

Cabinet

Budget Update

Jan 2018

Impact of Settlement

- Local Government Funding Reform – consultation paper published
- Implementation 2020/21
- Business Rates Baseline reset 2020/21
- From 2020/21 all grants to be included in Business Rates Retention
- Business Rate retention at 75% - not 50% - but reset will reduce benefit of any growth
- Council Tax – referendum now at 3% (previously 2%) – 2018/19 & 2019/20
 - Increase included in Budgets £47k
- Business Rate Pilots – Worcestershire not approved as a pilot. Potential for further rounds of bidding
- Bromsgrove to remain in GBS Pool for 2018/19
- No changes to NHB
- Consultation in Spring 2018 in relation to “negative “ grant – currently £740k in 2019/20

Impact of Settlement

- Local Government Funding Reform – consultation paper published – implementation 2020/21
 - Measuring need
 - Common cost drivers
 - Service specific cost drivers
 - Weighting formula
 - Advises that further detail on transition and locally raised income to follow in future papers
 - Set new baseline for funding allocations
 - Simple/ transparent/ Contemporary/ Sustainable/ Stable

New Homes Bonus

- No Change to Scheme for 2018/19
- Deadweight remains at 0.4%
- 2018/19 band D 42,335
 - 0.4% = 169 units
 - Growth 379 units
 - Therefore 209 additional units
 - Grant advised of £315k for 2018/19
 - Total for community groups £79k

Current Position

- Balanced position for 2018/19 – arising to £1.2m in 2021/22 due to negative grant £740k
- Assumes pressure included for the Leisure Centre as income will be generated in years 2 onwards
- Assumes 2% pay award for all staff
- Assumes borrowing costs offset by projected income

Next Steps

- Further work on detailed savings / additional income to be prepared for Feb meeting
- Detailed rationale to demonstrate pressures
- Review of reserves statement
- Balances £4.2m – minimum £1.1m
- Balance the financial projections to 2021/22
- Agree budget February 21st 2018