

Dear Councillors

The final local government finance settlement was posted late 8th February 2016 and as anticipated such a significant and unusually late change in settlement methodology introduced in the December 2015 provisional settlement has given rise to alterations between the provisional figures and notified final settlement.

The table below outlines the high level assumptions and figures for Rochford District Council:

Final Settlement £M	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Council Tax: Growth (2.3%) Increase (1.75%)	6.317	6.576	6.880	7.205	7.553	7.936
Additional £5 Referendum (Greater of £5 / 2%)	-	0.071	0.111	0.144	0.168	0.177
Total Estimated Council Tax	6.317	6.647	6.991	7.349	7.721	8.113
NHB (revised cash envelope post 2016/17)	1.059	1.372	1.379	0.866	0.831	0.772
New Transition Grant (Mitigate RSG Severity)	-	0.095	0.095	-	-	-
Homelessness Grant	0.049	0.049	0.049	0.049	0.050	0.050
Business Rates	1.557	1.590	1.622	1.670	1.723	1.785
RSG Reduced (2yrs)	1.241	0.583	0.044	-	-	-
Total	10.222	10.336	10.179	9.934	10.325	10.718
Movement £M	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Council Tax: Growth (1.1%) Increase (1.93%)	-	0.065	0.304	0.563	0.845	1.160
Additional £5 Referendum	-	0.071	0.111	0.144	0.168	0.177
Total Council Tax	-	0.136	0.415	0.707	1.013	1.337
NHB (revised cash envelope post 2016/17)	0.005	0.004	0.128	- 0.235	- 0.096	-
New Transition Grant (Mitigate RSG Severity)	-	0.095	0.095	-	-	-
Homelessness Grant	-	-	-	-	-	-
Business Rates	-	-	-	-	-	-
RSG Reduced (2yrs)	-	-	-	-	-	-
Total	0.005	0.235	0.638	0.472	0.916	1.337
MTRS £M	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Council Tax: Growth (1.1%) Increase (1.93%)	6.317	6.511	6.576	6.642	6.709	6.776
Additional £5 Referendum	-	-	-	-	-	-
Total Council Tax	6.317	6.511	6.576	6.642	6.709	6.776
NHB (revised cash envelope post 2016/17)	1.054	1.368	1.251	1.102	0.928	0.772
New Transition Grant (Mitigate RSG Severity)	-	-	-	-	-	-
Homelessness Grant	0.049	0.049	0.049	0.049	0.050	0.050
Business Rates	1.557	1.590	1.622	1.670	1.723	1.785
RSG Reduced (2yrs)	1.241	0.583	0.044	-	-	-
Total	10.216	10.101	9.542	9.463	9.409	9.382
Grant Variance (Excl. C/Tax & NHB)	-	0.095	0.095	-	-	-
Original MTRS NHB / Reserve Funding	-	0.145	0.257	0.069	0.128	0.306
New Reserve / NHB Funding - £M	-	0.050	0.162	0.069	0.128	0.306
Net Earmarked Reserve Movement 2016/17 - £M		0.0213				

The impact on the Medium Term Resource Strategy will be the introduction of the new Transition Funding; offset by a decrease in the reliance on reserves to mitigate the 2016/17 and 2017/18 budget gap.