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Date: 30.01.18

Dear Member

SCRUTINY COMMITTEE - TUESDAY, 30 JANUARY 2018

Please find attached slides from today's Budget Scrutiny Committee meeting.

Agenda Item No

A5 **Budget Presentation Slides (Pages 3 - 22)**

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ben Watts', is positioned above the printed name.

Benjamin Watts
General Counsel

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2018/19 Draft Budget

Scrutiny Committee 30 January 2018

Andy Wood
Corporate Director, Finance

Progress

- 2017/20 - £18m
- Autumn Budget - £8m
- Now - £0



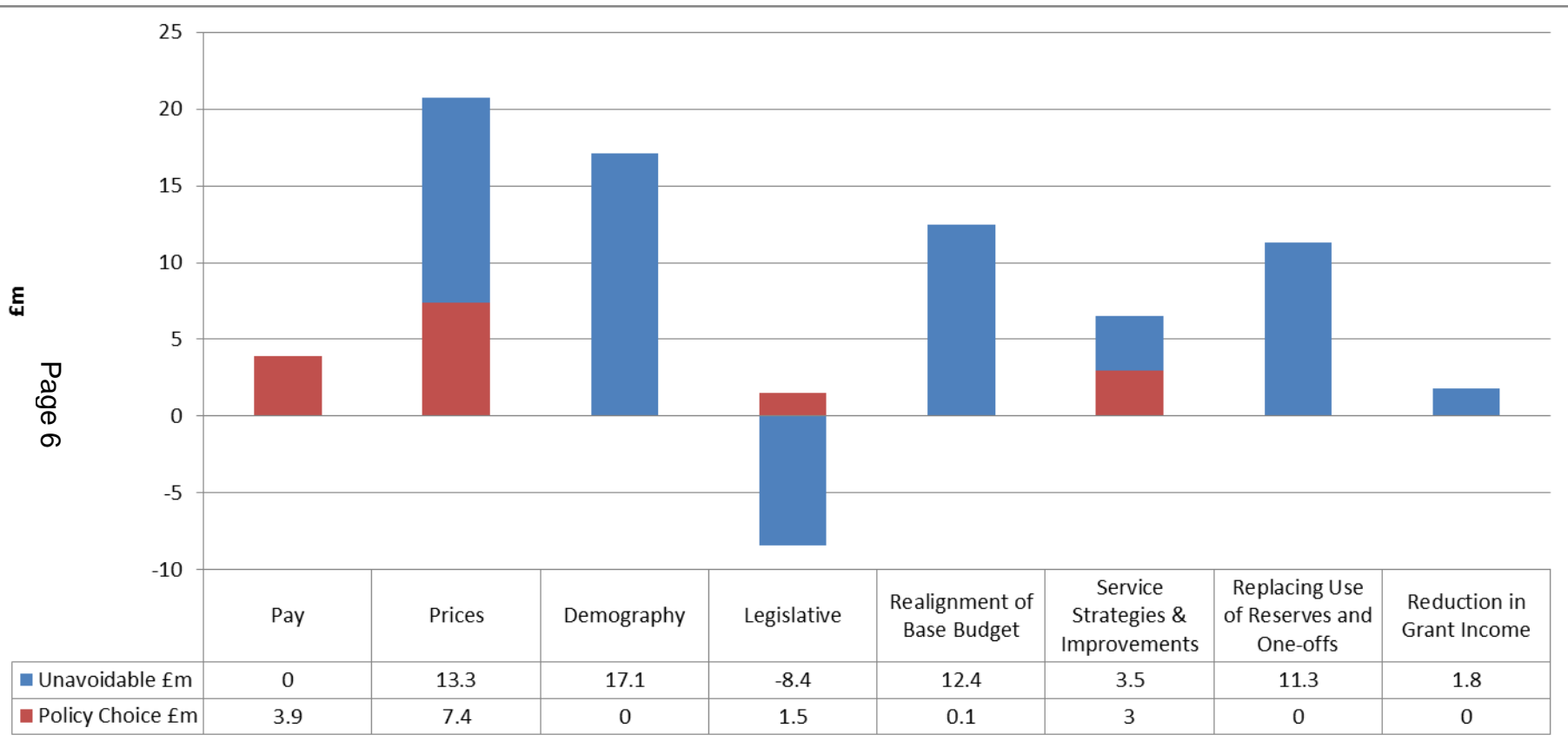
What's Changed For 2018/19?

17-20 MTFP → 18-20 MTFP

£(m)	17-20 MTFP	18-20 Draft MTFP	Difference
Pressures	44.2	66.9	22.7
Loss of Gov't Funding	46.4	46.2	-0.2
Total Solution Required	90.6	113.1	22.5
Savings Identified	-38.1	-53.3	-15.2
Savings Unidentified	-18.3	0	18.3
Additional Council Tax & Business Rates	-21.4	-44.6	-23.2
Government Grant Increase	-12.8	-15.2	-2.4
Total	-90.6	-113.1	-22.5

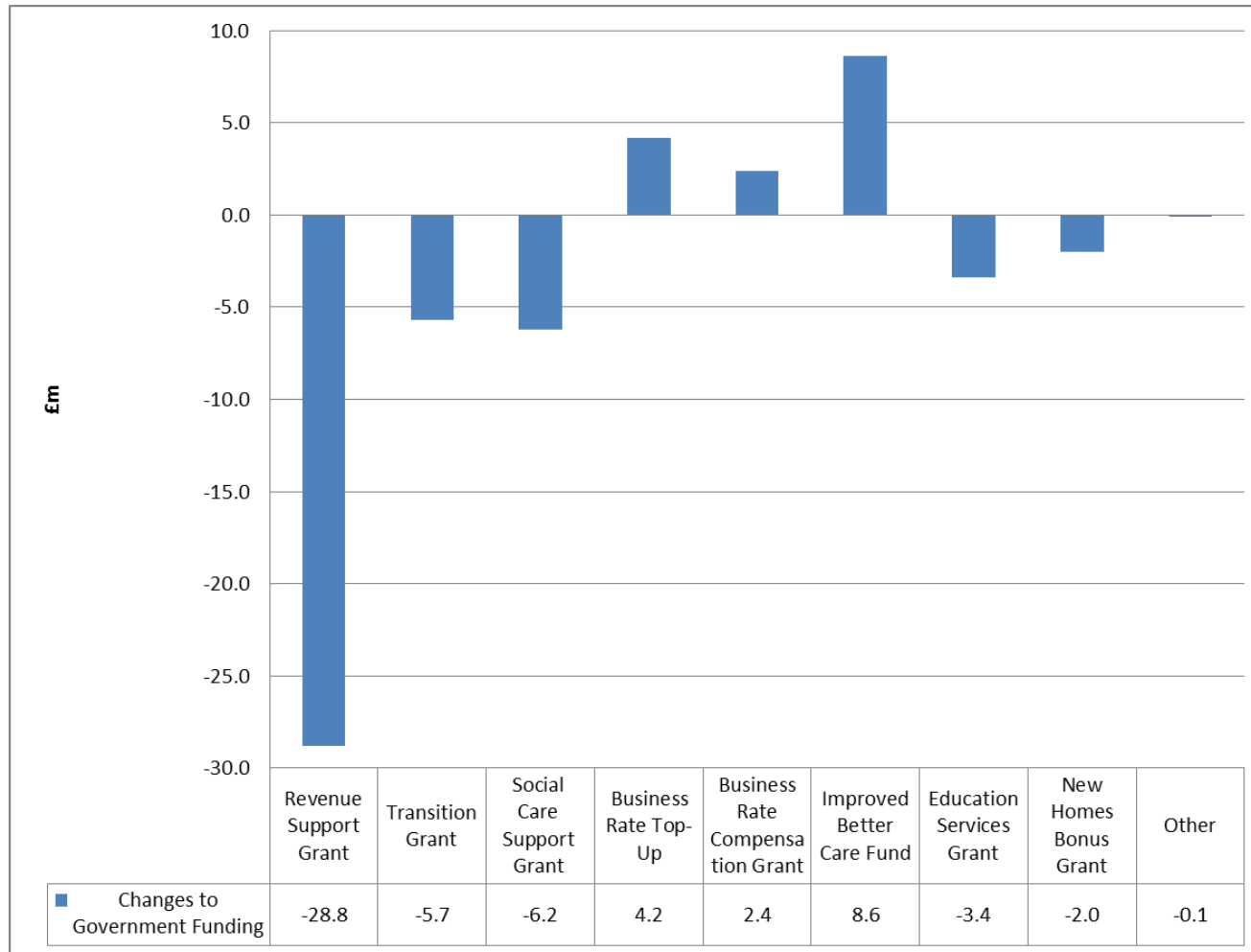
Proposed Council Tax Rate Increase	3.99%	4.99%
Council Tax Base Increase	1.0%	2.16%

Pressures



Total Pressure: £66.9m

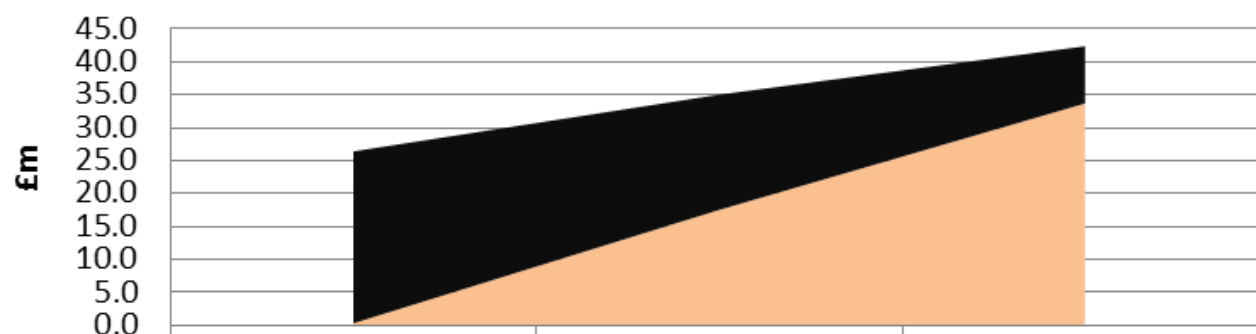
Net Changes to Government Funding



Total Net Loss of Funding: £31m



Improved Better Care Fund

A Graph to Show the Relationship Between the iBCF and the Additional Adult Social Care Funding.

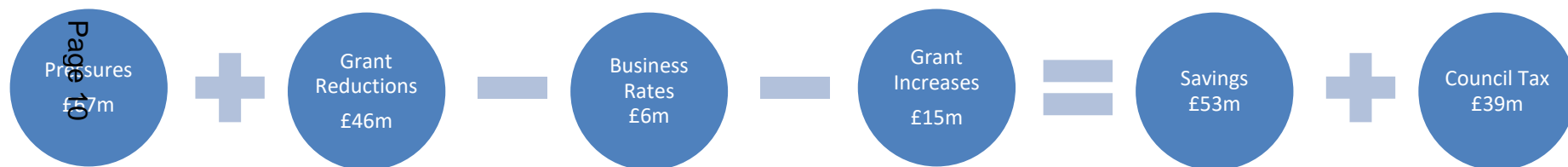


	2017/18 £m	2018/19 £m	2019/20 £m
■ Additional Funding Announced in Spring Budget	26.1	17.5	8.7
■ Improved Better Care Fund	0.3	17.5	33.7

Council Tax & Business Rates

	%	£m	
Tax Base Increase	2.16%	13.4	 £38.6m
Increase up to Referendum Level	2.99%	19.0	
Social Care Levy	2.00%	12.7	
Council Tax Collection Fund	-	-6.5	
Business Rates – inc Pilot	-	6.0	 £6.0m
			<hr/> £44.6m <hr/>

Budget Equation



Savings (1)

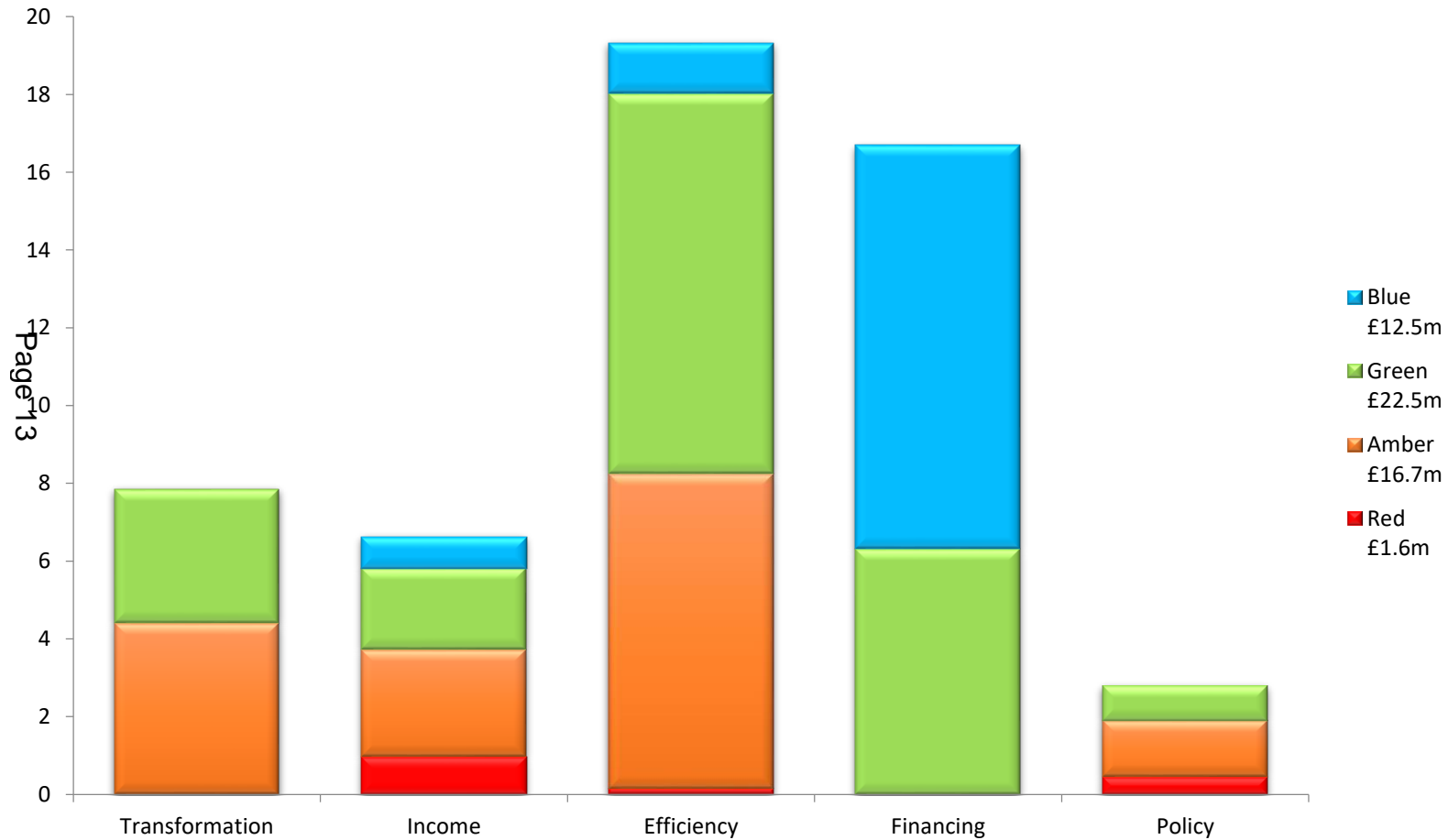
- Balance of the equation after pressures, loss of grant and council tax increases is that we need £53m of savings to balance the books
 - Pages 159-162 set out the specific projects that are proposed in order to deliver that £53m
- First draft of the full BRAG status being worked on, but from the budget build process.....

Savings (2)

- 2019/20 - £45m
- 2018/19 - £53m
- 2017/18 - £80m
- 2016/17 - £80m

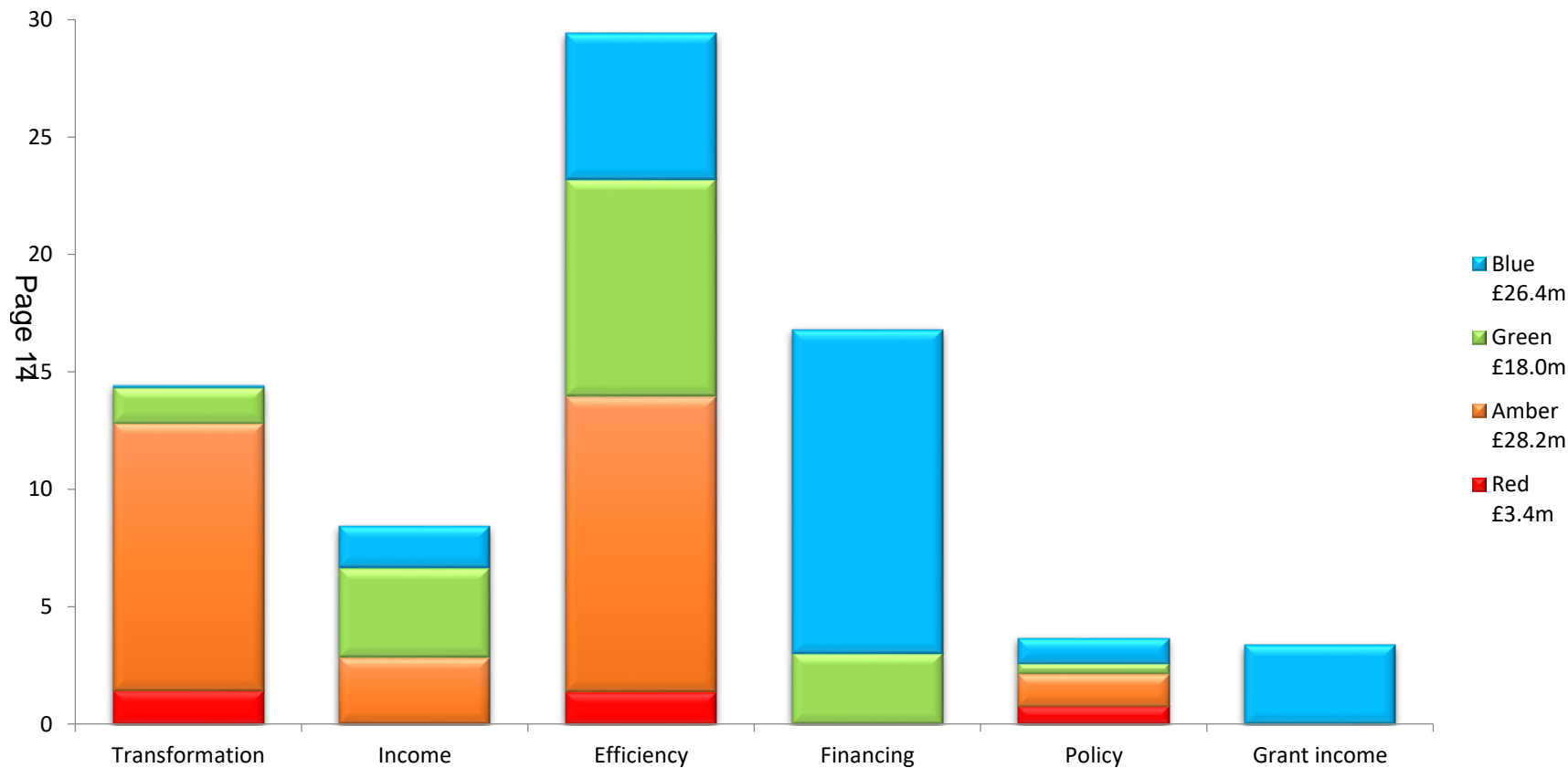
BRAG Ratings

2018-19 Savings BRAG Rated (£m)



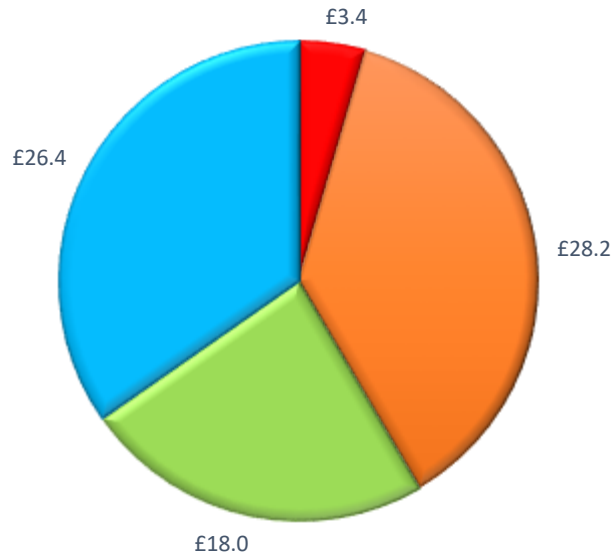
This time last year

2017-18 Savings BRAG Rated (£m)

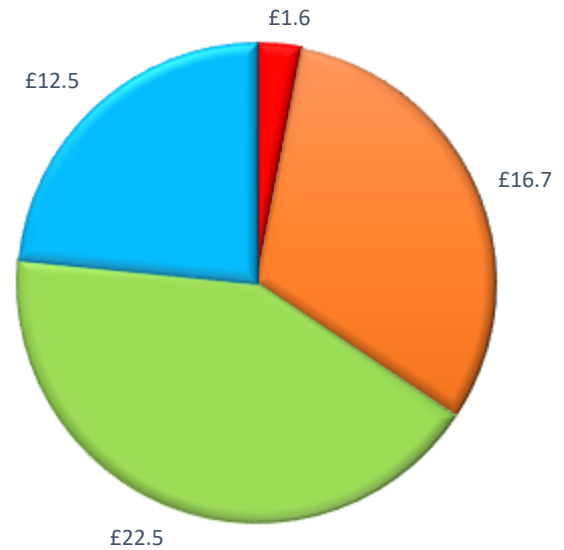


BRAG Ratings Summary £(m)

2017-18 - £76m (£m)



2018-19 - £53.3m (£m)



1.5%



5.8%



18.6%



11.3%

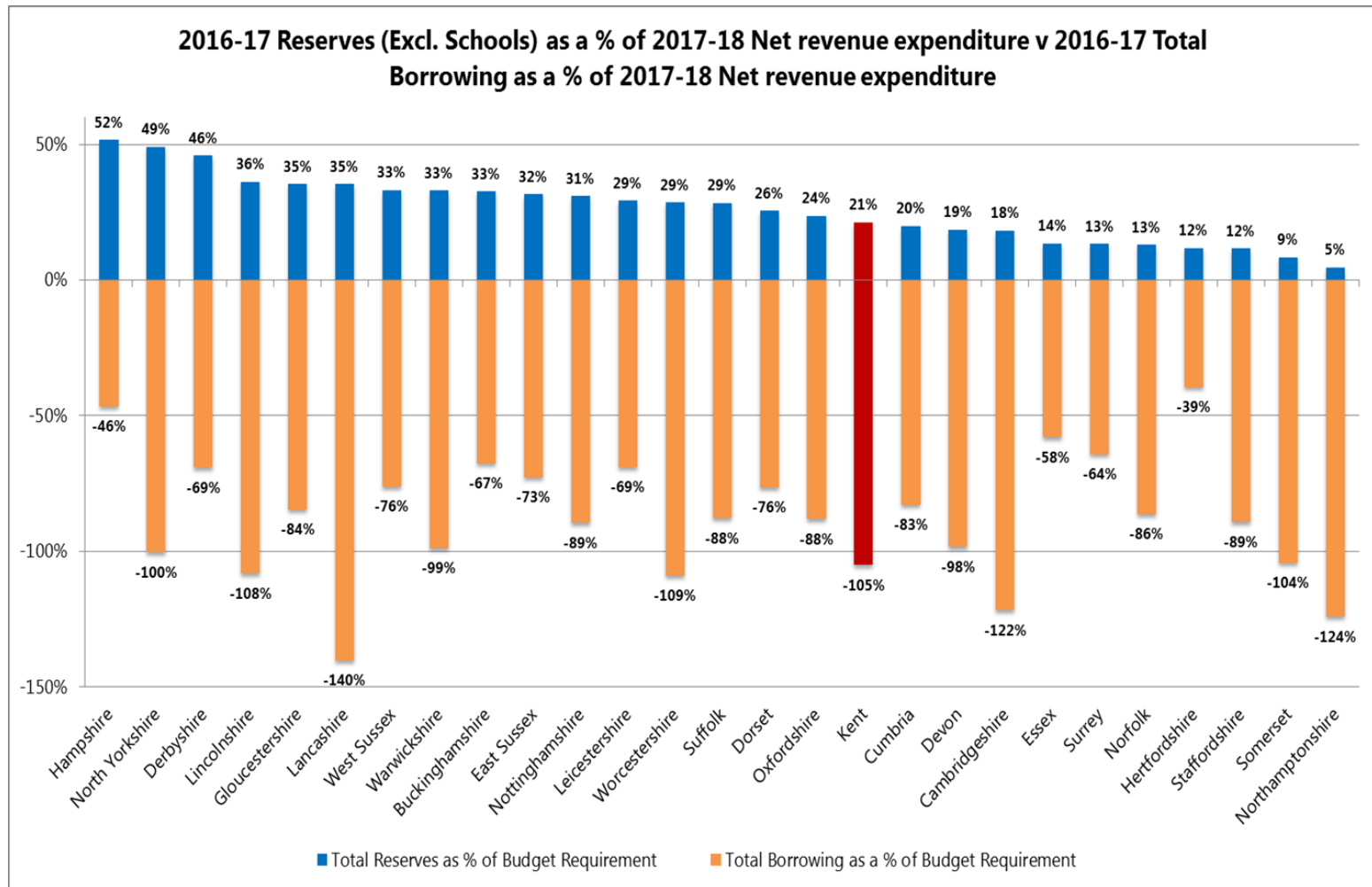
Reserves

As at 31 March 2017 our Statement of Accounts show usable revenue reserves of **£199.9m** (£163.2m earmarked, £36.7m general)

Page 16 The 2017/18 budget assumed the net use of reserves of **£12.2m**, so the balance at 31 March 2018 is expected to be **£187.7m** (£151m earmarked, £36.7m general)

The draft 2018/19 proposals assume a net draw-down of reserves of **£11.6m**, leaving a proposed balance at 31 March 2019 of **£176.1m** (£139.4m earmarked, £36.7m general)

Reserves and Debt

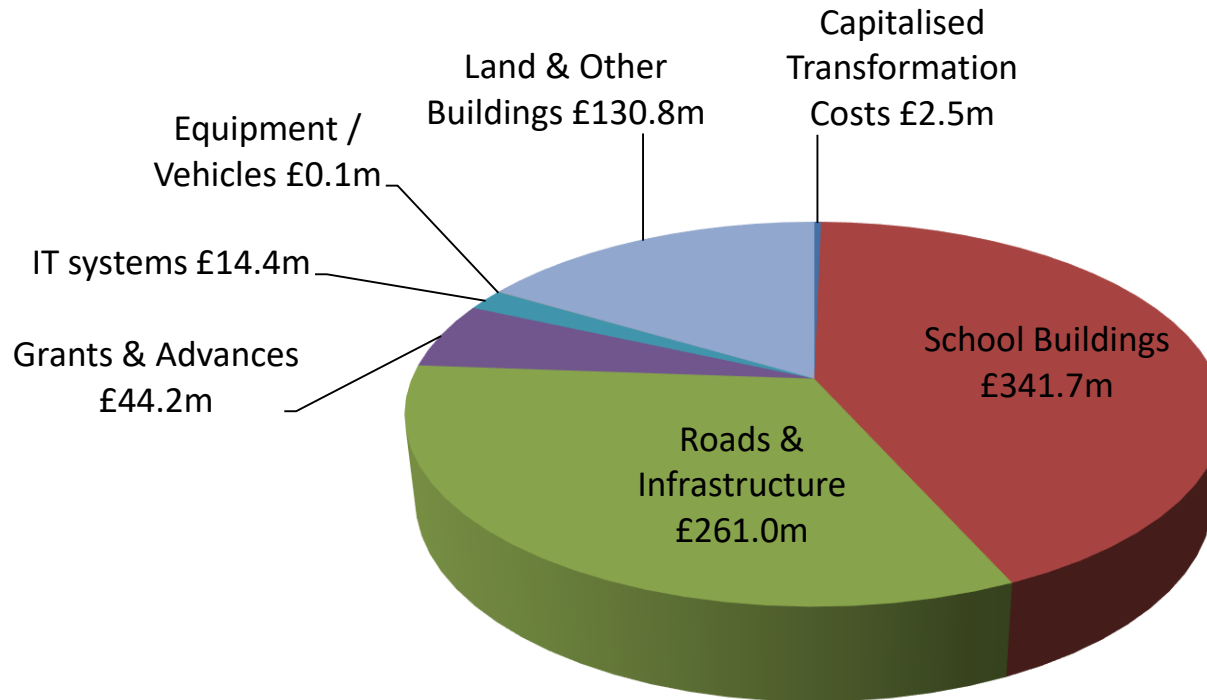


Risks

- Basic Need (?)
- Asylum (£5m ?)
- 2017/18 overspend (£4m ?)
- Collection Fund Balances (£1m ?)
- Dedicated Schools Grant (DSG) Deficit (£12m?)
- Demand and Price Volatility
- The Economy

Capital Investment Plans 2018-21

- Capital Investment Plans for 2018-21 total £794.7m
- This is broken down to be spent on:



Basic Need

- The gross cost of basic need programme between 2018-21 totals £256m
- Funding of this includes:
 - £61m Developer Contributions; however much of this has not yet been banked, and in many cases receipts are likely to be after the spend profile.
 - £117m Grant; of which £77m is yet to be confirmed by Government.
 - £78m KCC funding



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