

**SUMMARY OF CORPORATE CHALLENGE SAVINGS OPTIONS**

Service / Ref	Service	Function	Savings Option Proposed	2016/17 £	2017/18 £	2018/19 £
FIN01	Finance	Employee costs	Delete temporary part time post wef 1/7/2016	17,000	17,000	17,000
FIN02	ALL	Insurance	Net savings from new insurance contracts	9,200	9,200	9,200
CORP01	Corporate Management	Corporate Management	Reduction in external audit fee	4,800	4,800	4,800
IT01	IT	Revenues Support	Move from 3rd party support to in-house support	8,000	8,000	8,000
REV01	Revenues	CSU	Remove vacant part time post	10,800	10,800	10,800
REV02	Revenues	Benefit fraud	Savings from Shared Service fraud team	49,740	49,740	49,740
ENV01	Environmental Services	Supplies & Services	Reduction in supplies and services	8,000	8,000	8,000
ENV02	Environmental Services	Diesel	Savings on diesel costs	45,000	45,000	45,000
PB01	Planning & Building	Development Control	Review arrangements for notifying Parish Councils / Town Councils about planning applications	3,380	3,380	3,380
PB02	Planning & Building	Development Control	Send notification and decision letters by email instead of second class	890	890	890
PB03	Planning & Building	Development Control	Carry out internal consultations electronically via web or IDOX	6,000	6,000	6,000
				<b>162,810</b>	<b>162,810</b>	<b>162,810</b>
<b><i>Items to be financed from reserves:</i></b>						
EST01	Estates & Econ Devel	Economic Development	Fund Business Incentive Grants from the New Homes Bonus	16,000	16,000	16,000
EST02	Estates & Econ Devel	Maintenance	Reduce the reactive maintenance budget and deliver works through the Asset Management Plan	100,000	100,000	100,000
<b>Total Saving Options in December Budget Strategy Report</b>				<b>278,810</b>	<b>278,810</b>	<b>278,810</b>

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<b>Service / Ref</b>	<b>Service</b>	<b>Function</b>	<b>Savings Option Proposed</b>	<b>2016/17 £</b>	<b>2017/18 £</b>	<b>2018/19 £</b>
PB01a	Planning & Building	Development Control	Further review is required before changing the arrangements for notifying parish Councils / Town Councils about planning applications	(3,380)	(3,380)	(3,380)
<b>Total Saving Options identified in this Update</b>				<b>(3,380)</b>	<b>(3,380)</b>	<b>(3,380)</b>
<b>Total Saving Options</b>				<b>275,430</b>	<b>275,430</b>	<b>275,430</b>

**SUMMARY OF CORPORATE CHALLENGE INCOME GENERATION PROPOSALS**

Service / Ref	Service	Function	Savings Option Proposed	2016/17 £	2017/18 £	2018/19 £
IT01	IT	Support	Additional income from the IT Shared Service provision of services to support South East Employers	8,000	8,000	8,000
PPT01	PPT	Project Engineers	Increase charge-out rate	7,000	7,000	7,000
PPT02	PPT	Car Park charges	Increase in parking charges wef 1/4/2016 as agreed by Cabinet 28th October 2015	114,000	114,000	114,000
PPT03	PPT	Parking Enforcement	Align income for Penalty Charge Notices with current levels being received.	27,000	27,000	27,000
<b>Total Income Generation Proposals in December Budget Strategy Report</b>				<b>156,000</b>	<b>156,000</b>	<b>156,000</b>
FIN01	Finance	Investment Income	Additional income from the Council's investment portfolio	118,300	118,300	118,300
REV01	Revenues	Benefits	Increased income from housing benefit subsidy and overpayment recovery	150,000	0	0
<b>Total Income Generation Proposals included in this Update</b>				<b>268,300</b>	<b>118,300</b>	<b>118,300</b>
<b>Total Income Generation Proposals</b>				<b>424,300</b>	<b>274,300</b>	<b>274,300</b>

**SUMMARY OF REVENUE PRESSURES**

<b>Service / Ref</b>	<b>Service</b>	<b>Item</b>	<b>2016/17 £</b>	<b>2017/18 £</b>	<b>2018/19 £</b>
FIN01	ALL	Increase in Employers' National Insurance Contributions following changes to the National State Pension Scheme	290,000	290,000	290,000
REV01	Revenues	Reduced Housing Benefits Administration grant	60,000	60,000	60,000
PPT01	PPT	Loss of management contract and fee for Lidl short stay car park	36,000	36,000	36,000
PPT02	PPT	Local Development Framework - Review of Local Plan and gypsy & traveller evidence base, plus legal advice	41,000	0	0
EST01	Estates & Econ Devel	Short-term support for Smannell broadband pilot scheme pending the creation of new infrastructure through the Hampshire Fast Broadband programme due for completion in September 2018.	5,000	5,000	2,500
L&D01	Legal & Democratic	Increased cost of Individual Electoral Registration - Canvassers and external printing	10,000	10,000	10,000
FIN02	Corporate Management	Increase in bank charges due to change in card transaction fees	16,000	16,000	16,000
<b>Total Pressures identified in December Budget Strategy Report</b>			<b>458,000</b>	<b>417,000</b>	<b>414,500</b>

**SUMMARY OF REVENUE PRESSURES**

<b>Service / Ref</b>	<b>Service</b>	<b>Item</b>	<b>2016/17 £</b>	<b>2017/18 £</b>	<b>2018/19 £</b>
REV01a	Revenues	Further reduction in Housing Benefits Administration grant	67,900	246,500	355,000
REV02	Revenues	Reduction in Council Tax Support Administration Subsidy grant	16,100	28,600	35,200
FIN03	ALL	Apprenticeship levy	0	55,000	55,000
<b>Total Pressures identified in this Update</b>			<b>84,000</b>	<b>330,100</b>	<b>445,200</b>
<b>Total Pressures</b>			<b>542,000</b>	<b>747,100</b>	<b>859,700</b>

**MEDIUM TERM FINANCIAL PLAN**

	<b>Original Estimate 2016/17 £'000</b>	<b>Base Changes £'000</b>	<b>Budget Forecast 2017/18 £'000</b>	<b>Base Changes £'000</b>	<b>Budget Forecast 2018/19 £'000</b>
<b><u>Service Requirements</u></b>					
Chief Executive's Office	162.0	(33.5)	128.5		128.5
Community & Leisure	3,500.5	(2.2)	3,498.3		3,498.3
Environmental Service	4,695.7	(32.0)	4,663.7		4,663.7
Estates & Economic Development	(4,361.8)	(20.0)	(4,381.8)		(4,381.8)
Finance	(2.9)		(2.9)		(2.9)
Housing & Environmental Health	2,605.9	(43.1)	2,562.8		2,562.8
I.T.	(165.1)		(165.1)		(165.1)
Legal & Democratic	320.7		320.7		320.7
Planning & Building	1,094.6	(38.3)	1,056.3		1,056.3
Planning Policy & Transport	(102.7)		(102.7)		(102.7)
Revenues	1,175.3	(17.0)	1,158.3		1,158.3
Inflation	420.0	500.0	920.0	500.0	1,420.0
	<b>9,342.2</b>	<b>313.9</b>	<b>9,656.1</b>	<b>500.0</b>	<b>10,156.1</b>
<b><u>Other Requirements</u></b>					
Net Cost of Benefit Payments	(200.0)		(200.0)		(200.0)
Corporate & Democratic Core	4,015.5		4,015.5		4,015.5
<b>Net Cost of Services</b>	<b>13,157.7</b>	<b>313.9</b>	<b>13,471.6</b>	<b>500.0</b>	<b>13,971.6</b>
<b><u>Corporate Requirements</u></b>					
Contingency Provision	327.0		327.0		327.0
Depreciation Reversal & Capital Charges	(3,286.7)		(3,286.7)		(3,286.7)
Investment Income	(512.3)		(512.3)		(512.3)
New Homes' Bonus	(4,792.9)	(270.0)	(5,062.9)	(220.0)	(5,282.9)
<b>Net General Fund Expenditure</b>	<b>4,892.8</b>	<b>43.9</b>	<b>4,936.7</b>	<b>280.0</b>	<b>5,216.7</b>
Transfer to Earmarked Reserves	4,571.1	441.8	5,012.9	222.5	5,235.4
Transfer to Asset Management Reserves	1,117.1		1,117.1		1,117.1
Transfer to Capital Reserves	938.5		938.5		938.5
<b>Total General Fund Expenditure</b>	<b>11,519.5</b>	<b>485.7</b>	<b>12,005.2</b>	<b>502.5</b>	<b>12,507.7</b>
Revenue Pressures	542.0	205.1	747.1	112.6	859.7
Savings Options	(275.4)		(275.4)		(275.4)
Income Generation Proposals	(306.0)	150.0	(156.0)		(156.0)
<b>Revised Net Budget</b>	<b>11,480.1</b>	<b>840.8</b>	<b>12,320.9</b>	<b>615.1</b>	<b>12,936.0</b>
Draw from NHB to offset cuts in Government Grant	(1,781.9)	(551.8)	(2,333.7)	(296.0)	(2,629.7)
<b>FURTHER SAVINGS TO BE IDENTIFIED</b>	<b>(85.8)</b>	<b>(853.5)</b>	<b>(939.3)</b>	<b>(488.3)</b>	<b>(1,427.6)</b>
<b>General Fund Requirements</b>	<b>9,612.4</b>	<b>(564.5)</b>	<b>9,047.9</b>	<b>(169.2)</b>	<b>8,878.7</b>

## Test Valley Borough Council

		Actuals	Provisional	Indicative	Indicative	Indicative	Indicative
		2015/16	2016/17	2017/18	2018/19	2019/20	Total
		£	£	£	£	£	£
Settlement Funding Assessment: Revenue Support Grant (RSG)		1,696,362	1,012,196	417,493	55,980	0	
Settlement Funding Assessment: Adjustment		31,519	0	0	0	0	
Council Tax Freeze Grant		64,439	0	0	0	0	
<b>TOTAL RSG ELEMENT</b>		<b>1,792,320</b>	<b>1,012,196</b>	<b>417,493</b>	<b>55,980</b>	<b>0</b>	
	<i>Difference £s</i>		<b>-780,124</b>	<b>-594,703</b>	<b>-361,513</b>	<b>-55,980</b>	<b>-1,792,320</b>
	<i>Difference %</i>		<b>-43.5%</b>	<b>-58.8%</b>	<b>-86.6%</b>	<b>-100.0%</b>	<b>-100.0%</b>
<b>TOTAL RETAINED BUSINESS RATES ELEMENT</b>		<b>2,161,298</b>	<b>2,179,309</b>	<b>2,222,172</b>	<b>2,287,728</b>	<b>2,360,848</b>	
	<i>Difference £s</i>		<b>18,011</b>	<b>42,863</b>	<b>65,556</b>	<b>73,120</b>	<b>199,550</b>
	<i>Difference %</i>		<b>0.8%</b>	<b>2.0%</b>	<b>3.0%</b>	<b>3.2%</b>	<b>9.2%</b>
<b>TOTAL SETTLEMENT FUNDING ASSESSMENT</b>		<b>3,953,618</b>	<b>3,191,505</b>	<b>2,639,665</b>	<b>2,343,708</b>	<b>2,360,848</b>	
	<i>Difference £s</i>		<b>-762,113</b>	<b>-551,840</b>	<b>-295,957</b>	<b>17,140</b>	<b>-1,592,770</b>
	<i>Difference %</i>		<b>-19.3%</b>	<b>-17.3%</b>	<b>-11.2%</b>	<b>0.7%</b>	<b>-40.3%</b>
Local Council Tax Support Admin Subsidy Grant		88,144	72,050	59,592	52,911	53,297	
Housing Benefit Admin Subsidy Grant		371,870	303,977	125,379	16,812	0	
<b>TOTAL OTHER GRANTS</b>		<b>460,014</b>	<b>376,027</b>	<b>184,971</b>	<b>69,722</b>	<b>53,297</b>	
	<i>Difference £s</i>		<b>-83,987</b>	<b>-191,056</b>	<b>-115,249</b>	<b>-16,425</b>	<b>-406,717</b>
	<i>Difference %</i>		<b>-18.3%</b>	<b>-50.8%</b>	<b>-62.3%</b>	<b>-23.6%</b>	<b>-88.4%</b>
<b>TOTAL GOVERNMENT GRANTS (EXCL. NHB)</b>		<b>4,413,632</b>	<b>3,567,532</b>	<b>2,824,636</b>	<b>2,413,430</b>	<b>2,414,145</b>	
	<i>Difference £s</i>		<b>-846,100</b>	<b>-742,896</b>	<b>-411,206</b>	<b>715</b>	<b>-1,999,487</b>
	<i>Difference %</i>		<b>-19.2%</b>	<b>-20.8%</b>	<b>-14.6%</b>	<b>0.0%</b>	<b>-45.3%</b>