around schools' projects (£34.0m), infrastructure projects (£50.6m) and economic regeneration projects (£24.7m). These projects include investment in the Stafford Western Access Route and Lichfield Bypass, investment in the Keele IC6 Smart Innovation Hub the creation of a new primary school in Cannock and a new secondary school in Burton.

67. The draft programme for 2018/19 stands at £119.3m currently, although announcements regarding allocations from central government have not yet been received for all services. This includes further investment of £5m for pothole repairs across the county. The programme is shown in detail at **Appendix 12**.

68. The Prudential Code sets out a number of indicators (estimates and limits) which authorities must consider when reviewing their capital investment plans. The Code requires that the body responsible for approving the budget approves these indicators and capital programme (i.e. the County Council). However, the Chartered Institute of Public Finance and Accountancy (CIPFA) has proposed changes to both the Prudential Code and Treasury Management Code to ensure more transparency and focus on the treatment of local authority commercial investments.

69. CIPFA are aiming to publish the revised Treasury Management Code and revised Prudential Code in the first quarter of 2018. Although CIPFA intend the new Codes

to be implemented from 2018/19, they have allowed transitional arrangements for reports requiring approval before the start of the 2018/19 financial year. For this reason, the Prudential Indicators have been produced under the existing Code and these indicators for the next five years are attached as **Appendix 13.** Any potential amendments required as a result of the new Codes will be brought before Cabinet later in the year.

70. Based on these indicators and overall finances of the County Council the capital investment programme, including unsupported borrowing, is considered affordable, prudent and sustainable.

Financial Health Indicators

71. Members need appropriate information to allow them to assess the ongoing financial health of the council and to provide reassurance that it is on course to deliver its financial strategy. **Appendix 14** sets out targets for a range of Financial Health Indicators. Performance against these indicators will be monitored and reported during the year.

Consultation Summary

Business Ratepayers

72. A meeting was held on 15th December 2017 with members of the Staffordshire Chambers of Commerce. They were asked for their views on the Council's draft MTFS, including what more could be done to help businesses in Staffordshire.

73. Representatives acknowledged the need for local businesses to contribute towards the funding of essential public services and also stressed the need for the County Council to focus on the wider picture and not on short term gains. Concerns were raised about infrastructure across the county and whether plans are in place to develop this in line with economic regeneration. Broadband was also raised as an issue in parts of the county as poor broadband speeds can have a significant impact on businesses. There was a discussion around the way in which the County Council works with its partners in order to resolve such issues and achievements around broadband were acknowledged.

74. There was recognition that the pressures on social care also impact on businesses in terms of days lost due to carer responsibilities and therefore businesses welcome the change to the business rates retention scheme. The representatives were made aware of the bid to be a pilot scheme for 100% business rates retention in Staffordshire and were supportive of it.

Trade Union Consultation

75. A meeting was held with Trade Union representatives on 12th January 2018 and the Deputy Director of Finance gave a presentation setting out the situation that in December the budget for 2018/19 was not balanced. It was explained that the County Council is facing major financial pressures across social care, not only for

Adults but also for vulnerable children too. Whilst not included in this report, the meeting was told that additional money is being made available to schools from the Dedicated Schools Grant.

76. The presentation explained to the group that in future years, the County Council is facing unprecedented budget gaps and that in order to set a balanced budget for 2019/20, there must be changes to what is offered to citizens and residents.

Corporate Review Committee Comments

77. A good budget is transparent and well scrutinised. As part of the overall budget setting process the Corporate Review Committee have a remit to scrutinise the MTFS plans and as such it has been scrutinising the MTFS throughout the year. In addition it conducted a series of interviews with portfolio holders and Senior Officers to assess the issues facing services.

78. The Committee have also scrutinised the detailed spending pressures and cost reduction proposals. The report of the Committee, which concluded that the MTFS and 2018/19 budget met the principles of being a good and balanced budget, was considered by Cabinet at its 1st February meeting. The Committee's comments and recommendations along with Cabinet's response are attached as **Appendix 2**.

Robustness of Budget and Risk Implications

79. Section 25 of the Local Government Act 2003 places a duty on the Chief Finance Officer to report on the robustness of the budget. This involves an assessment of risk. The proposed budget outlined in this report has been subject to considerable and detailed examination by officers across the organisation as well as relevant finance staff. The MTFS and the implications for services have been considered and refined by the Senior Leadership Team and Cabinet as the Strategic Plan has been refreshed.

80. The MTFS has also been subject to detailed scrutiny by the Corporate Review Committee. Reassurance is also provided by the confirmation, in paragraph 70 above that the County Council's borrowings are within the boundaries of prudential guidelines.

81. The robustness of the budget when considered in light of the finite resources available to the county council and how politically it is allocated across the services is essentially a judgement about the assessment of risk. The key risks identified at this stage that need to be managed effectively are set out below.

- The biggest risks are around social care and, specifically the Better Care Fund. Whilst NHS England have approved the 2017-19 BCF plan including the DTOC target, there remains a risk that they may withhold 2018/19 funding if the target is not achieved. This puts at risk approximately £20 million in 2018/19;
- Risk that the numbers and/or costs of adults requiring care and support exceeds the estimates on which the MTFS is based;

- Cost of care and support for children transitioning to adults are higher than currently provided for in the MTFS;
- Independent Living Fund grant cessation cannot be mitigated;
- Risk that CCGs withdraw doctors' funding for reviewing applications;
- Whole system change around Children's and Families' implementation including community capacity and new ways of working not fully embedded to support delivery of children's system business case;
- A review of DSG / ESG funding within education and support services is underway, there is a risk that the conclusion of that work will reveal a need for further service reductions;
- Risk that restructures not completed in time to realise savings;
- A recent Ofsted inspection highlighted some capacity concerns regarding social worker caseloads;
- Existing cost reductions in the SEN Home to School Transport service are reliant on the wider SEND transformation programme;
- Risk that DSG balances are exhausted and any overspend could fall into the MTFS;
- Spending exceeding budgets and/or income falling short of budgets;
- Plans not being delivered and outcomes not achieved.

82. Whilst the council does have a proven track record of delivering significant cost reductions, the scale, complexity and pace of the changes still required enhances the risk that not all of the cost reduction identified will be delivered. Action to deliver the cost reductions already included in the MTFS commenced 12 months ago, supported by the Transformation Support Unit and continue to be closely monitored by the council's transformation governance arrangements including regular reports to Informal Cabinet, Select Committees, Senior Leadership Team, Delivery Board, Service and Project Boards. Despite this there remains the risk that not all future reductions will be delivered and the identification of alternative options is becoming more and more difficult as the level of funding reduces.

83. With regard to the risk of overspending against budget, thorough budget preparation and detailed monitoring during the year, coupled with the personal financial accountability framework, minimises this risk. Furthermore Finance Business Partners are able to identify any concerns at an early stage, advise management teams and recommend measures to mitigate the impact. Budget monitoring reports are regularly considered by management teams and by Select Committees, Portfolio Holders, SLT and Cabinet on a quarterly basis.

84. Whilst the budget is balanced in 2018/19 the projected financial position for in the medium-term poses a significant challenge to our financial sustainability. The gap in the MTFS of in excess of £35m for 2019/20 is the biggest budget gap (in both relative and absolute terms) that we have ever faced at this stage of the MTFS process. The pressures on expenditure (from demography and service demand) combined with greater uncertainty over income (from Business Rates and Grants) are unprecedented.

85. Despite our successful track record of controlling costs, making efficiency savings, increasing income and delivering transformational change we face a position where – without further significant change – our operating costs exceed the level of income we can foresee from 2019/20 and beyond.

86. A fundamental re-think is therefore required which needs to commence as soon as the 2018/19 budget is approved. Radical proposals will need to be developed before the summer of 2018 so that plans can be put in place to deliver financial balance for 2019/20 and beyond.

Conclusions

87. The proposed budget would result in achieving a balanced budget for 2018/19 in very difficult financial circumstances. The future years are not balanced and have very large gaps, the starting position for 2019/20 is a gap of £35m. Therefore work needs to start in March on trying to balance that year. The detailed budgets for all five years of the MTFS period are shown in **Appendix 9.**

88. Funding levels for the remaining four years of the MTFS period are extremely uncertain and it is hoped that the Government will provide some clarity through consultations and working groups. We are continuing to work with residents, voluntary groups, partners or the private sector to find new ways to improve lives. This includes inspiring more individuals and groups to play a greater role in improving their local areas. We are already seeing results in our community libraries, for instance. Our approach is about listening, creating the right conditions for Staffordshire's people to flourish, and allowing people to get on with creating their own prosperous future. In turn this allows us to focus our efforts and limited resources on those who need us the most.

89. We also need to encourage people to live healthier for longer – the county council and entire public sector spends vast sums treating health and social problems caused by smoking, obesity and excessive drinking. With less money available, we need to inspire people to take greater responsibility for their own health and wellbeing.

90. It is essential for us to work closer and smarter with our public sector partners who together spend over £7.4 billion a year of public money in Staffordshire. We have a duty to make sure this money is spent as wisely and effectively as it can be to reduce the burden on taxpayers, particularly as we face growing demand for our services especially around care.

91. We will be talking with residents and partners in the months ahead about the role of the county council and will listen further to their ideas on how we must adapt to changing circumstances and help ensure that everyone in Staffordshire can prosper, be healthy and be happy.

92. I value the help and support I have received from elected members and colleagues over the last 12 months. I am particularly grateful to colleagues in the finance

community for their contribution to the construction of this budget and MTFS, which is a product of a great team effort.

Andrew Burns
Director of Finance and Resources

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Appendix 1

Equalities implications:

The overarching equalities implications are at the heart of political deliberations with interconnecting links. This interconnectivity is key to delivering within Staffordshire, the best value for money for all. Specific equalities implications arising from the issues covered by this report will be incorporated into outcome and service plans. Equality Impact Assessments will therefore be undertaken for each specific issue, where appropriate.

Legal implications:

There are no specific legal implications presented by this report.

Resource and Value for money implications:

The Resource and Value for money implications are set out in the report.

Risk implications:

Risk implications are outlined in paragraphs 79 - 86 of the report.

Climate Change implications:

We have considered the impacts on climate change whilst developing the MTFS and have, in line with the council's key priority concentrated on reducing our carbon footprint in future service delivery plans. As an organisation, over the medium term we are encouraging greater flexible working which aims to reduce emissions even further.

Health Impact Assessment

The impact on public health has been considered whilst developing the MTFS. Innovation and Efficiency options proposed aim to improve and promote the health of citizens through closer working with the NHS. Further implications will be incorporated in the Outcome Plans for Staffordshire as a place where people live longer, healthier and more fulfilling lives.

Report author:

Rachel Spain
Corporate Finance Manager
Tel: (01785) 854455

Appendix 2

Recommendations of the Corporate Review Committee and Cabinet's response

Comments and Recommendations of the Corporate Review Committee	Cabinet's Response

MTFS	
The County Council must step up the pace of transformation and must keep up the lobbying of Government via local MPs of financial pressures challenging local authorities and engender a closer working relationship with MPs.	The approach to the MTFS detailed in the new Strategic Plan involves six themes and two of these are Lobbying and Reduce Costs, further detail on these themes can be found in the report. The Leader has already written numerous times to government and to local MPs and will continue to so in order to ensure Staffordshire's financial pressures are known.
We recommend that all members of the Cabinet accept corporate responsibility for addressing savings and be able to demonstrate doing so. This should not be restricted to Cabinet Members with social care portfolios.	All savings and pressures have been discussed at Informal Cabinet in detail following detailed discussions with the relevant portfolio holder and director.
Internal Audit conduct reviews into areas of perceived enhanced risk and we recommend the Audit and Standards Committee to request that a review of budgetary control is undertaken. Given the current forecast overspending in Children's Services the Audit and Standards Committee may wish to examine the arrangements in this service area as part of that review.	Noted. A review of budgetary control is undertaken annually by internal audit. The request for a focus on Children's Services will be forwarded to the Audit and Standards Committee.
We recommend Cabinet maintains constructive and open dialogue with partner organisations to influence decisions which impact on services for which the Council is responsible and work proactively with the LEP to drive inward investment.	Cabinet and the Senior Leadership Team have built good working relationships with all partners and will continue to do so. Economic Growth and inward investment is a priority in the new Strategic Plan, which also includes a new enabler which will focus specifically on networks and relationships with partner organisations.
Due to the overspend in the current year, it has been necessary to deplete reserves to less than £20 million and we urge Cabinet to develop a credible plan to replenish monies used from reserves during the course of the MTFS.	This has been recognised in the MTFS and there is a planned contribution to balances in 2019/20.

Appendix 2

Recommendations of the Corporate Review Committee and Cabinet's response

Comments and Recommendations of the Corporate Review Committee	Cabinet's Response
General comment from Cabinet	Cabinet have noted that there is a great deal of information produced in response to questions and queries from a wide variety of stakeholders. If members of the working group require further clarification of issues raised then the existing channels of communication, including the use of the delegated authority to the Corporate Review Select Committee, are available to supplement the work of the group.
Commercial	
We recommend that the Cabinet Member for Commercial ensures his Cabinet colleagues are regularly briefed where deficiencies in contracts are identified through his live contract performance management reporting and where remedial action is required or where additional resource is needed.	The Senior Leadership Team is regularly briefed in such matters and this is escalated to the Cabinet Member as appropriate.
Demand Management	
We acknowledge that demand management is a key enabler to the MTFS and hope that Cabinet and their Support Members will be mindful of the demand implications of their actions, particularly when making commissioning decisions and where issues are identified, respond promptly. We recommend that future reports to Cabinet should, without exception, include a paragraph explaining how demand management has been addressed.	The increase in pressures facing both adults' and children's services are national issues. Work is continuing to understand the drivers behind the recent increases and this will inform the MTFS as part of the on-going programme of review. The work of select committees into these issues will be most valuable to inform future planning and decision making.
We recommend that the Cabinet Member for Children and Young People challenge the providers of outsourced services to children and families within Children's Centres to identify whether the families who need that support are the ones who are accessing it.	Noted.
Digital	
We encourage the Cabinet Member for Finance to continue to work closely with the All Party Member Group (APMG) whose focus is Smart Staffordshire's	Noted.

Appendix 2

Recommendations of the Corporate Review Committee and Cabinet's response

Comments and Recommendations of the Corporate Review Committee	Cabinet's Response
Digital Transformation. We hope that there will be no duplication of time and effort and recommend regular digital updates and a clear steer from the Cabinet Member to the APMG to ensure their work is most productive.	
We urge Cabinet to work with other partners – particularly in the areas of Health and Housing – to identify shared digital projects which could be delivered for Staffordshire residents. We believe there is scope for work with Health partners around signposting; communication; and education.	As mentioned above, working with partners is recognised as a high priority and this recommendation is helpful in providing a suggestion for particular focus. The County Council is already working with a range of organisations through the Smart Staffordshire initiative to collaborate on digital projects that will benefit residents and businesses in Staffordshire.
It is important to maximise digital opportunities to keep pace with technological advancements and we urge Cabinet to enable the digital economy to grow and innovation to flourish as Staffordshire must not lose its IT graduates to other parts of the country. Furthermore, Cabinet must ensure all County Council staff are trained and equipped to embrace the latest technology and to exploit digital opportunities.	As above, the County Council is working with a number of partners including Staffordshire University on the Smart Staffordshire initiative. In addition, Digital remains one of the enablers in our new strategic plan, alongside a new Workforce enabler, which together will ensure our staff have the skills and tools to make the best use of technology and data in the years ahead. However it must be recognised that with the County Council under such financial pressure, Cabinet must be certain that any investment in new technology would result in ongoing revenue savings.
Savings should be an indirect benefit of smarter working, and we recommend Cabinet to identify specific savings targets relating to Digital as a feature in the MTFS to give this aspect greater clarity and purpose	Noted, as mentioned above, Digital is a tool to help the County Council develop its new offer to citizens and residents. Any savings emerging from Digital initiatives will be clearly marked as such and will be reported under the relevant Directorate. Cabinet thin that the allocation of arbitrary targets drives the wrong behaviours.
We feel there is a tension between the digital future and the most vulnerable in communities who may feel increasingly isolated as a result with a danger that social isolation can have unintended consequences which may prove costly to the authority and we recommend that Cabinet address this issue.	This issue will be addressed as part of the suggestion above around working with partners and having a focus on Health and Housing and work involved with the People Helping People enabler

Appendix 2

Recommendations of the Corporate Review Committee and Cabinet's response

Comments and Recommendations of the Corporate Review Committee	Cabinet's Response
Community Cabinet Support Members	
We concluded that the Community Cabinet Support Members (CCSMs) are not clear about their remit and although they have initiated some good work, they have not added any value over and above what an engaged local councillor would have done. We understand that the Leader intends to review the role of CCSM and we recommend that in doing so he identifies the contribution towards MTFS which CCSMs can make and an expectation upon them to help embed difficult decisions in communities.	Noted and this recommendation will be taken forward to the review of Community Cabinet Support Members.

Appendix 3

Major Assumptions Used in MTFS
Year-on-Year Increases

	2018/19	2019/20	2020/21	2021/22	2022/23
Staffing costs					
Pay	2.0%	2.0%	2.0%	2.0%	2.0%
Local Government Pension Scheme increases	1.0%	1.0%	1.0%	1.0%	1.0%
General running costs					
Prices (including internal recharges from trading services)	0.0%	2.0%	2.0%	2.0%	2.0%
Contractual inflation	Variable	Variable	Variable	Variable	Variable
Income (standard allocation)	2.0%	2.0%	2.0%	2.0%	2.0%
Utility / Running Expenses					
Electricity	10.0%	10.0%	10.0%	10.0%	10.0%
Gas	10.0%	10.0%	10.0%	10.0%	10.0%
Business Rates bills	2.9%	3.2%	3.2%	3.2%	3.2%
Water[1]	3.0%	3.0%	3.0%	3.0%	3.0%
Petrol	2.9%	3.2%	3.2%	3.2%	3.2%
Diesel	2.9%	3.2%	3.2%	3.2%	3.2%
In-Year Increases					
Interest Rates					
Interest on investments	0.5%	0.5%	0.5%	0.5%	0.5%
Interest on debt	4.03%	3.97%	4.06%	4.15%	4.16%
General Funding					
New Homes Bonus	£2.2m	£2.1m	£0.7m	-	-
Loss of Revenue Support Grant	-£15.2m	-£14.8m	-£10.7m	-	-
Revenue Support Grant	£25.5m	£10.7m	-	-	-
Council Tax	2.95%	1.95%	1.95%	1.95%	1.95%
Social Care Precept	3.00%	0.00%	2.00%	2.00%	2.00%

[1] Water Bill increases are set by OFWAT. These have been capped for the 5 year period at the previous Novembers RPI inflation rate plus 0.5%

HEALTH AND CARE

Projected Pressures, Cost Reduction Options and Investments

Description	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m

Public Health and Prevention

New Service Projected Pressures					
Public Health ring fenced grant reduction.	0.000	1.000	1.000	1.000	1.000
Drugs and Alcohol service.	0.500	0.000	0.000	0.000	0.000
New Service Projected Pressures Total	**0.500**	**1.000**	**1.000**	**1.000**	**1.000**

Adult Social Care and Safeguarding

Total Service Spending Pressures Approved in February 2017	**(3.600)**	**(3.600)**	**(3.600)**	**(3.600)**	**(3.600)**

New Service Projected Pressures					
The council commissions district and borough councils to provide a Welfare Benefits service on its behalf. The current contract has an inflationary element which is not budgeted for in the MTFS.	0.056	0.056	0.056	0.056	0.056
The council has agreed to commission the Staffordshire and Stoke-on-Trent Partnership (SSOTP) Trust to provide visual and hearing impairment support to service users as part of its Section 75 agreement. SSOTP have agreed to mitigate this additional cost in future years.	0.400	0.000	0.000	0.000	0.000
Investment to facilitate switch to digital and telephone contacts.	0.336	0.336	0.000	0.000	0.000
Strategic Reviewing Post to identify opportunities to promote independence, reduce costs and increase income.	0.060	0.060	0.000	0.000	0.000
New Service Projected Pressures Total	**0.852**	**0.452**	**0.056**	**0.056**	**0.056**

Total Service Cost Reductions Approved in February 2017	**(0.350)**	**(0.450)**	**(0.550)**	**(0.550)**	**(0.550)**

Projected Changes to Original Service Cost Reductions					
Mental Health S75 : not possible to achieve the saving originally envisaged.	0.100	0.100	0.200	0.200	0.200
Adults Learning Disability Staffing Structure.	0.075	0.175	0.075	(0.125)	(0.125)
Total Projected Changes to Service Cost Reductions Approved in February 2017	**0.175**	**0.275**	**0.275**	**0.075**	**0.075**

New Service Cost Reduction Options					
Redesign of the approach to assessments of people's care needs, making use of modern technology to allow people to self-assess and access simple solutions, improving the customer experience and efficiency.	0.125	0.125	(2.000)	(2.000)	(2.000)

KEY: 1.000 pressure or loss of income
(1.000) cost reduction or additional income

HEALTH AND CARE

Projected Pressures, Cost Reduction Options and Investments

Description	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
Variation of the Charging and Welfare Benefits contract with the District and Borough Councils who carry out the function on behalf of the council. Investment in a self assessment tool will deliver additional savings in 2019/20 onwards.	0.150	(0.296)	(0.296)	(0.296)	(0.296)
New Service Cost Reduction Options Total	**0.275**	**(0.171)**	**(2.296)**	**(2.296)**	**(2.296)**

Care Commissioning

Total Service Spending Pressures Approved in February 2017	**0.700**	**0.650**	**3.350**	**6.050**	**6.050**

Projected Changes to Original Service Spending Pressures					
Inflationary pressures, including an amount for National Living Wage.	3.057	7.561	11.430	14.866	18.380
Demographic change is recognised widely as a key risk facing national and local government. The efficiency cost reductions are intended to manage this pressure and prepare for an anticipated escalation over the next 25 years. (Learning Disability).	0.700	0.700	0.700	0.700	1.200
Equipment Maintenance.	0.193	0.117	0.117	0.117	0.117
Demographic change is recognised widely as a key risk facing national and local government. The efficiency savings are intended to manage this pressure and prepare for an anticipated escalation over the next 25 years. (Older People).	2.609	1.994	1.344	0.476	2.210
The council will on 1 April 2017 take back responsibility for the management of the Long Term Care placement budget for Older People and People with Physical Disabilities from the Staffordshire and Stoke-on-Trent Partnership Trust (SSOTP). There are considerable budget pressures arising from growing demand for care and increases in the price of care which need to be reflected in the MTFS.	0.800	0.800	0.800	0.800	0.800
Total Projected Changes to Service Spending Pressures Approved in February 2017	**7.359**	**11.172**	**14.391**	**16.959**	**22.707**

New Service Projected Pressures					
Transition from Children with Disabilities to Adults.	1.500	2.250	3.000	3.750	4.500
Supported Living and Sleep in rates. In light of a government ruling to pay minimum wage to sleep in staff.	0.480	0.480	0.480	0.480	0.480
There has been a rise in the number of mental health referrals due to demographic growth which has lead to a pressure on the mental health placements budget. This looks set to continue for the foreseeable future and so it is necessary to increase the budget throughout the MTFS period to cover these additional costs.	0.750	0.750	0.750	0.750	0.750
Increase in cost of Mental Health S75 agreement with SSSFT.	0.580	0.635	0.635	0.635	0.635
Mental Health placements - previously funded by CCGs.	0.590	0.400	0.400	0.400	0.400
Additional resources for Brokerage.	0.161	0.161	0.161	0.161	0.161
Loss of S256 funding from NHS.	0.853	0.853	0.629	0.629	0.629
New Service Projected Pressures Total	**4.914**	**5.529**	**6.055**	**6.805**	**7.555**

Appendix 4a

HEALTH AND CARE

Projected Pressures, Cost Reduction Options and Investments

Description	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
Total Service Cost Reductions Approved in February 2017	**(2.932)**	**(5.327)**	**(8.077)**	**(9.327)**	**(9.327)**
Projected Changes to Original Service Cost Reductions					
A review of In-House services provided by SCC to ensure they effectively meet need, including stimulating the market to ensure services are provided in the most cost effective manor to meet eligible need	0.600	0.600	1.200	0.000	0.000
Total Projected Changes to Service Cost Reductions Approved in February 2017	**0.600**	**0.600**	**1.200**	**0.000**	**0.000**
New Service Cost Reduction Options					
The council will generate additional income from the Living Independently Staffordshire Service (LIS).	(0.170)	(0.170)	(0.170)	(0.170)	(0.170)
Increased income for Carers service.	(0.800)	0.000	0.000	0.000	0.000
There are currently younger adults with a physical and/or sensory disability who are in SCC funded placements in out of county settings. It is proposed that all placements are reviewed and consideration for them to be placed in county where it is in their best interest.	(0.044)	(0.088)	(0.088)	(0.088)	(0.088)
Use of adult placement services for people with physical disabilities as well as people with learning disabilities rather than residential care, if in their interest.	0.000	(0.047)	(0.066)	(0.084)	(0.103)
Increased income for social work and safeguarding.	(0.942)	0.000	0.000	0.000	0.000
Mental Health reduction in care costs as a result of risk share agreement with SSSFT.	(0.250)	(0.260)	(0.260)	(0.260)	(0.260)
Reduction in care costs and increase in income based on appropriate application of CHC and joint funding rules across all client groups.	0.000	(0.500)	(1.020)	(1.020)	(1.020)
Savings to mental health recovery services.	(0.200)	(0.200)	(0.300)	(0.450)	(0.450)
Increase in client income in line with increase in expenditure.	(1.000)	(1.000)	(1.000)	(1.000)	(1.000)
Greater use of modern technologies for night support.	0.000	(0.048)	(0.072)	(0.096)	(0.096)
Increased income for Advocacy Services.	(0.235)	0.000	0.000	0.000	0.000
Contract efficiencies.	(0.075)	(0.075)	(0.075)	(0.075)	(0.075)
New Service Cost Reduction Options Total	**(3.716)**	**(2.388)**	**(3.051)**	**(3.243)**	**(3.262)**
Total Health & Care Pressures	**10.725**	**15.203**	**21.252**	**27.270**	**33.768**
Total Health & Care Cost Reductions	**(5.948)**	**(7.461)**	**(12.499)**	**(15.341)**	**(15.360)**
Health & Care Grand Total	**4.777**	**7.742**	**8.753**	**11.929**	**18.408**

FAMILIES AND COMMUNITIES

Projected Pressures, Cost Reduction Options and Investments

Description	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m

Children's Services

Description	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
Total Service Spending Pressures Approved in February 2017	**0.190**	**(0.110)**	**(0.060)**	**(0.270)**	**(0.270)**
New Service Projected Pressures					
Special Educational Needs – Home to School Transport. A further pressure has arisen in 2017/18. There are a range of actions in place which are starting to make an impact and reduce this pressure. This assumes delivery of future MTFS savings.	0.823	0.823	0.823	0.823	0.823
Looked After Children – there is a forecast overspend in 2017/18. This is as a result of increased demand as well as some unit price rises. There is an increase in the number of Looked After Children nationally and numbers may continue to rise.	6.011	7.511	7.511	7.511	7.511
Inflationary rises for Children's Direct Payments, including a proportion for National Living Wage.	0.156	0.184	0.212	0.228	0.244
Part year impact of loss of DSG (£2.34m) for LST's and unmitigated indicative cost of redundancies.	1.170	0.650	0.650	0.650	0.650
Change in costs of home to school SEN transport relating to number of school days in a financial year.	(0.040)	0.070	0.000	0.030	0.210
Expected changes in SEN pupil numbers and diversity in destination bases.	0.060	0.060	0.140	0.300	0.460
New Service Projected Pressures Total	**8.180**	**9.298**	**9.336**	**9.542**	**9.898**
Total Service Cost Reductions Approved in February 2017	**(1.714)**	**(3.739)**	**(4.552)**	**(4.602)**	**(4.602)**
Projected Changes to Original Service Cost Reductions					
Non delivery of historic MTFS saving in relation to Childrens System.	3.300	0.000	0.000	0.000	0.000
Change to existing MTFS saving for transformation costs. (Laptops).	0.227	0.227	0.127	0.127	0.127
Total Projected Changes to Service Cost Reductions Approved in February 2017	**3.527**	**0.227**	**0.127**	**0.127**	**0.127**

FAMILIES AND COMMUNITIES

Appendix 4b

Projected Pressures, Cost Reduction Options and Investments

Description	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
New Service Cost Reduction Options					
Higher than expected income from Educational Psychologists and Respite Services.	(0.200)	(0.200)	(0.200)	(0.200)	(0.200)
Savings generated from intensive prevention initiatives.	(0.750)	(0.750)	(0.750)	(0.750)	(0.750)
New Service Cost Reduction Options Total	**(0.950)**	**(0.950)**	**(0.950)**	**(0.950)**	**(0.950)**

Children's Public Health

Total Service Cost Reductions Approved in February 2017	**(1.600)**	**(1.600)**	**(1.600)**	**(1.600)**	**(1.600)**

Education Services

New Service Projected Pressures					
Renegotiation of the Entrust contract.	1.085	0.385	0.385	0.385	0.385
New Service Projected Pressures Total	**1.085**	**0.385**	**0.385**	**0.385**	**0.385**

Total Service Cost Reductions Approved in February 2017	**1.799**	**1.799**	**1.799**	**1.799**	**1.799**

New Service Cost Reduction Options					
There is estimated to be a receipt of £1.7m of DSG to support council services previously funded from Education Services Grant.	(1.700)	0.000	0.000	0.000	0.000
New Service Cost Reduction Options Total	**(1.700)**	**0.000**	**0.000**	**0.000**	**0.000**

Culture and Communities

Total Service Cost Reductions Approved in February 2017	**(0.849)**	**(1.371)**	**(1.621)**	**(1.621)**	**(1.621)**

New Service Cost Reduction Options					
Re-organisation of the Archive and Heritage Service Operating Model.	0.000	0.000	(0.055)	(0.055)	(0.055)
Shugborough additional savings identified following a further review of the current operating model.	0.000	(0.075)	(0.075)	(0.075)	(0.075)
New Service Cost Reduction Options Total	**0.000**	**(0.075)**	**(0.130)**	**(0.130)**	**(0.130)**

Appendix 4b

FAMILIES AND COMMUNITIES

Projected Pressures, Cost Reduction Options and Investments

Description	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
Rural					
Total Service Cost Reductions Approved in February 2017	**(0.328)**	**(0.328)**	**(0.428)**	**(0.428)**	**(0.428)**
Projected Changes to Original Service Cost Reductions					
Review the management of the countryside sites in line with the Countryside Estates Review.	0.150	0.100	0.100	0.100	0.100
Rights of Way Review.	0.100	0.050	0.000	0.000	0.000
Rural Development Review.	0.030	0.000	0.000	0.000	0.000
Total Projected Changes to Service Cost Reductions Approved in February 2017	**0.280**	**0.150**	**0.100**	**0.100**	**0.100**
Community Safety					
New Service Projected Pressures					
Scientific Services has now been closed. There had been accumulated trading losses, resulting in unfunded cessation costs.	0.100	0.100	0.100	0.100	0.100
Coroners Service – North Staffs recharges and increase in payment to Cannock Chase District Council for usage of Mortuary Building.	0.055	0.055	0.055	0.055	0.055
New Service Projected Pressures Total	**0.155**	**0.155**	**0.155**	**0.155**	**0.155**
Total Service Cost Reductions Approved in February 2017	**(0.305)**	**(0.355)**	**(0.472)**	**(0.472)**	**(0.472)**
New Service Cost Reduction Options					
Children, Family and Safety - there has been a reduction of £20,000 per year for Midland Psychology.	(0.020)	(0.020)	(0.020)	(0.020)	(0.020)
New Service Cost Reduction Options Total	**(0.020)**	**(0.020)**	**(0.020)**	**(0.020)**	**(0.020)**
Total Families & Communities Pressures	**9.610**	**9.728**	**9.816**	**9.812**	**10.168**
Total Families & Communities Cost Reductions	**(1.860)**	**(6.262)**	**(7.747)**	**(7.797)**	**(7.797)**
Families & Communities Grand Total	**7.750**	**3.466**	**2.069**	**2.015**	**2.371**

ECONOMY, INFRASTRUCTURE AND SKILLS

Projected Pressures, Cost Reduction Options and Investments

Description	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m

Economic Development & Strategic Planning

New Service Projected Pressures					
Planning Application Fees - Income shortfall.	0.040	0.040	0.040	0.040	0.040
Waste Local Plan Preparation.	0.000	0.050	0.000	0.000	0.000
New Service Projected Pressures Total	**0.040**	**0.090**	**0.040**	**0.040**	**0.040**

Total Service Cost Reductions Approved in February 2017	**0.100**	**(0.065)**	**(0.140)**	**(0.140)**	**(0.140)**

Projected Changes to Original Service Cost Reductions					
Recharging staff to capital programme schemes.lower than origianlly forecast	0.050	0.050	0.050	0.050	0.050
Total Projected Changes to Service Cost Reductions Approved in February 2017	**0.050**	**0.050**	**0.050**	**0.050**	**0.050**

New Service Cost Reduction Options					
County Farms review.	0.000	0.000	0.000	(0.520)	(0.520)
Business Park Maintenance.	(0.030)	(0.030)	(0.030)	(0.030)	(0.030)
Various Staffing Changes / Efficiencies / Vacant posts.	(0.184)	(0.184)	(0.184)	(0.184)	(0.184)
New Service Cost Reduction Options Total	**(0.214)**	**(0.214)**	**(0.214)**	**(0.734)**	**(0.734)**

Infrastructure & Highways

Total Service Spending Pressures Approved in February 2017	**0.420**	**0.740**	**0.890**	**1.040**	**1.040**

New Service Projected Pressures					
Mines & Quarries Act - Additional costs associated with undertaking ground surveys.	0.050	0.050	0.050	0.050	0.050
Dam Asset Management - additional cost pressures.	0.100	0.100	0.100	0.100	0.100
New Service Projected Pressures Total	**0.150**	**0.150**	**0.150**	**0.150**	**0.150**

Total Service Cost Reductions Approved in February 2017	**(0.350)**	**(0.925)**	**(1.000)**	**(1.075)**	**(1.075)**

New Service Cost Reduction Options					
Review of the provision of School Crossing Patrols.	0.000	(0.260)	(0.525)	(0.525)	(0.525)
Identifying alternative funding streams to support Road safety education and by working more closely with the Staffordshire Safer Roads Partnership	(0.150)	(0.150)	(0.150)	(0.150)	(0.150)
Generate Income from advertising on Street Lighting.	0.000	(0.050)	(0.050)	(0.050)	(0.050)
New Service Cost Reduction Options Total	**(0.150)**	**(0.460)**	**(0.725)**	**(0.725)**	**(0.725)**

ECONOMY, INFRASTRUCTURE AND SKILLS

Projected Pressures, Cost Reduction Options and Investments

Description	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
New Invest to Save					
Utilise latest Automatic Number Plate Recognition technology to enforce existing Bus Lanes in order to realise their intended benefits e.g. improved bus journey time reliability, supporting road safety and reducing the impact of traffic on the local environment.	(0.085)	(0.085)	(0.085)	(0.085)	(0.085)
New Invest to Save Total	**(0.085)**	**(0.085)**	**(0.085)**	**(0.085)**	**(0.085)**

Transport, Connectivity & Waste

Description	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
Total Service Spending Pressures Approved in February 2017	**1.790**	**1.927**	**1.971**	**1.935**	**1.935**
Projected Changes to Original Service Spending Pressures					
Change in costs of home to school mainstream transport relating to number of school days in a financial year.	(0.020)	0.030	0.000	0.000	0.110
Delay reduction to existing investment due to delays in HS2.	0.090	0.000	0.000	0.000	0.000
Waste tonnage growth higher than previoulsy assumed.	0.310	0.310	0.310	0.310	0.310
Contractual Inflation in 2017/18 higher than originally forecast.	0.220	0.220	0.220	0.220	0.220
Growth in tonnages expected to be higher than level currently forecast.	0.170	0.340	0.510	0.850	1.360
Total Projected Changes to Service Spending Pressures Approved in February 2017	**0.770**	**0.900**	**1.040**	**1.380**	**2.000**
New Service Projected Pressures					
Waste Balancing transport costs.	0.290	0.000	0.000	0.000	0.000
W2R contract rebase implications.	0.000	0.220	0.220	0.220	0.220
New Service Projected Pressures Total	**0.290**	**0.220**	**0.220**	**0.220**	**0.220**
Total Service Cost Reductions Approved in February 2017	**(2.710)**	**(2.960)**	**(3.410)**	**(3.410)**	**(3.410)**
New Service Cost Reduction Options					
Lower Green Waste Recycling Credits due to reduced tonnages.	(0.150)	(0.150)	(0.150)	(0.150)	(0.150)
Staff charged against s106 receipts.	(0.050)	(0.050)	(0.050)	(0.050)	(0.050)
Removal of existing vacant post.	(0.050)	(0.050)	(0.050)	(0.050)	(0.050)
Review of resources.	0.000	(0.060)	(0.060)	(0.060)	(0.060)
New Service Cost Reduction Options Total	**(0.250)**	**(0.310)**	**(0.310)**	**(0.310)**	**(0.310)**

EI&S Business Support

Description	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
Total Service Cost Reductions Approved in February 2017	**0.045**	**0.045**	**0.045**	**0.045**	**0.045**

ECONOMY, INFRASTRUCTURE AND SKILLS

Projected Pressures, Cost Reduction Options and Investments

Description	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
Total Economy, Infrastructure & Skills Pressures	**3.460**	**4.027**	**4.311**	**4.765**	**5.385**
Total Economy, Infrastructure & Skills Cost Reductions	**(3.479)**	**(4.839)**	**(5.704)**	**(6.299)**	**(6.299)**
Total Economy, Infrastructure & Skills Invest to Save	**(0.085)**	**(0.085)**	**(0.085)**	**(0.085)**	**(0.085)**
Economy, Infrastructure & Skills Grand Total	**(0.104)**	**(0.897)**	**(1.478)**	**(1.619)**	**(0.999)**

FINANCE AND RESOURCES

Projected Pressures, Cost Reduction Options and Investments

Description	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
Finance					
Total Service Spending Pressures Approved in February 2017	**0.012**	**0.012**	**0.012**	**0.012**	**0.012**
Total Service Cost Reductions Approved in February 2017	**(0.500)**	**(0.500)**	**(0.500)**	**(0.500)**	**(0.500)**
Strategic Property					
Total Service Spending Pressures Approved in February 2017	**0.063**	**0.063**	**0.063**	**0.063**	**0.063**
Total Service Cost Reductions Approved in February 2017	**(0.550)**	**(0.550)**	**(0.550)**	**(0.550)**	**(0.550)**
Projected Changes to Original Service Cost Reductions					
Office accommodation - rationalisation of premises.	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)
Total Projected Changes to Service Cost Reductions Approved in February 2017	**(0.100)**	**(0.100)**	**(0.100)**	**(0.100)**	**(0.100)**
Customer Services					
Total Service Cost Reductions Approved in February 2017	**(0.027)**	**(0.027)**	**(0.027)**	**(0.027)**	**(0.027)**
Information Communications & Technology					
Total Service Spending Pressures Approved in February 2017	**0.593**	**0.593**	**0.593**	**0.593**	**0.593**
Projected Changes to Original Service Spending Pressures					
SSTOP back office service level agreements - loss of income.	(0.093)	(0.093)	(0.093)	(0.093)	(0.093)
Pressure arising from the migration of schools and Entrust from our network, net of cost reductions made by re-procuring services.	(0.500)	0.000	0.000	0.000	0.000
Total Projected Changes to Service Spending Pressures Approved in February 2017	**(0.593)**	**(0.093)**	**(0.093)**	**(0.093)**	**(0.093)**

FINANCE AND RESOURCES

Appendix 4d

Projected Pressures, Cost Reduction Options and Investments

Description	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
New Service Projected Pressures					
Device purchase costs - inflation on the cost of laptops, PC's and thin clients.	0.080	0.080	0.080	0.080	0.080
ICT Security investment.	0.100	0.260	0.260	0.260	0.260
New Service Projected Pressures Total	**0.180**	**0.340**	**0.340**	**0.340**	**0.340**
Total Service Cost Reductions Approved in February 2017	**0.375**	**0.475**	**0.475**	**0.475**	**0.475**
New Service Cost Reduction Options					
Savings arising from new contract for mobile phones and data	(0.063)	(0.063)	(0.063)	(0.063)	(0.063)
New Service Cost Reduction Options Total	**(0.063)**	**(0.063)**	**(0.063)**	**(0.063)**	**(0.063)**
Total Finance & Resources Pressures	**0.255**	**0.915**	**0.915**	**0.915**	**0.915**
Total Finance & Resources Cost Reductions	**(0.865)**	**(0.765)**	**(0.765)**	**(0.765)**	**(0.765)**
Finance & Resources Grand Total	**(0.610)**	**0.150**	**0.150**	**0.150**	**0.150**

STRATEGY, GOVERNANCE AND CHANGE

Projected Pressures, Cost Reduction Options and Investments

Description	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
Transformation Support Unit and Fleet Care					
Total Service Spending Pressures Approved in February 2017	**0.550**	**0.550**	**0.550**	**0.550**	**0.550**
Projected Changes to Original Service Spending Pressures					
Fleet Care - reduced pressure following review.	(0.300)	(0.300)	(0.300)	(0.300)	(0.300)
Total Projected Changes to Service Spending Pressures Approved in February 2017	**(0.300)**	**(0.300)**	**(0.300)**	**(0.300)**	**(0.300)**
Total Service Cost Reductions Approved in February 2017	**(0.150)**	**(0.300)**	**(0.450)**	**(0.450)**	**(0.450)**
Strategic Policy and Partnership & Insight, Planning and Performance					
Total Service Cost Reductions Approved in February 2017	**(0.425)**	**(0.461)**	**(0.461)**	**(0.461)**	**(0.461)**
Projected Changes to Original Service Cost Reductions					
Review of grants/contracts - brought forward.	(0.036)	0.000	0.000	0.000	0.000
Review of structure and support in Districts.	0.248	0.248	0.248	0.248	0.248
Total Projected Changes to Service Cost Reductions Approved in February 2017	**0.212**	**0.248**	**0.248**	**0.248**	**0.248**
New Service Cost Reduction Options					
New Strategy Team.	(0.320)	(0.320)	(0.320)	(0.320)	(0.320)
New Service Cost Reduction Options Total	**(0.320)**	**(0.320)**	**(0.320)**	**(0.320)**	**(0.320)**
Strategic HR					
Total Service Cost Reductions Approved in February 2017	**(0.140)**	**(0.240)**	**(0.315)**	**(0.315)**	**(0.315)**
Projected Changes to Original Service Cost Reductions					
Review of corporate-wide non contractual; terms and conditions e.g. exit arrangements.	1.600	1.600	1.600	1.600	1.600
Total Projected Changes to Service Cost Reductions Approved in February 2017	**1.600**	**1.600**	**1.600**	**1.600**	**1.600**

STRATEGY, GOVERNANCE AND CHANGE

Projected Pressures, Cost Reduction Options and Investments

Description	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
Communications and Marketing					
Total Service Cost Reductions Approved in February 2017	**0.025**	**0.025**	**0.025**	**0.025**	**0.025**
Law and Democracy					
New Service Projected Pressures					
Election Costs.	0.060	0.060	0.060	0.060	0.060
New Service Projected Pressures Total	**0.060**	**0.060**	**0.060**	**0.060**	**0.060**
Total Service Cost Reductions Approved in February 2017	**(0.200)**	**(0.200)**	**(0.200)**	**(0.200)**	**(0.200)**
Projected Changes to Original Service Cost Reductions					
Review of Structure - LAW and GOV.	0.322	0.322	0.322	0.322	0.322
Total Projected Changes to Service Cost Reductions Approved in February 2017	**0.322**	**0.322**	**0.322**	**0.322**	**0.322**
Total Strategy, Governance & Change Pressures	**0.310**	**0.310**	**0.310**	**0.310**	**0.310**
Total Strategy, Governance & Change Cost Reductions	**0.924**	**0.674**	**0.449**	**0.449**	**0.449**
Strategy, Governance & Change Grand Total	**1.234**	**0.984**	**0.759**	**0.759**	**0.759**

Appendix 5

Summary of Pressures, Inflation, Savings and Investments

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
Health and Care					
Pressures	10.725	15.203	21.252	27.270	33.768
Inflation	2.119	5.940	8.684	11.484	14.346
Savings	(5.948)	(7.461)	(12.499)	(15.341)	(15.360)
Investments	-	-	-	-	-
Health and Care Total	6.896	13.682	17.437	23.413	32.754
Families and Communities					
Pressures	9.610	9.728	9.816	9.812	10.168
Inflation	3.783	7.339	11.212	15.174	19.248
Savings	(1.860)	(6.262)	(7.747)	(7.797)	(7.797)
Investments	-	-	-	-	-
Families and Communities Total	11.533	10.805	13.281	17.189	21.619
Economy, Infrastructure and Skills					
Pressures	3.460	4.027	4.311	4.765	5.385
Inflation	2.057	4.439	6.986	9.641	12.407
Savings	(3.479)	(4.839)	(5.704)	(6.299)	(6.299)
Investments	(0.085)	(0.085)	(0.085)	(0.085)	(0.085)
Economy, Infrastructure and Skills Total	1.953	3.542	5.508	8.022	11.408
Finance and Resources					
Pressures	0.255	0.915	0.915	0.915	0.915
Inflation	0.592	1.365	2.231	3.111	4.006
Savings	(0.865)	(0.765)	(0.765)	(0.765)	(0.765)
Investments	-	-	-	-	-
Finance and Resources Total	(0.018)	1.515	2.381	3.261	4.156
Strategy, Governance and Change					
Pressures	0.310	0.310	0.310	0.310	0.310
Inflation	0.558	1.026	1.535	2.047	2.568
Savings	0.924	0.674	0.449	0.449	0.449
Investments	-	-	-	-	-
Strategy, Governance and Change Total	1.792	2.010	2.294	2.806	3.327
Grand Total	**22.156**	**31.554**	**40.901**	**54.691**	**73.264**

All figures presented in each year represent a cumulative change from the current 2017/18 budget.

Appendix 6

Council Taxbase, Business Rates, Collection funds and Precepts

Tax Base (Band D equivalents)

	2017/18	2018/19
Cannock Chase	27,571.88	28,396.76
East Staffordshire	35,950.33	36,736.39
Lichfield	36,935.00	37,359.50
Newcastle	36,540.00	36,812.00
South Staffordshire	37,576.63	37,785.11
Stafford	45,401.75	46,593.31
Staffordshire Moorlands	32,730.00	32,887.00
Tamworth	21,093.00	21,438.00
Totals	**273,798.59**	**278,008.07**

Estimated Council Tax Collection Fund Position

	2017/18 £	2018/19 £
Cannock Chase	75,554	487,821
East Staffordshire	1,089,511	1,199,816
Lichfield	212,870	231,760
Newcastle	259,859	28,407
South Staffordshire	0	0
Stafford	419,991	380,903
Staffordshire Moorlands	386,900	166,980
Tamworth	544,928	548,591
Totals	**2,989,613**	**3,044,278**

Key: Surplus / (Deficit)

Precepts

	2017/18 £	2018/19 £
Cannock Chase	31,501,976	34,374,846
East Staffordshire	41,074,690	44,470,135
Lichfield	42,199,715	45,224,422
Newcastle	41,748,412	44,561,662
South Staffordshire	42,932,803	45,739,631
Stafford	51,873,315	56,402,134
Staffordshire Moorlands	37,395,334	39,810,371
Tamworth	24,099,596	25,951,128
Totals	**312,825,841**	**336,534,329**

Appendix 6

Council Taxbase, Business Rates, Collection funds and Precepts

Business Rates to be Collected from Districts

	2017/18 £	2018/19 £
Cannock Chase	2,705,574	2,843,732
East Staffordshire	4,695,930	4,695,042
Lichfield	3,009,690	3,271,770
Newcastle	2,912,838	2,810,983
South Staffordshire	1,900,244	1,974,864
Stafford	4,141,541	4,372,877
Staffordshire Moorlands	1,830,441	1,808,789
Tamworth	2,982,004	2,946,284
Totals	**24,178,263**	**24,724,340**

Key: Surplus / (Deficit)

Estimated Business Rates Collection Fund

	2017/18 £	2018/19 £
Cannock Chase	(134,485)	(26,795)
East Staffordshire	78,900	199,441
Lichfield	177,457	133,031
Newcastle	4,377	(5,642)
South Staffordshire	31	3,704
Stafford	450,739	(17,730)
Staffordshire Moorlands	(32,519)	(139,039)
Tamworth	76,075	(50,026)
Totals	**620,575**	**96,944**

Estimated Business Rates Section 31 Grants

	2017/18 £	2018/19 £
Cannock Chase	205,173	336,107
East Staffordshire	230,322	380,722
Lichfield	156,629	293,180
Newcastle	185,459	301,700
South Staffordshire	166,994	249,324
Stafford	212,174	380,043
Staffordshire Moorlands	163,773	269,260
Tamworth	121,143	211,301
Totals	**1,441,667**	**2,421,637**

Review of Earmarked Reserves / Provisions

Reserve Name	Reason for Reserve	Forecast Balance 31st March 2018 £m	Transfer into General Balances £m	Forecast Balance after Transfer £m
Information Technology	To provide finance to cover advance expenditure for information technology projects this will be repaid over future years. The reserve is currently committed for a range of future IT projects including education projects and the broadband network. The reserve is considered appropriate for its purpose.	3.395	0.000	3.395
PFI Reserves	These reserves are required to ensure sufficient resources are available to meet the county council's obligations over the whole life of PFI contracts and to even out the charge to revenue over the period. The balance on the street lighting PFI contract is reviewed at the end of each financial year and at other strategic points. At this stage in the contract it is considered appropriate to maintain the balance of the reserve at its current level.	0.732	0.000	0.732
Woodlands	To ensure sufficient resources are available to meet expenditure and future expenditure programmes arising from the management of Shugborough Woodlands in accordance with the National Trust Woodland plan.	0.093	(0.093)	0.000
Archives	The reserve forms part of the Joint Archives agreement with Stoke City Council and is used to finance any overspends or emergency work that may arise. The current level of the reserve is considered to be sufficient.	0.155	0.000	0.155
Redundancy	To smooth the impact of redundancies over a five year period. This reserve is self-funding as all interest charged is posted to revenue. It is not possible to forecast demand for contributions from this reserve therefore the current level is sufficient.	(3.661)	0.000	(3.661)

Review of Earmarked Reserves / Provisions

Reserve Name	Reason for Reserve	Forecast Balance 31st March 2018 £m	Transfer into General Balances £m	Forecast Balance after Transfer £m
Material Damage and Motor Vehicles Reserve and Provision	To ensure that sufficient resources are available to meet outstanding liabilities in respect of the self funding element of material damage claims. An internal review has been undertaken regarding the level of the insurance provision, and has deamed the level of reserves sufficient.	1.850	0.000	1.850
Insurance self-funding Provision (pre LGR)	To ensure that sufficient resources are available to meet outstanding claims not covered by the county council's former insurance arrangements for the period 1st May 1992 to 31st March 1997.	0.207	0.000	0.207
Insurance self-funding Provision (post LGR)	To ensure that sufficient resources are available to meet outstanding claims not covered by the county council's insurance arrangements from 1st April 1997. This is a long term fund and the gap in funding will be dependant on the level of claims.	5.928	0.000	5.928
Schools' Balance of Risk Provision	To ensure sufficient funds are available to meet schools claims.	0.109	0.000	0.109
Schools' Supply Cover Reserves	To ensure sufficient funds are available to meet schools claims.	0.790	0.000	0.790
Conservation and Archaeology	To meet the county's obligation towards the Extensive Urban Survey scheme, which is being run in partnership with English Heritage.	0.011	0.000	0.011
Museums	The reserve has been built up from when the Museum sold some firearms. The revenue this sale created can only be used to fund items that can be included within the Museums collection. This funding is therefore not available to support the revenue budget.	0.004	0.000	0.004

Review of Earmarked Reserves / Provisions **Appendix 7**

Reserve Name	Reason for Reserve	Forecast Balance 31st March 2018 £m	Transfer into General Balances £m	Forecast Balance after Transfer £m
Trading Services	The trading services reserves are earmarked sums set aside for trading services activity. The balance mainly represents vehicle replacement programmes managed by County Fleet Care but also includes balances that the trading service will draw down on in years when the service creates a deficit.	3.584	(0.520)	3.064
Revenue Carry Forward Earmarked Reserves	To hold revenue grants which remain unspent at year end and do not have any conditions attached. As the grants are unconditional (with the exception of the Growing Places fund), these funds could be available to support the MTFS.	15.037	(0.080)	14.957
Vehicle/Plant Renewals	To ensure sufficient resources are available to purchase replacement vehicles, plant & equipment for specific services. This includes purchasing mowers, trailers and bush cutters. This funds completely different types of vehicles to those funded through the County Fleet Care reserve.	(0.002)	0.000	(0.002)

Total Earmarked Reserves	**28.232**	**(0.693)**	**27.539**

Appendix 8

Risk Based Review of General Balances

CIPFA guidance indicates that a well-managed authority with a prudent approach to budgeting should be able to operate with a relatively low level of general reserves and that Chief Financial Officers should take account of the strategic, operational and financial risks facing the authority.

A risk assessment has been undertaken to identify the key financial risks for next year which can be used as a basis for determining the minimum level of general balances for the county council. Details of this assessment are provided below. Whilst not a complete list of all the financial risks faced by the council, the assessment focuses on those most likely (High and Medium risks) to have a significant impact on the budget.

2018/19 Provision £m	Area of Expenditure	Level of Risk	Explanation of risk/justification of balances
Treatment of inflation and interest rates			
1.0	**Inflation**	Medium	Services could experience risks in contract prices over and above the general inflation allocation allocated in the MTFS. The mix of price increases could vary across sectors, which could result in a particular strain on resources in some areas.
1.0	**Treasury Management**	Low	1% point increase in interest rate on borrowing against capital programme.
1.0	**Investments**	Low	0.5% point drop in interest on balances will reduce the income by £0.75m.
Estimates of the level and timing of capital receipts			
0	**Capital Receipts**	Medium	In the event that the estimated level of receipts is not achieved because of unforeseen circumstances, the impact on the revenue budget should be minimal, as the shortfall would be dealt with by either adjusting the capital programme or by additional short term prudential borrowing, if judged affordable.
The treatment of demand led pressures			
3.5	**Adults Social Care**	High	Increasing demand for services.
1.0	**Looked after Children**	High	Continual risk that demand pressures from a potential increase in the number and cost of out of county residential care placements will exceed budget provision.
0.5	**Other areas**	Medium	Risks of overspend in other budget areas.
1.5	**Income** **General grant income**	High	There are risks around collection rates for both Council Tax and Business Rates, as well as uncertainty around future government grant levels.
1.50	**VAT**	Low	Risk of exceeding 5% limit for input tax.
The treatment of efficiency savings/productivity gains			
10.0	**Non achievement of efficiency savings/ 'invest to save' costs/ redundancy costs**	Medium	Risk of non-achievement of savings, or delays in delivery or additional unforeseen one off costs to facilitate savings.

Financial risks in any significant new funding partnerships, major outsourcing deals or major capital developments			
4.0	**Partnership risks**	High	Financial risks of various potential significant partnership agreements that the council may enter into over the MTFS period.
The availability of other funds to deal with major contingencies			
2015/16 Provision £m	**Area of Expenditure**	**Level of Risk**	**Explanation of risk/justification of balances**
1.0	**Disaster recovery**	Low	Cost of consequential losses for uninsurable risk incidents such as virus attack on ICT infrastructure.
10.0	**Insurance** (Difficult to quantify)	Low	Risk of: uninsured terrorism, gradual pollution liabilities, gap between Aggregate stop and Provision.

Level of Balances – Summary

Level of Risk	£m
High and Medium Risks	**21.5**

Appendix 9

Proposed Net Budget 2018/19 Planning Forecasts 2019/20 to 2022/23

	Proposed Net Budget 2018/19	Planning Forecast 2019/20	Planning Forecast 2020/21	Planning Forecast 2021/22	Planning Forecast 2022/23
	£m	£m	£m	£m	£m
Health and Care					
Public Health and Prevention (net of grant)	0.000	0.000	(0.000)	0.000	-
Adult Social Care and Safeguarding	40.545	40.144	39.048	40.405	41.998
Care Commissioning	169.216	176.403	181.254	185.873	193.621
Sub Total	*209.761*	*216.547*	220.302	226.278	235.619
Families and Communities					
Children's Services	108.264	106.434	108.494	111.399	114.799
Children's Public Health (net of grant)	-	(0.000)	-	0.000	-
Education Services	6.152	7.739	8.347	8.965	9.602
Culture and Communities	5.894	5.381	5.242	5.410	5.582
Rural	2.163	2.083	1.984	2.035	2.087
Community Safety	6.435	6.543	6.589	6.755	6.924
Sub Total	*128.908*	*128.180*	*130.656*	*134.564*	*138.994*
Economy, Infrastructure and Skills					
Business and Enterprise	1.453	1.498	1.539	1.189	1.365
Infrastructure & Highways	26.534	26.567	27.042	27.802	28.508
Transport, Connectivity & Sustainability	39.572	41.010	42.384	44.410	46.835
Skills	7.616	7.689	7.765	7.843	7.922
EI&S Business Support	1.108	1.108	1.108	1.108	1.108
Sub Total	*76.283*	*77.872*	*79.838*	*82.352*	*85.738*
Finance and Resources					
Finance	7.486	9.396	10.500	9.068	10.241
Strategic Property	0.120	0.160	0.200	0.241	0.282
Customer Services	0.748	0.745	0.774	0.803	0.832
Information Communications & Technology	7.192	8.269	8.593	8.923	9.259
Procurement & Contract Management	2.404	2.470	2.538	2.607	2.677
Sub Total	*17.950*	*21.040*	*22.605*	*21.642*	*23.291*
Strategy, Governance and Change					
Transformation Support Unit & Fleetcare	3.044	2.937	2.838	2.889	2.941
Strategic Policy, Partnership, Insight Planning & Performace	2.897	2.986	3.077	3.168	3.261
Organisational Development	1.051	1.074	1.098	1.122	1.146
Strategic HR	4.064	4.036	4.036	4.111	4.188
Communications and Marketing	0.998	1.022	1.046	1.071	1.096
Law and Democracy	5.269	5.408	5.556	5.705	5.857
Executive Business Support & Information Governance Unit	2.273	2.351	2.447	2.544	2.642
Sub Total	*19.596*	*19.814*	*20.098*	*20.610*	*21.131*
Service Total	**452.498**	**463.453**	**473.499**	**485.446**	**504.773**
Capital Financing					
Capital Financing	35.322	34.314	33.965	33.462	32.708
Use of Capital Receipts	(15.000)	-	-	-	-
Centrally Controlled	19.143	20.416	21.785	23.250	23.530
Contingency	3.500	2.000	2.000	2.000	2.000
Net Revenue Budget	**495.463**	**520.183**	**531.249**	**544.158**	**563.011**
Use of Reserves	(6.383)	-	-	-	-
Contribution to General Balances	-	5.000	-	-	-
Budget Requirement	**489.080**	**525.183**	**531.249**	**544.158**	**563.011**
Revenue Support Grant	(25.516)	(10.692)	-	-	-
Retained Business Rates	(98.931)	(102.194)	(104.548)	(106.873)	(109.202)
Settlement Funding Assessment	**(124.447)**	**(112.886)**	**(104.548)**	**(106.873)**	**(109.202)**
New Homes Bonus	(2.275)	(1.706)	(1.032)	(0.598)	-
Better Care Fund	(22.780)	(28.203)	(23.200)	(23.200)	(23.200)
Council Tax Collection Fund Surplus	(3.044)	-	-	-	-
Council Tax	(336.534)	(346.950)	(364.950)	(382.867)	(401.532)
Financing Total	**(489.080)**	**(489.745)**	**(493.730)**	**(513.538)**	**(533.934)**
(Headroom) / Shortfall	-	*35.438*	*37.519*	*30.620*	*29.077*

Summary of Budget Changes

Proposed Net Budget 2018/19	2017/18 Original Budget £m	Funding Transfers & Other Adjustments £m	**2017/18 Revised Base Budget £m**	Inflation £m	Other Service Movements £m	Total Spending Pressures £m	**Total Pressures £m**	Investments £m	Service Savings £m	**2018/19 Draft Budget £m**
Health and Care	206.627	(3.762)	**202.865**	0.320	1.799	10.725	**12.844**	0.000	(5.948)	**209.761**
Families and Communities	116.068	1.882	**117.950**	3.319	(0.111)	9.610	**12.818**	0.000	(1.860)	**128.908**
Economy, Infrastructure and Skills	75.636	(0.913)	**74.723**	1.978	(0.314)	3.460	**5.124**	(0.085)	(3.479)	**76.283**
Finance and Resources	12.706	5.921	**18.627**	0.470	(0.537)	0.255	**0.188**	0.000	(0.865)	**17.950**
Strategy, Governance and Change	11.777	6.027	**17.804**	0.445	0.113	0.310	**0.868**	0.000	0.924	**19.596**
Service Total	***422.814***	***9.155***	***431.969***	***6.532***	***0.950***	***24.360***	***31.842***	***(0.085)***	***(11.228)***	***452.498***
Centrally Controled Items	17.297	0.747	**18.044**	0.134	0.965	0.000	**1.099**	0.000	0.000	**19.143**
Capital Financing	36.119	0.000	**36.119**	0.000	(0.797)	0.000	**(0.797)**	0.000	0.000	**35.322**
Contingency	4.500	0.000	**4.500**	0.000	(1.000)	0.000	**(1.000)**	0.000	0.000	**3.500**
Net Revenue Budget	***480.730***	***9.902***	***490.632***	***6.666***	***0.118***	***24.360***	***31.144***	***(0.085)***	***(11.228)***	***510.463***

Health and Care
BUDGET SUMMARY

	2017/18 Original Budget **£m**	2017/18 Revised Budget **£m**	2018/19 Draft Budget **£m**
Public Health and Prevention (net of grant)	(0.103)	(7.097)	0.000
Adult Social Care and Safeguarding	48.339	42.785	40.545
Care Commissioning	158.391	167.177	169.216
TOTAL	**206.627**	**202.865**	**209.761**
Centrally Controlled Items	4.092	4.467	4.470
Total Including Centrally Controlled Items	210.719	207.332	214.231

Appendix 11b

Families and Communities
BUDGET SUMMARY

	2017/18 Original Budget **£m**	2017/18 Revised Budget **£m**	2018/19 Draft Budget **£m**
Children's Services	93.456	100.746	108.264
Children's Public Health (net of grant)	0.000	(2.951)	0.000
Education Services	4.385	4.395	6.152
Culture and Communities	7.355	7.078	5.894
Rural	2.160	2.160	2.163
Community Safety	8.712	6.522	6.435
TOTAL	**116.068**	**117.950**	**128.908**
Centrally Controlled Items	5.137	5.626	5.684
Total Including Centrally Controlled Items	121.205	123.576	134.592

Appendix 11c

Economy, Infrastructure and Skills
BUDGET SUMMARY

	2017/18 Original Budget **£m**	2017/18 Revised Budget **£m**	2018/19 Draft Budget **£m**
Business and Enterprise	1.343	1.348	1.453
Infrastructure & Highways	26.466	26.502	26.534
Transport, Connectivity & Sustainability	38.427	38.225	39.572
Skills	7.921	7.585	7.616
EI&S Business Support	1.479	1.063	1.108
TOTAL	**75.636**	**74.723**	**76.283**
Centrally Controlled Items	1.514	1.718	1.496
Total Including Centrally Controlled Items	77.150	76.441	77.779

Appendix 11d

Finance and Resources
BUDGET SUMMARY

	2017/18 Original Budget **£m**	2017/18 Revised Budget **£m**	2018/19 Draft Budget **£m**
Finance	6.637	8.371	7.486
Strategic Property	0.480	0.661	0.120
Customer Services	0.428	0.706	0.748
Information Communications & Technology	3.712	6.565	7.192
Procurement & Contract Management	1.449	2.324	2.404
TOTAL	**12.706**	**18.627**	**17.950**
Centrally Controlled Items	1.749	1.718	1.733
Total Including Centrally Controlled Items	14.455	20.345	19.683

Appendix 11e

Strategy, Governance and Change
BUDGET SUMMARY

	2017/18 Original Budget **£m**	2017/18 Revised Budget **£m**	2018/19 Draft Budget **£m**
Transformation Support Unit & Fleetcare	1.094	2.865	3.044
Strategic Policy, Partnership, Insight Planning & Performace	2.520	3.355	2.897
Organisational Development	0.481	1.028	1.051
Strategic HR	(0.340)	2.529	4.064
Communications and Marketing	0.922	0.950	0.998
Law and Democracy	5.083	4.939	5.269
Executive Business Support & Information Governance Unit	2.017	2.138	2.273
TOTAL	**11.777**	**17.804**	**19.596**
Centrally Controlled Items	0.763	0.763	0.771
Total Including Centrally Controlled Items	12.540	18.567	20.367

Appendix 12

SCC Capital Programme

2018/19 to 2022/23

Service	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Economy, Infrastructure & Skills					
Highways Schemes	52,634	22,075	7,668	8,228	-
Economic Planning & Future Prosperity	22,233	3,112	700	470	470
Sustainable County	1,200	273	-	-	-
	76,067	**25,460**	**8,368**	**8,698**	**470**
Families and Communities					
Maintained Schools	31,204	16,789	-	-	-
Academy Conversion Residual	-	-	-	-	-
Vulnerable Childrens Projects	133	133	133	133	133
Rural County	150	150	150	150	150
Tourism & Culture	6,842	-	-	-	-
	38,329	**17,072**	**283**	**283**	**283**
Health and Care					
Care & Independence	925	635	-	-	-
	925	**635**	**-**	**-**	**-**
Finance and Resources					
Finance, Resources & ICT	-	-	-	-	-
Corporate Leased Equipment	200	200	200	200	200
Property Consultancy	2,601	1,305	1,305	1,305	1,305
	2,801	**1,505**	**1,505**	**1,505**	**1,505**
Strategy, Governance & Change					
Trading Services - County Fleet Care	1,170	735	235	235	235
	1,170	**735**	**235**	**235**	**235**
Sub Total Capital Programme	**119,292**	**45,407**	**10,391**	**10,721**	**2,493**
Capital Programme	**119,292**	**45,407**	**10,391**	**10,721**	**2,493**

Appendix 13

Prudential Indicators

Indicator	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021/22	Target 2022/23
A. Indicators for Affordability, Prudence and Capital Expenditure					
1.Ratio of Financing Costs to Net Revenue Stream	8.16%	8.05%	7.90%	7.49%	7.03%
This shows the capital financing costs (interest charges/receipts and repayment of loans) as a proportion of government grant (revenue) and council tax. *This allows the authority to track how much of its annual income is needed to pay for its capital investment plans proportionate to its day to day running costs.*					
2. Estimates of the incremental Impact of Capital investment decisions on the council tax (Band D)	£0.58	£2.15	£2.64	£0.49	-£2.62
This indicator aims to show the impact of varying capital programmes expressed as a cost to the Band D Council Taxpayer. Specifically it identifies the impact on council tax levels of new capital investment decisions when compared to programmes approved previously and reflects the reduced capital allocations from government. The new indicators also reflect recent significant interest rate changes. The increase demonstrates the continued investment in large capital projects such as 'Superfast Broadband', Ryecroft and Shugborough. However reductions in estimates in futures years has resulted in a negative figure.					
3. Estimates of Capital Expenditure	£119.292m	£45.407m	£10.391m	£10.721m	£2.492m
Expressed in absolute terms rather than as a ratio, this shows the overall level of capital investment irrespective of how it is being funded.					
4. Capital Financing Requirement	£564.028m	£556.224m	£538.860m	£521.469m	£538.901m
This indicator effectively shows the level of the county council's underlying need to borrow for capital purposes. *The reduction in the Capital Financing Requirement reflects the Treasury Management strategy of using cash instead of borrowing. The indicator is also reducing due to central government supporting capital schemes through grant rather than supported borrowing.*					

Appendix 13

Prudential Indicators

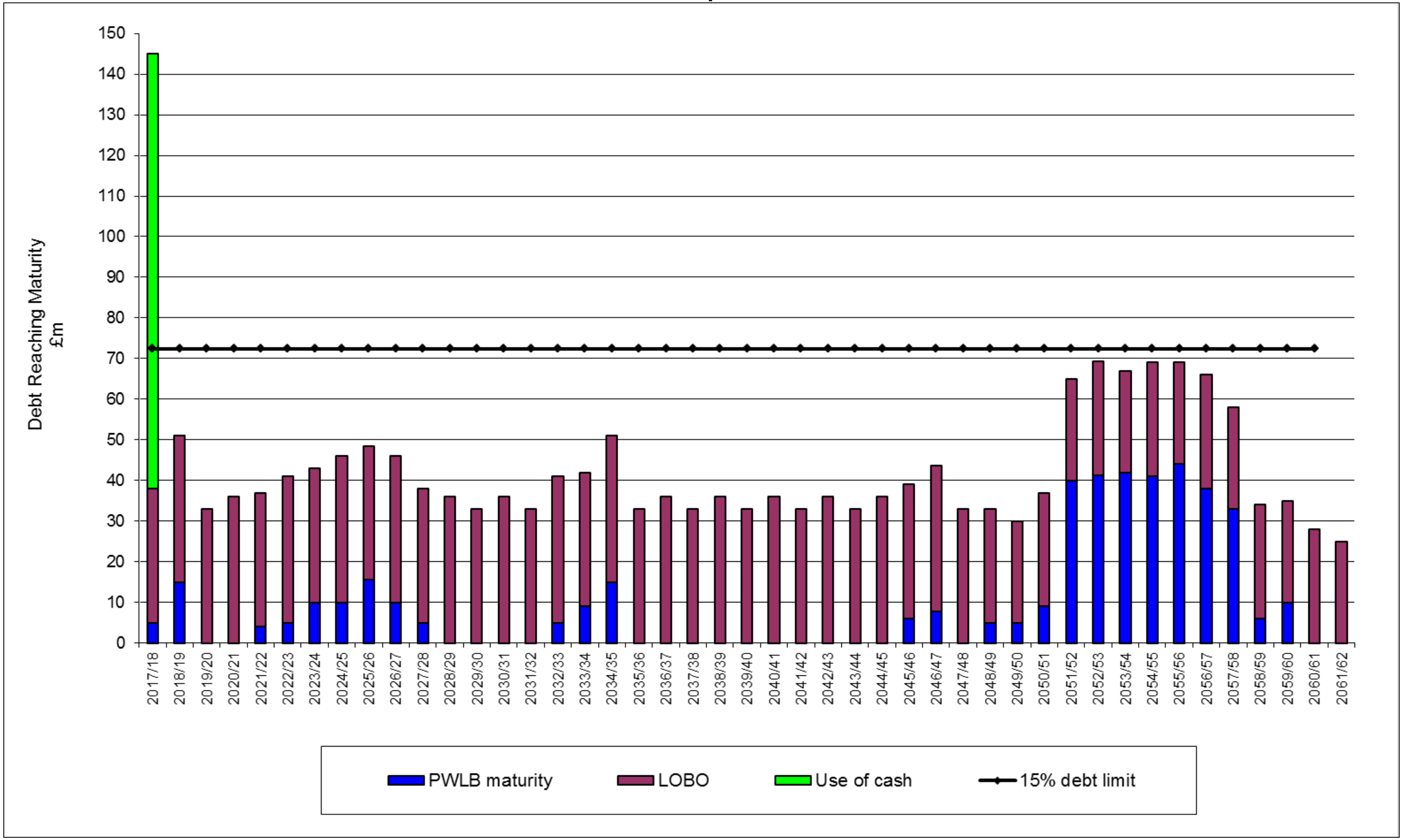
Indicator	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021/22	Target 2022/23
5. Net Borrowing and the Capital Financing Requirement	Net borrowing is not expected to exceed the total of the capital financing requirement (except in the short term)				
It is a key indicator of prudence that, over the medium term, net borrowing is only for capital purposes.					
B. Indicators for Treasury Management					
1.Treasury Management Code of Practice	The county council has adopted the CIPFA Code of Practice on Treasury Management				
This indicator identifies whether an authority has adopted CIPFA's Code of Practice for Treasury Management in the Public Services. The County Council has adopted this code.					
2. External Debt					
a. Authorised Limit	£634.000m	£624.000m	£605.000m	£586.000m	£567.000m
b. Operational Boundary	£538.000m	£517.000m	£522.000m	£524.000m	£521.000m
c. External Loans	£468.000m	£468.000m	£468.000m	£464.000m	£464.000m
The Authorised Limit is the maximum level of external borrowing which should not be exceeded. It is linked to the estimated level of borrowing assumed in the Capital Programme. *The Operational Boundary represents the Director of Finance & Resources estimate of the day to day limit for the Treasury Management activity based on the most likely i.e. prudent but not worst case scenario.* *External loans represent the borrowings, including other liabilities that the council holds. These will only fall if early repayment is made or when they mature.*					
3.Interest Rate Exposures					
a. Upper Limit (Fixed)	£559.000m	£550.000m	£531.000m	£512.000m	£493.000m
Borrowing	100%	100%	100%	100%	100%
Investments	0%	0%	0%	0%	0%
a. Upper Limit (Variable)	(£144.000m)	(£143.000m)	(£165.000m)	(£171.000m)	(£177.000m)
Borrowing	20%	20%	20%	20%	20%

Prudential Indicators

Indicator	Target 2018/19	Target 2019/20	Target 2020/21	Target 2021/22	Target 2022/23
Investments	100%	100%	100%	100%	100%
Upper limits of fixed and variable borrowing and investments are required to be set. This limits the county council's exposure to both fixed and variable interest rate movements as part of the overall risk management strategy for Treasury Management activities.					
4. Maturity Structure of Borrowing	**Upper Limit**			**Lower Limit**	
See Attached Graph					
This indicator identifies the amount of debt maturing in specified periods. The overarching principle is that steps should be taken from a risk management point of view to limit exposure to significant refinancing risk in any short period of time. *The county council currently applies the prudent practice of ensuring that no more than 15% of its total gross fixed rate debt matures in any one financial year.*					
5. Upper limit for total principal sums invested for over 364 days (per maturity date)	£95.000m	£95.000m	£95.000m	£95.000m	£95.000m
Any investments made for over 364 days will be in accordance with the county council's limit on non specified investments.					

Appendix 13

Prudential Indicators
Maturity Structure of Debt
Graph



Financial Health Indicators

	Current Performance
Level of General Reserves (annual indicator) Well managed organisations operate with an adequate level of general reserves taking into account the risks they face. We determine the actual level of reserves we require annually through a risk based approach. However, it is prudent to aim to hold a minimum level of general reserves.	
General reserves are maintained at a level of at least 2% of the council's current net revenue budget	G
Aged Debt (quarterly indicator) Organisations need to ensure that money owed to them is collected in a timely manner. This indicator shows how well we are managing to collect money owed to us.	
Level of outstanding general debtors more than 6 months old does not exceed £5.00m	A
Working Capital (annual indicator) It is essential that working capital is well managed. This indicator shows how well our debtors and creditors are being managed.	
Current debtors divided by current creditors is in the acceptable range of 1 - 3	G
Payments to suppliers (quarterly indicator) By paying suppliers quickly we are supporting the Staffordshire economy. It also means businesses are more likely to want to do business with us and offer us competitive rates which will improve our financial health in the medium term.	
At least 90% of invoices have been paid within 10 days of us receiving them during the last quarter	G
Financial Monitoring (quarterly indicator) Effective financial monitoring is essential in any organisation. Monitoring provides organisations with early information of potential issues enabling them to take corrective action to avoid future financial difficulties.	
Quarterly financial monitoring reports have been issued to Cabinet during the last 12 months	G
The council's most recent revenue outturn forecast did not vary by more than +/-2% when compared to the overall revenue budget	G
Monthly monitoring reports of progress against MTFS savings have been produced for the Senior Leadership Team during the last 12 months	G
Financial Reporting (annual indicator) Preparing timely and accurate accounts is vital to demonstrate to interested parties that we have sound financial controls. They also provide detailed information which shows our overall financial health.	
The council's most recent Statement of Accounts were produced on time and were issued with an unqualified opinion by our external auditors	G

R Indicator not met	A Indicator not met by small margin	G Indicator met