



Doncaster
Metropolitan Borough Council

Mayor's Draft Budget Proposals 2017/18

**Council
24th November 2016**

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Revenue Budget 2017/18

The Mayor's draft revenue budget proposals for 2017/18 and Medium-term Financial Forecast (MTFF) 2017/18 to 2020/21 are set out in the enclosed pages. These proposals are the first stage in setting the Council's Budget, which will culminate in the Budget Reports being put to Council on the 2nd March 2017.

The context of the current proposals is well known and has been detailed in previous budget reports. The Government's approach has continued with a programme of reduced funding that requires local authorities to reduce overall expenditure. Grant reductions of £11.9m are expected in 2017/18 increasing to £21m a year by 2020/21. On top of the grant reductions the Council is facing significant expenditure pressures which are estimated at £14m in 2017/18 and increase to over £49m by 2020/21. This includes pay and price inflation which covers the impact of the Government's National Living Wage on Adult Social Care contracts.

The scale of the reductions derives from problems in the national economy and government policy, and was not created in Doncaster, but the Council is determined to respond to the challenge and try to protect the interests of Doncaster residents. This requires a highly targeted approach that enables the Council, with its partners in Team Doncaster, to focus on the issues and programmes that will maintain momentum on the economic and social recovery of the Borough, as well as maintaining essential services for citizens. In some areas, this will require new approaches to delivery, and a strong emphasis on partnership and on prevention and early intervention, to reduce demand and costs. This is reflected throughout the budget proposals, for example in the focus of expenditure in early years education, health and social care, where a shift to prevention is crucial.

This approach, referred to as 'Doncaster 21' will be a strengthening theme for the budget in future years.

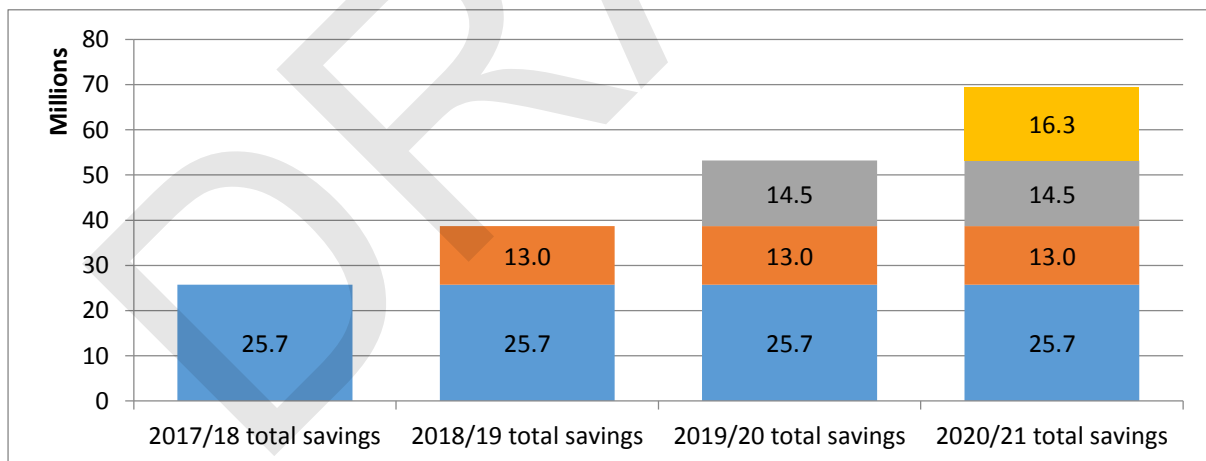
Summary Revenue Budget Proposals 2017/18

1. 2017/18 Budget Gap

Overall it is estimated that we need to reduce expenditure or generate additional income to save £26m in 2017/18. The target for 2017/18 is greater than future years and increases to £70m per year by 2020/21. The estimated budget gap takes into account the estimated impact of the Comprehensive Spending Review announcement and pressures identified including price inflation, pay inflation and budget pressures for services.

	17/18 £'m	18/19 £'m	19/20 £'m	20/21 £'m	17/18 to 20/21 £'m
General Grant Funding	-9.0	-0.4	-1.2	-4.5	-15.1
Specific Grant Reduction	-2.9	-0.9	-0.8	-1.3	-5.9
Staffing Budget Pressures	-2.4	-2.8	-3.4	-2.4	-11.0
Prices Changes	-5.9	-5.5	-5.1	-5.0	-21.5
Service Budget Pressures – Appendix C	-5.4	-3.3	-3.9	-3.0	-15.6
Levying Bodies	-0.1	-0.1	-0.1	-0.1	-0.4
Total Funding Gap	-25.7	-13.0	-14.5	-16.3	-69.5

Graph 1 - Budget Gap



The Medium-term Financial Forecast (MTFF) for the period 2017/18 to 2020/21 is detailed at Appendix B. The provisional Local Government Settlement announcement is expected early/mid December. The Council is on the multi-year settlement for 2017/18 to 2019/20 following the submission of our efficiency plan, which will provide greater certainty enabling better planning for savings.

The MTFF and budget gap includes the service pressures identified which amount to £5.4m in 2017/18, increasing to £15.6m by 2020/21. These are detailed at Appendix C and include the apprenticeship levy budget pressure of £0.75m, £1.8m for Adults,

Health & Wellbeing and £2m for other service pressures. The MTFF also includes significant additional funding for Adult Social Care contracts due to the impact of the National Living Wage on suppliers of £11.2m¹ a year by 2020/21.

2. Summary of delivery of the 2017/18 Savings

Directors and Cabinet have reviewed the savings proposals, with the aim of producing budget proposals to meet the majority of the budget gap and utilising some reserves in 2017/18, in order to spread the burden of the much larger pressure in year 1.

A summary of the budget proposals is shown below, with further details provided in Appendix D:

Council Priority	Service/Saving Proposal	£'000
Cleaner / Greener	Highways and Streetscene	-1.00
	Regulation & Enforcement	-0.10
	Waste Contract	-0.20
Cleaner / Greener Total		-1.30
Economy / Inclusive Growth	Assets	-1.65
	Business Rates Income	-1.76
	Commercialisation and Marketing Income	-0.10
	Council Tax 1.99% Increase	-1.85
	Government's 2% Social Care "levy"	-1.90
	Council Tax Collection Fund	-0.66
	Council Tax Base Growth	-0.86
	Local Council Tax Support Scheme (LCTS)	-0.26
	Fees & Charges	-0.24
	Housing Management	-0.10
	Metropolitan Debt Levy	-0.07
	Parking – Bus Lane Enforcement	-0.03
	Planning and Building Control	-0.10
	South Yorkshire Passenger Transport Executive (SYPTTE)	-0.68
Economy / Inclusive Growth Total		-10.26
Education & Skills	Apprenticeship Levy	-0.30
Education & Skills Total		-0.30
Enablers / Fit for Purpose	Adults, Health & Wellbeing Staff savings	-0.57
	Consultants & Agency	-0.10
	Corporate Services	-0.10
	Council-wide - Spans & Layers /Senior Mgt.	-0.10
	Libraries	-0.10
	Procurement	-0.25
	Professional Business Support	-0.10
Treasury Management	-1.50	
Enablers / Fit for Purpose Total		-2.82

¹ The Adult Social Care contract pressure will be recalculated for the National Living Wage announced in the Autumn Statement.

Council Priority	Service/Saving Proposal	£'000
Health and Independence	Customer Journey	-0.47
	Day Opportunities	-0.25
	Home Care	-0.72
	Reducing the number of Independent Residential Placements (2016/17 saving)	-0.80
	Leisure Trust	-0.25
	Residential Care - Older People	-1.42
	Residential Care - Working Age	-0.90
Health and Independence Total		-4.81
Prevention / Life Chances	Education Services Grant	-1.74
	Learning & Opportunities – Children & Young People: Spans and Layers	-0.85
Prevention / Life Chances Total		-2.59
Grand Total		-22.08

Delivering the above proposals will leave a £3.7m budget gap in 2017/18 which will be met from general uncommitted reserves. Additional on-going savings will then be delivered in 2018/19 to produce a balanced budget moving forward.

The Council receives some specific grant funds, which are non-ring fenced and can be redirected to other areas of service provision as required and some specific grants that are tightly ring fenced and can only be used for the specific purpose set out in the grant conditions. For a number of the expected grant reductions it is planned that expenditure will be reduced accordingly i.e. there will be exit strategies. The exit strategies are detailed in Appendix E.

Council Tax

As shown above we are expecting to generate additional income through improved collection of £1.78m (Council Tax collection fund £0.66m, estimated growth in the base £0.86m, Local Council Tax Support Scheme £0.26m). In addition, to meet the budget gap and deliver a budget in line with the financial strategy we must increase the Council tax by 1.99% in 2017/18 which will generate £1.85m. The current council tax bill is £1,190.32 Band D (£793.55 Band A), this will increase the council tax to £1,214.01 (£809.34 Band A) which is an increase of 46p per week (30p Band A)

In addition, we feel we have no choice but to implement the Government's 2% Social Care "levy" which will raise circa. £1.9m to contribute towards our pressures for Adults, Health & Wellbeing including price inflation, pay inflation, investment in the care ladder and growth in the number of clients from projected changes in the population. This will further increase the council tax to £1,237.81 per annum Band D (£825.21 Band A) which is a further increase of 46p per week (31p Band A).

Doncaster continues to have one of the lowest Council Tax rates in comparison to Metropolitan Districts and Unitary Authorities (9th lowest in 2016/17).

Fees and Charges

The proposals for fees and charges amounting to £0.24m are included in the saving figures above. The proposal for 2017/18 is to limit increases in line with the estimated RPI for March 2017 of 2.2%, allowing for roundings. The detail for each change is in the Fees and charges summary, Appendix F.

Grants to 3rd Sector Organisations

It is expected that all 3rd sector organisations that currently receive grants in 2016/17, will continue to receive the same level of grant in 2017/18. The actual grants are detailed in Appendix G.

4. Reserves

The long-term strategy has been to build reserves; the general fund uncommitted revenue reserves as at 31st March 2017 are estimated at £16.7m. The financial strategy involves using circa. £4m of these in 2017/18 and getting back to a balanced budget without use of reserves from 2018/19. This would reduce general fund uncommitted reserves to circa. £12.7m at the end of 2017/18. Although there are other significant claims on these reserves which would reduce this balance further e.g. any overspend on the 2016/17 budget.

5. Risks

The main risks to highlight with regards to these budget proposals are:

- Increasing expenditure in Adult Social Care; including managing higher numbers in long-term residential care; supporting people to live at home independently combined with further shift in costs to social care as service users are no longer assessed as having continuing health care needs. Demographics and impact on increasing pressures on services remains a risk.
- Possible non-delivery or delayed delivery of key projects/savings.
- Although the Council is on the multi-year settlement for 2017/18 to 2019/20 there are at least three major local government funding streams which are outside the offer and are vulnerable in 2019/20 – Public Health Grant, Improved Better Care Fund and New Homes Bonus.
- There is uncertainty regarding the potential impact from the April 2017 Business Rates Revaluation and potential impact of future Business Rate appeals, £0.9m has been provided in the budget proposals for the risk of increased costs and reduced income.
- The Local Government Finance reforms which took effect from 1st April 2013 namely Business Rate Retention and the Localisation of Council Tax Support have meant that local government finances are much more vulnerable when a recession occurs. Whilst a safety net is in place for a significant reduction in Business Rates (7.5% below a baseline figure set each year by central Government), there could be a decrease in Business Rates income below the safety net. And there is no similar protection in place for Council Tax income, therefore the income the Council receives could reduce due to the economy.

Financial Strategy

The budget is the means by which the council expresses in financial terms its plans for service provision in the coming year. Our financial strategy is driven by the priorities in the corporate plan and Doncaster Council's purpose to ensure Doncaster and its people thrive – ensuring value for money is at the heart of everything we do. The financial strategy is based around the following key strategic budget themes:

- a. A Commissioning Council – We will work better with our partners, the voluntary sector, communities and businesses to commission and procure local services that make a real difference. We want well managed services where our residents are at the heart of what we do. We are committed to delivering services in-house if they deliver best value. E.g. An example of a commissioning Council is Public Health.
- b. An Empowering Council – We want to help our communities and our residents to get the services that they really need and are right for them. That means the Council wants to know what works best for individuals and would want to help residents find the services that best suit their needs. We want to enable people and communities to help themselves and improve self-sufficiency. This also involves ensuring that our services fully recover their costs where possible and that there are no subsidised services without a clear decision to do so. E.g. Supported Living and Stronger Families.
- c. A Community Council – The Council has a pivotal role to play in Doncaster's future as a borough. We have strong community relationships and a leadership role and these will continue in the future. We will still be a strong advocate for the borough. E.g. Libraries transferring to the communities.
- d. A Streamlined Council – We have far too many buildings and need to concentrate our services in buildings that are cost-effective, maximise the use of space and are as multi-use as possible. Our buildings have to be more customer-orientated and open at more appropriate times for our users and offer shared facilities with others, including our communities. E.g. Appropriate Asset Programme.
- e. A Productive Council – We need to be as productive as possible. This means taking a look at what we do and how we do it. We may redesign some services, push for more commercial value for money processes and encourage modern forms of service delivery. Our people are our greatest resource and we have to ensure that they are supported to deliver the best possible services for local people. E.g. Modern and Productive Workforce Programme.
- f. A Council Fit for the Future – Doncaster Council will be a modern digital authority both internally and externally, with all services on-line. It will provide a modern, high quality and efficient integrated front office with resulting improved service delivery through redesigned business processes, improved technology, mobile working and higher skilled staff. It will utilise the resulting business intelligence to become a more intelligent and proactive organisation focused on assisting Doncaster as a place and its people to thrive. It will also focus on reducing high cost services and

ensure we provide affordable services. E.g. Digital Council and Enterprise Resource Planning (ERP).

- g. A Preventative Council – By concentrating more on early intervention, we can take action to avoid additional future costs as problems develop. E.g. Early Help Strategy.
- h. A Dynamic Council – To help modernise and shape our services we need to encourage a culture that increases productivity, flexibility and ability to adapt to change as part of every-day business. We need to change the way we work to deliver services in a motivating and effective way, at the same time improving services for the public. E.g. Streetlamp initiative.

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Medium-Term Financial Forecast (MTFF) - Budget Gap Summary

	17/18 £'m	18/19 £'m	19/20 £'m	20/21 £'m	17/18 to 20/21 £'m
General Grant Funding: <ul style="list-style-type: none"> Revenue Support Grant reductions per 4-year offer of £11.9m/£8.1m/£8.1m and £8.1m for 2020/21 which is outside the offer period Increase in Top Up Grant per 4 Year Offer of £0.6m/£0.8m/£0.9m and £0.6m for 2020/21 which is outside the offer period Increase in Improved Better Care Fund per February 2016 indicative figures £1.3m/£5.9m/£5.0m and £2.0m for 2020/21 which is outside Spending Review period 2% inflation increase in Retained Business Rates of £1.0/£1.0m/£1.0m/£1.0m 	-9.0	-0.4	-1.2	-4.5	-15.1
Specific Grant Reduction (estimates): <ul style="list-style-type: none"> Housing Benefit & Localisation of Council Tax (On-Going) Administration Subsidy of £0.3m/£0.2m/£0.1m/£0.1m Education Services Grant of £1.8m in 2017/18 New Homes Bonus of £0.9m/£0.7m/£0.7m/£1.2m 	-3.0	-0.9	-0.8	-1.3	-6.0
Specific Grant Increase (estimates): <ul style="list-style-type: none"> Additional Funding from Extended Rights to Free Transport Grant of £0.1m in each year 	0.1				0.1
Staffing Budget Pressure: <ul style="list-style-type: none"> Pay Inflation (1%) – £0.71m/£0.80m/£0.96m/£1.04m for each year (1%) Increments £1.35m/£0.22m/£1.19m/£0.22m for each year Employers Pension – Funding required for Deficit Payment (£0.92m)/£0.23m/£0.24m /£0.3m Employers Pension – Future Service Contribution Rate phased increase to 15.5% in 2019/20 £0.92/£0.78m/£0.19m Auto Enrolment from 01.10.17 estimated cost increase of £0.2m in 2017/18 and £0.2m in 2018/19 Living Wage Foundation Living Wage pressure £0.15m in 2017/18, £0.568m in 2018/19, £0.808m in 2019/20 and £0.806m in 2020/21. 	-2.4	-2.8	-3.4	-2.4	-11.0
Prices Changes: <ul style="list-style-type: none"> Adult Social Care Contracts (National Living Wage and auto-enrolment/supported living) = £3.24m/£2.80m/£2.67m/£2.49m * Other inflation £2.47m/£2.47m/£2.47m/£2.47m 	-5.9	-5.5	-5.1	-5.0	-21.5
Service Budget Pressures: <ul style="list-style-type: none"> Full details are shown in Appendix C 	-5.4	-3.3	-3.9	-3.0	-15.6
Levying Bodies	-0.1	-0.1	-0.1	-0.1	-0.4
Total Funding Gap	-25.7	-13.0	-14.5	-16.3	-69.5

* figures to be recalculated based on the announcement in the autumn statement that the rate will be £7.50 from 1st April 2017.

Detailed Medium-Term Financial Forecast (MTFF)

This medium-term financial forecast for 2017/18 is provided below:

	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£m	£m	£m	£m	£m	£m
Major Funding Sources						
Retained Business Rates	47.373	48.322	49.291	50.278	51.285	
Top-Up*	27.197	27.732	28.550	29.462	41.992	
Revenue Support Grant*	48.011	36.150	28.131	20.041	0.000	
Total Baseline Income	122.581	112.204	105.972	99.781	93.277	
Specific Grants (Paragraph 8)	45.690	43.206	47.639	51.314	51.940	
Public Health Grant (Paragraph 10)	25.055	24.437	23.802	23.183	23.183	
Council Tax Income**	94.557	94.557	94.557	94.557	94.557	
Customer & Client Receipts	47.767	47.767	47.767	47.767	47.767	
Other Income (Paragraph 12)	57.545	57.850	57.850	57.850	57.850	
Housing Benefit	94.268	94.268	94.268	94.268	94.268	
Total Income	487.463	474.289	471.855	468.720	462.842	
Total Council Expenditure Including Public Health (Funded)	488.420	487.463	474.289	471.855	468.720	
Expenditure Changes						
Change in Housing Benefit (nil impact on reductions required)	1.741	0.000	0.000	0.000	0.000	
Grant decreases exit strategies in place (Paragraph 9)	-1.956	-1.281	-1.159	-1.133	-0.072	
Staffing (Paragraph 19)	4.785	2.412	2.801	3.393	2.364	
Prices Changes (Paragraphs 20 – 21)	4.408	5.910	5.470	5.140	4.960	
Capital Programme (Paragraph 22)	0.000	0.000	0.000	0.000	0.000	
Levying Bodies (Paragraph 22)	0.125	0.100	0.100	0.100	0.100	
Expenditure funded from additional income included above (Paragraph 24)	3.517	0.000	0.000	0.000	0.000	
Budget Pressures (Paragraph 25)	6.015	5.451	3.262	3.874	3.046	
Savings to be identified	-19.592	-25.766	-12.908	-14.509	-16.276	69.459
Gross Budget	487.463	474.289	471.855	468.720	462.842	
Net Budget Requirement (including Baseline Income)	217.138	206.761	200.529	194.338	187.834	

* Top-Up Adjusted in 2020/21 by £12m to compensate for nil RSG in this year due to implementation of 100% Business Rates Retention.

** Proposals to change Council Tax income are included in the Budget Savings Appendix D

Reduction in Government Grants

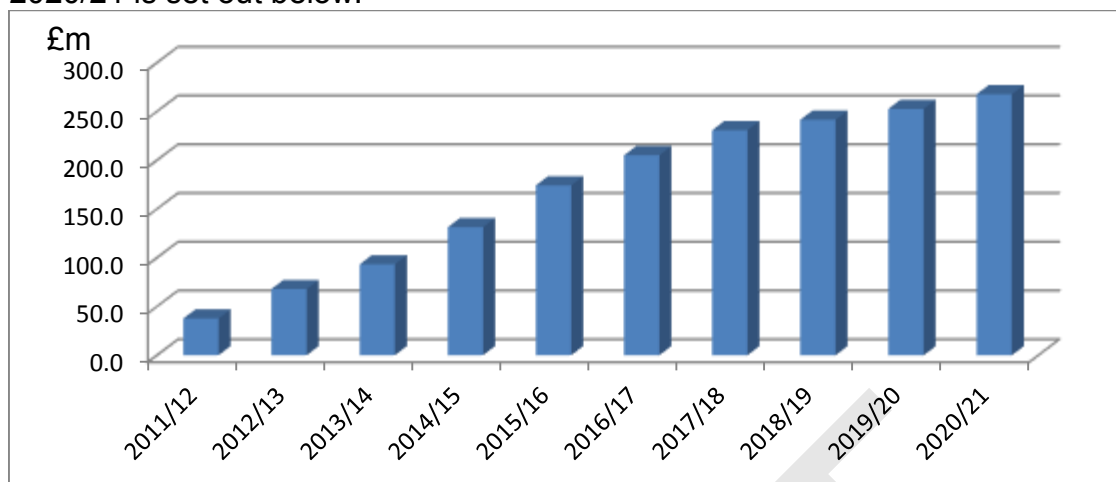
Central Government Grant Settlements

1. Over the last six years Government action in response to national and global economic events has placed unprecedented strain on public finances for the foreseeable future. There have been three Spending Review announcements in 2010, 2013 and 2015 covering in total the years 2011/12 – 2019/20 aimed at removing the Government's budget deficit and bringing the Government's finances back into surplus. To summarise the position:
 - a. The public spending choice for the Government was essentially about the balance between tax increases and spending cuts; the outcome is heavily slanted towards the latter with Government funding to Councils falling substantially. The Spending Review 2015 and Autumn Statement announcement on 25th November 2015 indicated that the austerity framework facing local government will continue until 2019/20. The Government have said that despite the reforms implemented by local government in recent years, including business rate retention and the localisation of council tax support, the local government sector will continue to have to make a major contribution to eliminating the deficit. The Government has made it clear that it is planning to reduce public expenditure from 45% of Gross Domestic Product in 2010/11 to 36% by the end of the decade.
 - b. The Spending Review announcement of 25th November 2015 specifically covered the 4 years 2016/17 – 2019/20 and following the Settlement announcements on 17th December 2015 and 8th February 2016 the best estimates of the local government funding cuts (as set out in the settlement announcements) are :- funding cuts of 10.8% in 2016/17 followed by cuts of 8.9% in 2017/18, 5.5% in 2018/19 and 5.7% in 2019/20. The Government's grant cuts are estimated at 59% for the period 2011/12 – 2019/20. The Government used the Spending Review announcement to provide a little more detail on recently announced local government reforms:-
 - The Government will allow directly elected mayors to add a premium to business rates to pay for new infrastructure, provided they have the support of the local business community through a vote of the majority of the business members of the Local Enterprise Partnership Board. The uniform business rate will be abolished and all local authorities will gain the power to reduce rates to support business and job growth;
 - The Government will consult on changes to the local government finance system (including a review of the formula used) to pave the way for the implementation of 100% business rate retention from either 2019/20 or 2020/21. As part of this process Revenue Support Grant will be phased out. The Government have said it will consider transferring responsibility for funding the administration of housing benefit for pensioners and Transport for London's capital projects to local government, and will also consult on options to transfer responsibility for funding public health and attendance allowance. The consultation which is expected to last 6 months will take into account all the main resources currently available to councils, including council tax and business rates;
 - To reform services and make them more efficient, local authorities will have new flexibilities to spend 100% of their fixed

asset receipts (excluding Right to Buy receipts) on the revenue costs of reform projects.

- As part of the Finance Settlement Government has said it will offer any Council that wishes to take it up a four-year funding settlement to 2019/20. As part of the move to a more self-sufficient local government, these multi-year settlements can provide the funding certainty and stability to enable more proactive planning of service delivery and support strategic collaboration with local partners. The Government have said that Councils should also use their multi-year settlements to strengthen financial management and efficiency, including by maximising value in arrangements with suppliers and making strategic use of reserves in the interests of residents.
- c. In a separate announcement on 2nd October 2015 the Government indicated the terms of a proposed agreement between itself and the leaders of the Sheffield City Region (SCR) to devolve powers and responsibilities to the SCR Combined Authority and a new directly elected Mayor. At this stage the MTFF for 2017/18 onwards does not take account of any devolution proposals.
- d. The Government's Budget Statement of 16th March 2016 indicated that the Government is planning an additional £3.5billion of efficiency savings from departmental budgets in 2019/20. The Chief Secretary to the Treasury, with the support of the Paymaster General, will lead an efficiency review of all departmental spending which will report in 2018. A pro rata share of this saving could mean that the Council's Revenue Support Grant is reduced in this year by a further £4.6m from the four-year funding settlement figure for 2019/20 shown in the Table above (£20.0m). However the Government made it clear that if the Council accepts the Government's 4 Year Offer by Friday 14th October, (which includes Revenue Support Grant) it will not suffer any further cuts to Revenue Support Grant over the period 2016/17 – 2019/20. (The Council accepted the offer).
- e. On 1st July 2016 following the EU Referendum Vote the Government announced that it had dropped plans to achieve a budget surplus of £10.4bn by 2019/20. The Chancellor said the British economy was bracing itself for a "significant negative shock" following the Brexit vote and the Government had to be "realistic" about clearing the budget deficit by the end of the decade. The decision means that austerity and more spending cuts and tax rises will now have to be made in the 2020s. It remains unclear whether the £3.5bn of efficiency savings referred to in e. above will now go ahead. This may become clearer in the provisional settlement expected in December 2016.

A graph summarising the budget cuts made by the Council and anticipated to 2020/21 is set out below.



Retention of Business Rates

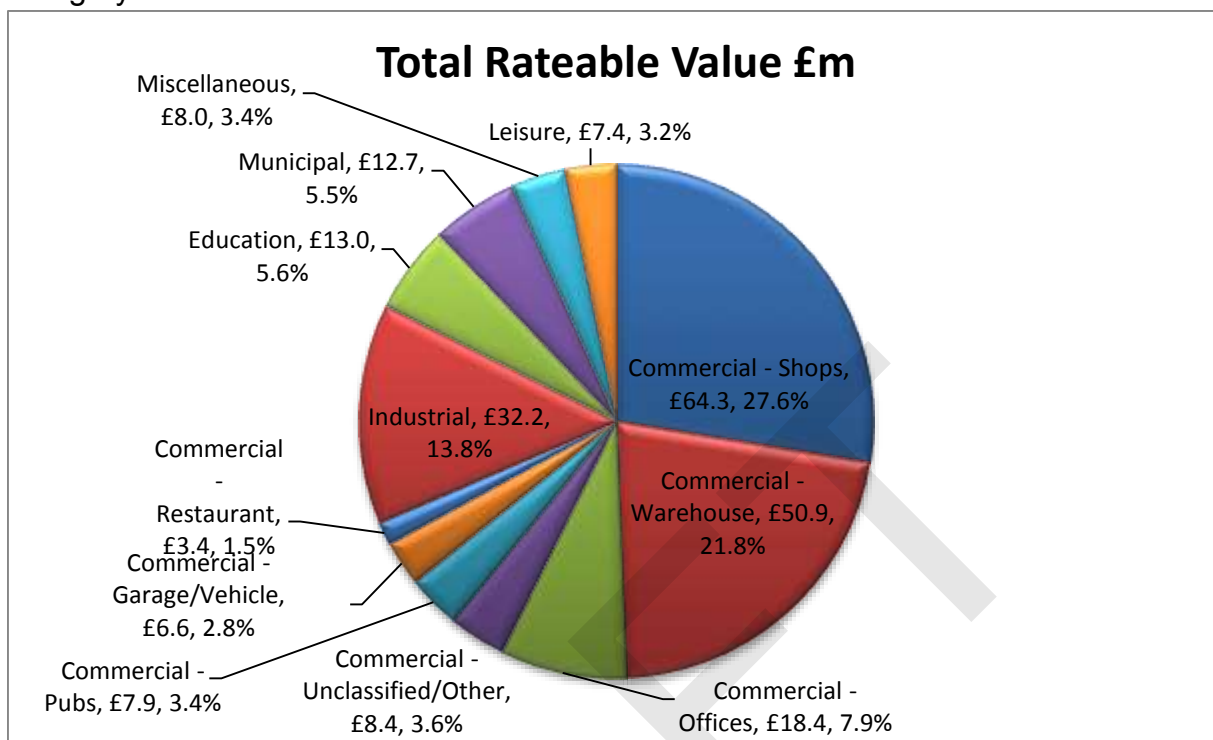
2. From 1990 to 2013 business rates were collected by local authorities and paid over to Government in full. Local authorities would then receive a share of the re-distributed business rates through a needs driven formula grant mechanism to provide revenue support. In April 2013, the business rates scheme changed with the introduction of the Local Government Finance Act 2012. With the new scheme 50% of local business rates income is retained locally (Doncaster retains 49% and passes on 1% to the South Yorkshire Fire & Rescue Authority) and 50% is passed to Government. Business rates income is based on debt raised less any anticipated bad debt rather than actual collection.

3. The local retention of business rates model calculates the difference between each Council's individual business rate baseline and their calculated baseline funding level and either a top-up or a tariff will be paid to Councils from Government. Doncaster Council will receive top-up funding of £27.197m for 2016/17, which represents the difference between our individual business rate baseline funding level £42.692m and the calculated baseline level £69.889m. The emphasis of these reforms is to move local government funding away from a needs based system to one based on business rates and incentivising growth in the Council Tax Base (through the operation of the New Homes Bonus). The top up is scheduled to be updated by RPI each year (as at the previous September). However in both December 2013 and December 2014 Autumn Statements the Government decided that it would limit Business Rates increases to 2% instead of the September 2013 and September 2014 RPI figures of 3.2% and 2.2% respectively. As a result the increase in the Council's top-up was limited to 2% for both 2014/15 and 2015/16 financial years. The Government have confirmed that from April 2017 there will be a Business Rates revaluation (note that 1st April 2015 has been notified as the valuation date for business rates assessments from April 2017) at the same time as significant reforms to the administration of Business Rates. Whilst they have said that the revaluation and reforms will be fiscally neutral nationally it is highly probable that there will be winners and losers locally. (Our current assumption is that the revaluation will be fiscally neutral for Doncaster MBC). This revaluation will lead to the revision of tariffs and top-ups. In general terms if the rateable value of businesses in a Council's area increases relative to the national average central Government assumptions will be that it can raise more income from Business Rates so Government will reduce its top-up funding or increase the tariff it must

pay. The opposite will apply if the rateable value of businesses in a Council's area reduces relative to the national average. Key dates for the revaluation are as follows:-

- January 2016 – June 2016 the Valuation Office Agency complete their rating valuations for the April 2017 rating list.
 - 30th September 2016 draft 2017/18 rateable values are published. These require checking for factual errors and so they can provide the basis for budgeting and decisions on appeal.
 - Provisional Settlement December 2016 Government publishes business rates multipliers and details of transitional arrangements. At this stage accurate budget estimates for 2017/18 can be provided.
 - 1st April 2017 – the new rating list comes into force and appeals can be lodged against the new list.
4. In its Budget Statement on 16th March 2016 the Government announced as part of a number of key reforms to Business Rates a reduction in the burden of Business Rates of £6.7bn over the next 5 years. The reforms are summarised below:-
- Permanently doubling Small Business Rate Relief (SBRR) from 50% to 100% and increasing the thresholds to benefit a greater number of businesses. Businesses with a property with a rateable value of £12,000 and below will receive 100% Relief. Businesses with a property with a rateable value between £12,000 and £15,000 will receive tapered relief. 600,000 small businesses, occupiers of a third of all properties, will pay no business rates at all – a saving worth up to £5,900 in 2017/18.
 - Increasing the threshold for the standard business rates multiplier to a rateable value of £51,000, taking 250,000 smaller properties out of the higher rate. This will reduce business rates for many small businesses – including some high street shops
 - The Government has indicated that local government will be compensated for the loss of income as a result of the business rates measures above and the impact will be considered as part of the Government's consultation on the implementation of 100% Business Rate Retention in Summer 2016 – note that it has already indicated that compensation will be paid by means of Section 31 specific grant
 - From April 2020, taxes for all businesses paying rates will be cut through a switch in the annual indexation of business rates from RPI to be consistent with the main measure of inflation, currently CPI.
 - The Government will aim to introduce more frequent business rate revaluations (at least every 3 years) and has published a discussion paper in March 2016 outlining options on how to achieve this to support both businesses and the stability of local authority funding.

5. For information, the breakdown of total rateable value of Business Rates by category is shown in the chart below: -



Localisation of Council Tax Support

6. The Council Tax Benefit system was abolished from 1 April 2013 and replaced with a form of local Council Tax Support called the Council Tax Reduction Scheme (which is now Doncaster's local scheme). Council Tax Benefit has therefore been replaced by a new Council Tax discount. This reduced the Council Tax Base from 2013/14 onwards because individuals who are entitled to financial help under the scheme to meet the costs of their Council Tax are now deemed to owe less Council Tax in the first place. The council received a fixed grant to compensate for the reduction in Council Tax income, although the grant only covered 90% of the 2012/13 benefits and protected pensioners. The initial funding allocations for 2013/14 were £17.1m for the Council and £9.6m for the S.Y. Police Authority and £4.4m for the S.Y. Fire Authority. Since 2013/14 the Government has not published revised allocations even though Government funding for local authorities has continued to reduce significantly. From the Council's total initial funding of £17.1m, £0.3m was distributed to the Parish Councils in 2013/14 and 2014/15 to protect as far as possible Council Tax payers. This has been reduced by 10% in 2015/16 and a further 10% in 2016/17.
7. A local benefit scheme was introduced to reduce benefits to meet the grant shortfall; discounts and exemptions were amended and Council Tax charged on empty properties and second homes to cover approximately £2.4m of the £3.3m funding shortfall. The current scheme has been updated, which was approved by Council on 16th January, 2016. (For the purpose of the Tax Base calculation the caseload eligible for LCTS is assumed to remain at 2016/17 level for the remainder of the MTF period)

Specific Grants

8. The Council receives a number of specific grants, which are non-ring fenced and can be redirected to other areas of service provision as required. It also receives some specific grants that are tightly ring fenced and can only be used for the specific purpose set out in the grant conditions. Specific grants are much fewer than in previous Spending Review periods as Government has rolled in excess of £5 billion of these grants into the baseline income for Business Rates Retention. The largest specific grant is Public Health and this is shown separately in the MTF. In addition to Public Health further details of the main specific grants (ring fenced and non-ring fenced) are provided below. The following table details the amounts announced for 2016/17 and the assumptions for 2017/18 - 2020/21.

Specific Grants

	2016/17 Grant £m	2017/18 Grant £m	2018/19 Grant £m	2019/20 Grant £m	2020/21 Grant £m
Ambition SCR	0.410	0.015	0.000	0.000	0.000
Better Care Fund (Improved)	0.000	1.333	7.176	12.185	14.185
Bikeability	0.030	0.030	0.030	0.030	0.030
Bus Service Operators Grant	0.044	0.044	0.044	0.044	0.044
Care Act 2014 Grants – rolled into BRR baseline in 2016/17 except for Social Care in Prisons Grant	0.343	0.343	0.343	0.343	0.343
DECC Central Heating Fund	0.053	0.053	0.053	0.053	0.053
Dedicated Schools Grant - Central Element (Includes Early Years)	21.105	21.005	20.855	20.614	20.614
DfE funding for additional recurrent Children's Services Trust costs	0.195	0.195	0.195	0.195	0.195
Discretionary Housing Payments Grant	0.676	0.676	0.676	0.676	0.676
DWP – Access to Work	0.016	0.000	0.000	0.000	0.000
Education Services Grant (Transitional General Rate 01.04.17 - 31.08.17 expected notification December 2016, funding for retained duties passported from ESG to DSG schools block for 2017/18 i.e. £0.698m)	2.440	0.698	0.698	0.698	0.698
ERDF/ESIF	0.242	0.242	0.202	0.000	0.000
Extended Rights to Free Transport		0.100	0.100	0.100	0.100
Higher Education Funding Council (cost reimbursement)	0.179	0.179	0.179	0.179	0.179
Housing Benefit & Localisation of Council Tax Support – Core Administration Subsidy (assumed 16% overall reduction in 2017/18 but potential for a greater reduction with the introduction of Universal Credit)	1.782	1.489	1.319	1.147	1.018
Independent Living Fund	0.751	0.726	0.703	0.682	0.660
Local Reform & Community Voices	0.206	0.206	0.206	0.206	0.206
Local Sustainable Transport Fund	0.464	0.464	0.464	0.464	0.464
Music Services	0.444	0.444	0.444	0.444	0.444
New Homes Bonus (CLG actual allocations to 2016/17, from 2017/18 onwards assumed to be reduced in line with December 2015 Consultation Paper e.g. 4 years duration, setting of a national baseline etc.)	5.051	4.137	3.421	2.773	1.600
National Non-Domestic Rates (NNDR) Collection	0.374	0.374	0.374	0.374	0.374
PFI Schools (fixed for 25 years duration of PFI scheme)	3.478	3.478	3.478	3.478	3.478
Pupil Premium (Children in Care Element)	0.760	0.760	0.760	0.760	0.760

	2016/17 Grant £m	2017/18 Grant £m	2018/19 Grant £m	2019/20 Grant £m	2020/21 Grant £m
Skills Funding Agency – Adult, Family & Community Learning (will be Adult Education Budget from 2017/18 administered by Sheffield City Region)	0.735	0.735	0.735	0.735	0.735
Skills Funding Agency - Apprentices (from 2017/18 assumed this grant replaced by same level of funding in Digital Apprenticeship Service Levy Training Account 'Other Income' in the MTF)	0.305	0.000	0.000	0.000	0.000
Skills Funding Agency – Skills Made Easy (City Deal)	0.115	0.038	0.000	0.000	0.000
Small Business Rate Relief (incl. 'New Empty' Relief)	1.684	1.684	1.684	1.684	1.684
Business Rates Inflation Compensation – Revenue Raised	0.692	0.692	0.692	0.692	0.692
Business Rates Inflation Compensation – Top Up	0.393	0.393	0.393	0.393	0.393
Retail Relief Compensation	0.010	0.010	0.010	0.010	0.010
Long Term Empty Relief Compensation	0.021	0.021	0.021	0.021	0.021
SEND Implementation Grant	0.208	0.208	0.000	0.000	0.000
Staying Put Implementation Grant	0.139	0.139	0.139	0.139	0.139
Teacher Training Grant	0.445	0.445	0.445	0.445	0.445
Troubled Families Grant (includes IDVA grant £10k)	1.170	1.170	1.170	1.170	1.170
Unaccompanied Asylum Seekers - Children	0.055	0.055	0.055	0.055	0.055
Youth Justice Board	0.675	0.625	0.575	0.525	0.475
Total	45.690	43.206	47.639	51.314	51.940

9. The December 2016 Finance Settlement for 2017/18 and subsequent grant announcements may result in additional cuts to specific grants over and above those previously identified; where this is the case it is assumed that the activities will cease and the Council will no longer incur expenditure in these areas (i.e. there will be exit strategies for all grant reductions) Exit strategies are required for the following grant reductions and therefore these are not included in the budget gap, further detailed at Appendix E:

	2016/17 Exit plan £m	2017/18 Exit plan £m	2018/19 Exit plan £m	2019/20 Exit plan £m	2020/21 Exit plan £m
Air Pollution	-0.020				
Ambition SCR		-0.395	-0.015		
Care Act 2014 Grants	-0.869				
Dedicated Schools Grant		-0.100	-0.150	-0.241	
Discretionary Housing Payments					
DWP – Access to Work		-0.016			
ERDF/ESIF	-0.174		-0.040	-0.202	
Higher Education Funding Council (cost reimbursement)	-0.026				
Housing Benefit & Localisation of Council Tax Support Core Administration Subsidy – SFIS Transfer	-0.198				
Independent Living Fund		-0.025	-0.023	-0.021	-0.022
Music Services	-0.004				
Public Health Grant	-0.579	-0.618	-0.635	-0.619	0.000
SEND Implementation Grant			-0.208		
Skills Funding Agency – Adult, Family & Community Learning	-0.003				

	2016/17 Exit plan £m	2017/18 Exit plan £m	2018/19 Exit plan £m	2019/20 Exit plan £m	2020/21 Exit plan £m
Skills Funding Agency – Skills Made Easy (City Deal)		-0.077	-0.038		
Unaccompanied Asylum Seekers - Children	-0.030				
Youth Justice Board	-0.053	-0.050	-0.050	-0.050	-0.050
Total Exit Strategies	-1.956	-1.281	-1.159	-1.133	-0.072

10. The Health and Social Care Act 2012 provided the statutory basis for Local Authorities to assume their new Public Health responsibilities from 2013/14. From this date the majority of Public Health functions transferred to the Council although some specialist elements of Public Health such as children's services 0-5, cancer screening etc. were retained by the NHS. Children's Public Health commissioning responsibilities for 0-5 year olds transferred from NHS England to Local Authorities on 1st October 2015 and this joins up that already done by Local Authorities for children & young people 5-19. The full year effect of the 0-5 year olds grant in 2016/17 is £6.90m.

In July 2015 the Department of Health began a consultation on a national £200m in year cut to Public Health Grant in 2015/16. This reduced Doncaster's total Public Health grant by £1.464m to £22.184m (6.2% straight cut). A letter from Public Health England on 27th November 2015 advised that the £200m in year cut in 2015/16 would continue for future years and in addition further savings will be phased in at 2.2% in 2016/17, 2.5% in 2017/18, 2.6% in each of 2018/19 and 2019/20 and flat cash in 2020/21. The ring fence on public health spending will be maintained in 2016/17 and 2017/18 and Government will consult on options to fully fund local authorities' public health spending from their retained business rates receipts, as part of the move towards 100 per cent business rate retention. For 2016/17 the Council had a significant reduction in the Public Health Grant of £2.1m.

11. Further information on other specific grants is provided below:

- a. Improved Better Care Fund – the Government is providing £1.5 billion additional funding for local authorities to spend on adult social care by 2019/20, to be included in an Improved Better Care Fund. The Government has said that it recognises that authorities have varying capacity to raise council tax. They are therefore proposing to allocate the additional funding for the Improved Better Care Fund through a separate grant to local government, using a methodology which provides greater funding to those authorities which benefit less from the additional council tax flexibility for social care. However this additional funding does not commence until 2017/18. The distribution of the funding is considered in the 2017/18 Local Government Finance Settlement Technical Consultation Paper, however there is no mention of grant conditions. This is separate to the Better Care Fund currently received which is shown under other income below.
- b. Dedicated Schools Grant (DSG) funds the schools budget (funding for schools and services that are provided centrally to pupils, early years and high needs budgets). The initial 2016/17 Block allocations including Academies are as follows:
 - Schools Block Allocation £185.9m – this is almost entirely delegated to schools, with some budgets de-delegated/held centrally for services to be provided centrally to pupils/schools. Schools will be

provided with budget allocations for 2016/17 by the DfE deadline of 29th February 2016. The 2016/17 school funding formula, used to allocate Schools Block DSG, was consulted and agreed upon with Schools Forum on 30th September 2015. The draft Authority Proforma Tool (APT), returned to the Education Funding Agency (EFA) in October 2015, was approved by the EFA and the final APT, returned on 21st January 2016, is based on the October 2015 return.

- High Needs Block Allocation £28.1m
- Early Years Block Allocation £14.3m

Once all funding allocations and deductions are confirmed in March 2016 it is anticipated that the main services funded centrally by DSG will be Early Years c.£8m with the remaining c.£12m being used for assessment and support for pupils with Special Educational Needs, support for ethnic minority achievement in schools, schools admissions, staff absence compensation and various other statutory functions including the Schools Forum.

- c. Education Services Grant - in 2013/14 £1,038m was transferred from the Business Rates Retention scheme to establish this new specific grant. Councils deliver a range of central education support services on behalf of schools which, when schools become academies, they have to secure for themselves e.g. governor support, asset management, HR employer functions. Up to and including 2012/13 academies received money for these responsibilities through the Local Authority Central Spend Equivalent Grant (LACSEG). From April 2013 LACSEG was replaced with a new grant Education Services Grant (ESG) which is distributed by the DfE as a separate un-ringfenced specific grant to councils and to academies proportionate to the number of pupils for which they are responsible. The June 2013 CSR announced a £200m reduction in the ESG from 2015/16, approximately 20% of the 2014/15 grant total. The November 2015 Spending Review indicated that the Government planned savings of £600m in ESG including phasing out the additional funding schools receive through the grant. The Government has said that it will end the local authority role in running schools and remove a number of statutory duties. The delivery of £600m savings implies an 80% grant reduction and to reflect this the MTFF assumes from 2017/18 that the Council's grant receipt is reduced to around £0.7m per annum to cover the retained duties element of ESG. The Government commenced its first consultation on policy and funding proposals in March 2016 and stated its intention that ESG would cease from 1st September 2017. The 2017/18 Education Funding announcement of 21st July 2016 advised that £117m nationally has been passported from the ESG retained duties funding to the DSG schools block of which Doncaster's share is £0.698m for 2017/18. It is assumed that funding for retained duties remains at £0.698m for the remainder of the MTFF period. The transitional general rate of ESG from 01.04.17 - 31.08.17 is expected to be notified in December 2016. The Council's 2016/17 ESG is estimated at £2.440m.
- d. Housing Benefit & Localisation of Council Tax Support Administration Subsidy – When this grant was originally introduced several decades ago it was supposed to fairly compensate Billing authorities for the

costs they incurred in administering national Housing Benefit and Council Tax Benefit schemes (from April 2013 the national Council Tax Benefit scheme was abolished and replaced with a form of Local Council Tax Support called the Council Tax Reduction Scheme which is Doncaster's scheme). However this link between the costs that billing authorities incur and grant funding was broken some years ago and this grant is now nothing more than a contribution towards costs incurred. The national grant funding for both administration subsidies is £300.8m for 2016/17 and Doncaster's share is £1.782m which reflects a 13% grant cut from 2015/16. Note that there has been no additional administration funding for the discretionary responsibilities that have been placed on authorities in recent years such as administration of discretionary housing payments which is being increasingly used by DWP to mitigate the impact of welfare reforms. This grant is expected to undergo significant review as the implementation of Universal Credit gathers pace. At the present time a grant reduction of 16% is assumed for 2017/18.

- e. The estimated cost of £94.3m for Housing Benefit is based on an assumed 13,300 caseload for tenants in public sector accommodation and on an assumed 11,600 caseload for tenants in the private sector.
- f. New Homes Bonus (NHB) is a grant that is currently paid for 6 years by Government based on the amount of extra Council Tax revenue raised for new-build homes, conversions and long-term empty homes brought back into use. There is also an extra payment for providing affordable homes. However, the grant is funded by reducing the baseline funding available for Councils and as a consequence Doncaster is worse off because the amount deducted is significantly more than the grant received. The NHB for the Council has been confirmed at £5.051m for 2016/17. This is an additional £1.57m compared to 2015/16 mainly due to housing growth and a further small reduction to empty properties.

The net grant loss is significant at £20.7m. The position is reasonably comparable with other Metropolitan Districts who also fare badly from the redistribution of grant funding, due to the relatively high levels of grant funding received and high levels of deprivation. The DCLG led evaluation of the NHB published in December 2014 concluded that the most negative impacts of the NHB were seen in authorities in the north of England and Yorkshire and the Humber. The NHB is therefore being utilised to assist with the loss in grant. Housing growth is being progressed utilising alternative funding streams. The updated estimated grant figures are set out in the table below. In December 2015 the Government issued a Consultation Paper 'New Homes Bonus: Sharpening the Incentive' with the purpose of cutting the amount of grant it has to pay out as New Homes Bonus by for example reducing the number of years for which the Bonus is paid from the current 6 years to 4 or less and by introducing a national baseline for housing growth which has to be exceeded before any Bonus becomes available. It is expected that a reformed New Homes Bonus will be implemented with effect from 2017/18 New Homes Bonus grant allocations. It is possible that the Government will have published their response to the Consultation by the Parliamentary

recess in July which could assist in firming up the Councils NHB estimates for 2017/18 onwards in paragraph 8 above.

Year	DMBC NHB Estimate (Housing Growth) £k	DMBC NHB Estimate (Reimbursement Grant) £k	DMBC Total Grant Receipt £k	DMBC Grant Reduction £k	Net Grant Loss £k
2011/12	403	0	403	1,412	1,009
2012/13	928	0	928	3,054	2,126
2013/14	1,314	565	1,879	5,312	3,433
2014/15	2,430	228	2,658	6,729	4,071
2015/16	3,478	224	3,702	8,500	4,798
2016/17	5,051	160	5,211	10,518	5,307
Total	13,604	1,177	14,781	35,525	20,744

- g. PFI Schools - the Council entered into a PFI agreement with Government to rebuild Mexborough and Thomas Wharton Secondary Schools. The rebuilds were completed during 2008/09 and the Government will pay an annual grant of £3.478m for 25 years towards costs incurred, the final payment will be made in 2033/34
- h. Other – in addition to the above there are various smaller grants that the Council receives in particular Local Reform and Community Voices grant (awaiting confirmation on the grant amount for 2016/17), which provides a financial contribution to:
- Costs incurred for Deprivation of Liberty Safeguards in Hospitals.
 - Costs incurred for statutory duties around local Health watch

Other Income

12. Other income includes Continuing Health Care Contributions and Section 256 and Section 75 Agreements with the NHS, income from Other Local Authorities as well as income from charges made to Schools (including Academies), Housing Revenue Account, St Leger Homes and Children's Services Trust. A significant Section 75 (Pooled Budget) Agreement with the NHS concerns the Better Care Fund (formerly known as the Integration Transformation Fund). This was originally announced as part of Spending Review 2013 to support the integration of health and social care through pooled budget arrangements. The funding is to be spent locally on health and care, "to drive closer integration and improve outcomes for patients and service users and carers". In addition, to funding transferred from the NHS in 2013/14 of £900m nationally, there was a further £200m in 2014/15 to assist localities in preparing for the Better Care Fund, to comprise £1.1bn in total for 2014/15. In December 2014 Government indicated that the total pooled budget for the Better Care Fund would increase to £3.46bn in 2015/16. The pooled budget for 2016/17 is £3.52bn.

13. The Better Care Fund will;

- Provide an opportunity to transform care so that people are provided with better integrated care and support.
- Help deal with demographic pressures in adult social care.
- Assist in taking the integration agenda forward at scale.

- d. Support a significant expansion in care and community settings.

14. Deployment of resources is subject to the following conditions;

- a. Protection for social care services (not spending);
- b. As part of agreed local plans, 7-day working in health and social care to support patients being discharged and prevent unnecessary admissions at weekends
- c. Better data sharing between health and social care, based on the NHS
- d. Ensure a joint approach to assessments and care planning
- e. Ensure that, where funding is used for integrated packages of care, there will be an accountable professional;
- f. Risk-sharing principles and contingency plans if targets are not met – including redeployment of the funding if local agreement is not reached
- g. Agreement on the consequential impact of changes in the acute sector.
- h. Wide stakeholder involvement

15. Doncaster's allocations have continued to rise from £4.060m in 2011/12, £3.887m in 2012/13, £5.404m in 2013/14 and £6.920m in 2014/15 under the Better Care Fund scheme. Doncaster Council's 2015/16 allocation has remained at £6.920m, which will be transferred to the Council from the PCT. The 2016/17 allocation is £7.040m and this funding is expected to continue at this level in 2017/18 and beyond. The Doncaster Health and Wellbeing Board, including South Yorkshire and Bassetlaw NHS England Area Team, Doncaster Clinical Commissioning Group and Doncaster Council, discuss how the funding should be spent.

The following table sets out the Other Income estimates for 2016/17, the assumptions for 2017/18 – 2020/21 will be updated as part of the budget setting process and final figures for 2017/18 included in the budget report for Council on 2nd March 2017:

	2016/17 £m
External Recharge Income – includes charges to Schools including Academies (including for the Schools PFI), to the Housing Revenue Account, St Leger Homes and to the Children's Services Trust	29.130
NHS Contributions – includes income from Continuing Health Care Contributions and Section 256 and Section 75 Agreements with NHS (Better Care Fund & Pooled Budgets)	11.251
Trading Services Income	9.676
Contributions from Other Public Bodies - includes contributions from Rotherham MBC in respect of Waste PFI credits and the Coroners Service, contributions from the Home Office for Prison Libraries, from the Police & Crime Commissioner for Community Safety and recoupment from Other Local Authorities where their children are placed in Doncaster Council maintained schools	4.079
Contributions Towards Expenditure – includes service charges and various cost recovery charges including recovery of Court costs by Local Taxation Services	2.418
Investment Interest	0.470
Developer Contributions	0.220
Other Contributions - includes external income from alarm monitoring for housing associations and from energy companies in relation to feed in tariffs for solar panels.	0.211
Housing Benefit – Potential Recovery of Overpayments	0.090
Total	57.545

The Collection Fund

16. All Council Tax receipts and Business Rates receipts are paid into and separately accounted for in the Collection Fund. Any surplus or deficit must be shared amongst the preceptors and utilised in budget setting in the following financial year. For Council Tax the preceptors are Doncaster Council, South Yorkshire Police Authority and South Yorkshire Fire & Rescue Authority. For Business Rates the preceptors are Doncaster Council, Central Government and South Yorkshire Fire & Rescue Authority.

Council Tax

17. A breakdown of the 2016/17 Council Tax income and assumptions are provided below:

Council Tax	£1,190.32
Band D Equivalent Properties	77,071
Council Tax Income	91.739
Collection Fund (Council Tax) Surplus	2.818
Total Council Tax Income	94.557

- Council Tax for 2016/17 increased by 3.95%, which included the Government's 2% social care 'levy', (from £1,145.09 to £1,190.32).
- The collection rate is 97%.

All changes to the above figures are policy decisions and therefore detailed in the budget savings at Appendix D.

Business Rates

18. The key assumptions behind the figures in this Appendix are set out below:-

- The proposals assume that the small Business Rates multiplier increases by 2% in 2017/18 and future years;
- The net Business Rates income is reduced for losses on collection and losses due to appeals of approximately 1.5% and 2% respectively.
- After 2016/17 it is assumed that the only increase in Business Rates income arises from the 2% multiplier assumption.
- The business rates revaluation which will apply from 1st April 2017 will impact on the above but it will not be able to fully take account of this until the provisional settlement in December when the Business Rates multipliers are published.

Pay Inflation, Increments and Pension Contributions

19. The assumptions in the staffing costs taking into account all the decisions made are detailed below including the 2.2% pay increase given in January 2015.

The assumptions on the pension contributions detailed below include the future service rate increases to 15.5% (an average of 14.9% over 3 years) this takes into account the following assumptions:

	% of Pay
2013 Future service rate	12.9%
Removal of 50/50 allowance	0.6%
Change in profile of membership	0.5%
Change in financial and demographic assumptions	0.9%
2016 Future Service rate	14.9%

The latest information on the actuarial valuation shows Doncaster's Pension Fund deficit as £160m. The Pension deficit payment is based on the key membership analysis and recovering the £160m deficit over the next 19 years from 2017/18. The deficit figures include allowance for short term pay growth of 1.25%p.a for 4 years up to 2019/20. Please note these are still to be agreed with the Actuary and therefore may change.

	2016/17 £'m	2017/18 £'m	2018/19 £'m	2019/20 £'m	2020/21 £'m
Pay Inflation - Assumed 1.0% pay award from 2016/17 - 2020/21	1.04	0.71	0.80	0.96	1.04
Increments	1.62	1.35	0.22	1.19	0.22
National Insurance Change brought forward to 2016/17 £1.6m	1.64				
Living Wage Foundation implementation	0.20	0.15	0.57	0.81	0.81
Employers Pension Contribution:					
Funding required for pension deficit	0.29	-0.92	0.23	0.24	0.30
Future Service Contribution Rate phased increase to 15.5% in 2019/20		0.92	0.78	0.19	
Auto Enrolment from 01.10.17 (assumed 50% remain in the Fund)		0.20	0.20		
Total	4.79	2.41	2.80	3.39	2.37

Price Inflation

20. The Government's Summer Budget of 8th July 2015 by introducing a National Living Wage for those aged 25 and over of £7.20 from 1st April 2016 with the expectation that it will rise to £9.35 from 1st April 2020 has had a very significant impact on the costs of Adult Social Care contracts. The estimated cost increases for 2017/18 will be recalculated based on the announcement in the autumn statement that the rate will be £7.50 from 1st April 2017.
21. A proportion of Council expenditure is tied up in contracts, which have inflation increase assumptions built into the terms and conditions. The financial strategy assumes that these cost increases will need to be built into future projections in full. There are also a small number of areas of general expenditure on services and goods, where a general inflation factor has been estimated, based upon what is known of the market pressures and the R.P.I. projections, for example repairs and maintenance of buildings. These costs include pension scheme auto enrolment costs incurred by adult social care contractors estimated at £0.2m. A summary of the latest projected inflation to be provided in 2017/18 is provided below and takes account of additional price inflation pressures expected as a result of the June 2016 Brexit vote. We anticipate updating the inflation projections to take into account the latest RPI/CPI rates prior to setting

the budget in March 2017. No inflation is applied for expenditure areas not mentioned below:

2017/18	£m
Adults Social Care Contracts – National Living Wage	2.534
Other Inflation	
Adults Social Care Contracts <ul style="list-style-type: none"> • Residential Care – Auto Enrolment (£0.121m) • Domiciliary Care – Auto Enrolment (£0.052m) • Supported Living (£0.539m) 	0.712
Business Rates (2%)	0.039
LOCYP Placements (5%)	0.037
Trust Placements (5%)	0.391
Electricity & Gas (13% & -18%)	0.455
Highways Contracts (1.8%)	0.102
Pension / Retirement Costs (1%)	0.053
Schools Catering provisions (2.0%)	0.049
Waste Contracts (2.2% and 3.5% but refuse collection contract scheduled for renewal from October 2017)	0.535
Building Repairs & Maintenance (1.5%)	0.023
MRP Inflation	0.106
Transport (2%)	0.019
School Transport (1.2% and 3.9%) includes 2016/17 prior year adjustment of £0.025m	0.049
Water (3%)	0.006
LIFT Contracts (2%)	0.012
Carbon Reduction Commitment (3.1%)	0.010
Landfill Tax (2.0%)	0.026
Members Allowances (1%)	0.009
General (cover for unforeseen items/changes)	0.743
Subtotal Other Inflation	3.376
Total Price Inflation	5.910

Services and Other Budget Pressures

Capital Programme & Levies

22. It is assumed that one-off costs attributable to the capital programme will be funded from the one-off income identified. For 2017/18 it is assumed that an additional £100k will be required for increases in drainage levies charged by the Environment Agency and Drainage Boards.

23. Apprenticeship levy - In its summer 2016 Budget the Government said that it would introduce a levy on large UK employers to increase the number of apprenticeship starts. In England, employers will be able to access this funding for apprenticeship training. The Government have said that it will legislate to force large public sector employers to have 2.3% of their workforce as

Apprentices. In the November 2015 Spending Review the Government indicated that the apprenticeship levy will be introduced in April 2017 at a rate of 0.5% of an employer's paybill, to deliver 3 million apprenticeship starts by 2020. Each employer will receive an allowance of £15,000 to offset against their levy payment. This means that the levy will only be paid on any paybill in excess of £3 million and that less than 2% of UK employers will pay it. The levy will be paid through Pay As You Earn. By 2019/20, the levy will raise £3 billion in the UK. It is now clear that the pay bill of the Council will be added to the remaining primary schools under local authority control for the payment of this levy. It is also clear that the Doncaster Children's Services Trust will be required to pay the levy. A pressure of £0.75m has been included in the budget proposals for the cost of the levy and £0.3m saving to be pursued to charge the schools element. Government have said that employers committed to training should get at least as much out of the fund into which the levy is paid as they put in it, although the Council is expecting to lose the current Skills Funding Agency Grant for Apprenticeships. This will be further reviewed and more details are expected during 2016/17.

Budget Pressures

24. The service pressures are estimated at £5.4m for 2017/18 and £15.6m for the period 2017/18 to 2020/21; these are detailed at Appendix C. All service pressures are robustly challenged to ensure that they are absolutely necessary for on-going delivery of Council services.

Initial Draft Budget Proposals 2017/18 - Detail

Total

5.451

Proposal	Directorate	Future Council	Service/Saving Proposal	Narrative	2017/18 £'m
Pressure	AH&Wb	N/A	Demographics	The Council is facing pressures on its services as a result of an ageing population and a greater demand from working age adults. Based on local population forecast data it is estimated that this increased demand with cost circa. £450k per annum.	0.446
Pressure	AH&Wb	N/A	Digital Council	The original Digital Council savings have now been incorporated elsewhere in the AHWb savings, so this is required to remove double counting.	0.716
Pressure	AH&Wb	N/A	Direct Payments	Direct Payments (DP) will increase through better promotion and better management of the process. Expectations and benefits of individual budgets will be discussed with service users early in the customer journey with the aim to encourage users to shift from directly provided care into DPs in a number of areas, for example in day services and Supported Living. Along-side DP's a range of other delivery mechanisms for personal budgets will be developed/promoted (such as per-paid cards and Independent Living Funds (ILFs).	0.220
Pressure	AH&Wb	N/A	Supported Living	The Council will work with the market to develop an increase provision in this category to support a shift out of residential care. At the same time some existing service users will be encouraged to move to individual budgets (DP, ILF or other option) to support choice and control. Overall there will be an increased cost of this service as a result of higher numbers of users but this will be partially offset as unit costs per head are expected to reduce through better commissioning. The Council will move from the current large block contracts to commissioning and payment on the basis of outcome. The Council will also examine alternative ways of delivering the current In house provision.	0.104
Pressure	AH&Wb	N/A	Technology	The Council will need to enhance it's ongoing investment in Business intelligence and predictive Analytics Technology to facilitate delivery of the Transformation Programme.	0.100
Pressure	AH&Wb	N/A	Transitions	The Council estimates that the cost of clients transitioning from LOCYP to Adults Services is £265k per annum.	0.265
Pressure	Council-Wide	N/A	Additional Leave	Additional leave pressure due to additional hours/overtime paid.	0.250
Pressure	Council-Wide	N/A	Apprenticeship Levy	Apprenticeship levy - this is the estimated full cost of the levy to the Council (including the schools cost).	0.750
Pressure	Council-Wide	N/A	Other Service Pressures	Additional £0.6m, along with the other service pressures (except Adults, Health & Wellbeing) identified this provides £2m in total for 2017/18. This will be further reviewed and included in the budget report for March 2017.	0.600

Proposal	Directorate	Future Council	Service/Saving Proposal	Narrative	2017/18 £'m
Pressure	F&CS/R&E	N/A	Education Services Grant	The total Education Services Grant reduction is currently estimated at £1.742m. The target for Corporate Services is £0.4m, however it is unlikely that respective savings can be identified and costs reduced accordingly. This pressure is currently being reviewed.	0.120
Pressure	LOCYP	N/A	Additional CWD Placements	The Children with Disability (CWD) Out of Authority (outside the borough) residential budget is for 4.8 places @ £179k. The projection for 17/18 is for 7.4 places and the average cost has increased. The plan to transfer some children to fostering is unlikely to be delivered in short-term. £75k can be released from in-house and independent CWD fostering, which leaves funding for c. 17 CWD fostering places and a small level of growth. However, going forward we need to review continuing healthcare contributions and the cost of care placements (market competition), so aim to reduce pressure to £250k and then clear by 2018/19.	0.250
Pressure	LOCYP	N/A	Additional Aiming High / Short Breaks	Aiming High/Short Break placements - there has been an increase in children with care packages to support. April 2015 = 166 children with an open care package. April 2016 = 197 (increase of 31) End of Q1 16/17 = 210 (increase of 13 in 3 months) (Note - growth/costs mostly relate to sessional support rather than direct payments). Assuming net growth of 4 per month for the rest of this financial year, 31 st March 2017 forecast to have 246 (increase of 49 compared to April 2016) and will need £366k in 17/18 (based on £5k/yr per care package). Both activity and price of packages need to be addressed/reviewed, which would help bring down costs. Therefore aim to half pressure by £200k for 2017/18.	0.200
Pressure	LOCYP	N/A	Consequence of judicial review - School Absence Fines	School Absence Fines - following the national judicial review this income is forecast to reduce to £75k.	0.075
Pressure	R&E	N/A	Mexborough Car Park income	This is to remove the income budget for car parking charges that haven't been introduced.	0.160
Pressure	R&E	N/A	Car Parking FPNs	This is to reduce the income forecast for Car Park Fixed Penalty Notices in line with actual values.	0.199
Pressure	R&E	N/A	Bentley Training Centre	Reduce the income forecast in line with actual values.	0.090

Proposal	Directorate	Future Council	Service/Saving Proposal	Narrative	2017/18 £'m
Pressure	R&E	N/A	Accredited Learning	The historic income budget is higher than the current level of grant being offered by the Skills Funding Agency (SFA). Grant is based on outputs not cost of delivery, if the latter is reduced this would affect the current level of outputs and lead to a further decrease in grant.	0.055
Pressure	R&E	N/A	HoS Skills & Enterprise	Shortfall in budget which has been met from one-off savings in 2016/17.	0.025
Pressure	R&E	N/A	Construction Services	Income targets not being achieved this is mainly in respect of income generated from recharges to capital within Design services.	0.438
Pressure	R&E	N/A	Markets	Mainly due to income targets not being achieved.	0.189
Pressure	R&E	N/A	Passenger Transport	Pressure due to an increase in requests for the provision of home to school transport.	0.199

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Total

-22.079

Proposal	Directorate	Future Council	Service/Saving Proposal	Narrative	2017/18 £'m
2016/17 Saving Approved	Council-Wide	Economy / Inclusive Growth	Commercialisation and Marketing Income	Many local authorities are increasingly looking to trade their best services more widely in order to maximise opportunities for income generation.	-0.100
2016/17 Saving Approved	R&E	Economy / Inclusive Growth	Assets	To reduce the running costs of and increase income from the councils asset portfolio. This will be achieved through a reduction in the number of assets, either through disposal or lease; reducing the running costs of the retained buildings through a review of contracts; reducing staff related to buildings and through increased income from leasing assets/ space. The council is also working very closely with partners across the public sector to share space where possible and increase utilisation of operational buildings.	-1.651
2016/17 Saving Approved	R&E	Economy / Inclusive Growth	Parking - bus lane enforcement	Parking - Introduce bus lane enforcement using CCTV cameras.	-0.030
2016/17 Saving Approved	AH&Wb	Health and Independence	Reducing the number of Independent Residential Placements (2016/17 saving)	The key elements of the wider projects, within the transformation programme, include the need for a comprehensive universal offer, an improved falls pathway, primary care strategy, a new intermediate care offer and the use of self-assessment and other support to enable earlier interventions to help people remain at home - living safely and with an improved quality of life. As a consequence of these measures there will be a reduction in the total cost of admissions to long term residential care. This will be apparent in a reducing number of people in care (the rate of admissions into the beds and the changing numbers of those already in care). A net figure of two less people in residential care per week throughout 16/17 will achieve a £0.8m reduction in 16/17 (gross reduction £1.12m), reducing the clients to 1410 by 31st March 2017. The full year effect of these changes in 2017/18 will achieve a further £0.8m reduction.	-0.800

Proposal	Directorate	Future Council	Service/Saving Proposal	Narrative	2017/18 £'m
Saving	R&E	Cleaner / Greener	Highways and Streetscene	<p>The Highways Operations and Streetscene saving of £500k for 2017/18 will be achieved by,</p> <ul style="list-style-type: none"> * Highways Operations - £145k - Smartlight Phase 2 delivers £30k and Street Lighting (through reduction in spend on materials, equipment and testing) saves £115k * Street Scene - £355k <ul style="list-style-type: none"> (a) Route Optimisation £51k (b) Service Transformation - 7 day working £71k (c) Sponsorship and Advertising - Bedding plants £15k (d) Reduction in operating Costs inc Contract Hire, Traffic mgt and employee allowances £49k (e) Service Devolution - Partnership Working £64k (f) Increased use of Volunteers £15k (g) Service Commercialisation - Maximise Trading income £65k (h) Woodland Improvement Project £25k 	-0.500
Saving	R&E	Cleaner / Greener	Highways and Streetscene	<p>The Highways general fund 2017/18 saving of £500k will be achieved by the following,</p> <ul style="list-style-type: none"> (a) - Asset Maint - £65k - Reduction in various asset maint areas including Drainage Repairs, Condition Surveys, Carriageway reactive maintenance. (b) Safer Roads - £80k - Reduction in road safety works £30k, Educational Materials £20k and an increase in fee income £30k. (c) Network Management - £61k - Fully resourced inspection team £41k and increase in network management fee £20k. (d) Highways Operations £40k - Increase in Trading income £30k and Increased Mechanisation £10k. (e) Staffing reduction £25k (f) There will also be a transfer from the Capital Local Transport Plan (LTP) of £229k to ensure the full saving is achieved. 	-0.500
Saving	R&E	Cleaner / Greener	Regulation & Enforcement	<p>The £100k saving for 2017/18 will be achieved through various different elements as follows,</p> <ul style="list-style-type: none"> (a) Commercialisation - e.g. selling expertise to developers, other Local Authorities £35k (b) Reduction in Standby Allowance £12.5k and Staff Overtime £12.5k by removing some of the duplication of duties and having multiple staff 'on call'. (c) Cost Recovery - Generate more income within services £25k. (d) Service efficiencies - including out of hours and full service review £15k, the full saving will be achieved in 18/19. 	-0.100

Proposal	Directorate	Future Council	Service/Saving Proposal	Narrative	2017/18 £'m
Saving	R&E	Cleaner / Greener	Waste Contract	Various changes to be implemented alongside the new waste collection contract which starts in October 2017. 17/18 Saving to be achieved by:- (a) Introduction of a charge to residents for replacement bins - Total saving will be £220k, £110k in 17/18. (b) Non infectious clinical waste to now be collected with domestic collection rather than separate collection which makes a total saving on both collection and disposal costs of £75k, £37.5k in 17/18. (c) Fridges/Freezers no longer to be collected for free, residents to pay for collection now generating a total saving of £35k, £17.5k in 2017/18. (d) Removal of the free collection of asbestos saves £15k, £7.5k to be achieved in 17/18. (e) Aside from the changes in the collection contract the fees are also to be increased for Bulky collection to £30 (£15 for those on benefits) resulting in saving in 17/18 of £27.5k.	-0.200
Saving	Council-Wide	Economy / Inclusive Growth	Business Rates Income	Business rates growth excluding SCR/DEVO - 2% per annum increase in multiplier already included in the 1st March 2016 Council approved MTF (see paragraph 15). Additional £1.9m growth was initially identified for 2017/18 based on known and expected developments, e.g. new build at the Iport, several new supermarkets across the borough and new developments at Quora Retail Park Thorne, Waterdale and Young Street. This has been reduced by £0.9m to take into account the estimated changes in reliefs, top-up grants and DMBC properties following revaluation and the release of the draft 2017 list. Includes £0.7m for the release of the Business Rates contingency budget.	-1.753
Saving	Council-Wide	Economy / Inclusive Growth	Council Tax 1.99% Increase	Council Tax increase of 1.99%.	-1.852
Saving	Council-Wide	Economy / Inclusive Growth	Government's 2% Social Care "levy"	Estimate for the Government's 2% Social Care "levy".	-1.900
Saving	Council-Wide	Economy / Inclusive Growth	Council Tax Collection Fund	Collection Rate - decrease assumed loss on collection from 3% to 2%. Collection Fund surplus - change in distribution of accumulated surplus in the Collection Fund from £2.8m in 2016/17 to	-0.663
Saving	Council-Wide	Economy / Inclusive Growth	Council Tax Base Growth	Council Tax base growth - estimated based on additional 750 properties per annum.	-0.862
Saving	Council-Wide	Economy / Inclusive Growth	Local Council Tax Support Scheme (LCTS)	LCTS change (based on outturn).	-0.261
Saving	Council-Wide	Economy / Inclusive Growth	Fees & Charges	General fees and charges increases in line with the strategy for 2017/18, which is detailed in the report.	-0.243
Saving	Council-Wide	Economy / Inclusive Growth	Metropolitan Debt Levy	Metropolitan Debt Levy - Interest payment expected to fall faster than Principal repayment in 2017/18.	-0.067

Proposal	Directorate	Future Council	Service/Saving Proposal	Narrative	2017/18 £'m
Saving	R&E	Economy / Inclusive Growth	Planning and Building Control	£100k intended to be met from planning application income (based on current collection rates). Planning income can be volatile; this would represent £300k of cumulative savings from this source since 2015/16 and may take up any flexibility should future income levels fall.	-0.100
Saving	R&E	Economy / Inclusive Growth	South Yorkshire Passenger Transport Executive (SYPTTE)	SYPTTE savings, a £675k saving equates to 5% reduction in our levy payment which would mean a total levy reduction of £3.02m. This will mainly be delivered from demand-led reductions (concessionary fares for adults), falling debt costs and operational efficiencies.	-0.675
Saving	R&E	Economy / Inclusive Growth	Housing Management	Savings will be targeted for Housing management to deliver.	-0.100
Saving	Council-	Education & Skills	Apprenticeship Levy	Apprenticeship schools levy - estimated income from charging schools for the levy.	-0.300
Saving	AH&Wb	Enablers / Fit for Purpose	Adults, Health & Wellbeing Staff savings	Staffing savings delivered through VR/VER during 2016/17 to generate on-going savings in future years.	-0.566
Saving	AH&Wb	Enablers / Fit for Purpose	Libraries	The Council will explore further opportunities for commercialisation and income generation across the libraries and heritage services including alternative service delivery models and efficiencies.	-0.100
Saving	Council-Wide	Enablers / Fit for Purpose	Consultants & Agency	Agreement to reduce spend on Consultants and Agency.	-0.100
Saving	Council-Wide	Enablers / Fit for Purpose	Council-wide - Spans & Layers /Senior Mgt.	Revised spans and layers/Senior Management reduction.	-0.100
Saving	Council-Wide	Enablers / Fit for Purpose	Procurement	Procurement savings target (Regeneration & Environment/Finance & Corporate Services & Education).	-0.250
Saving	Council-Wide	Enablers / Fit for Purpose	Treasury Management	Savings are expected on Treasury Management budgets due to lower borrowing required and therefore less interest costs. There is lower borrowing due to the continued use of under-borrowing currently £72m. And, lower interest rates for new borrowing/refinancing loans. Although this is offset by reduced interest income from investments.	-1.500
Saving	F&CS	Enablers / Fit for Purpose	Professional Business Support (PBS)	PBS senior management/passing back to management (this is above any current savings)	-0.100
Saving	F&CS	Enablers / Fit for Purpose	Corporate Services	Savings target for reducing Corporate Services in line with the overall Council reduction and improved efficiency.	-0.100
Saving	AH&Wb	Health and Independence	Leisure Trust	Reduce public health grant contribution to Leisure Trust.	-0.250
Saving	AH&Wb	Health and Independence	Customer Journey	Managing the customer journey effectively by putting resources nearer to communities and ensuring individuals get the right support, in the right place at the right time. This would be delivered through a workforce model that supports the end to end pathway for our residents starting with early intervention and driving enablement at every step.	-0.469

Proposal	Directorate	Future Council	Service/Saving Proposal	Narrative	2017/18 £'m
Saving	AH&Wb	Health and Independence	Day Opportunities	Day opportunity users will be encouraged to take a Direct Payment to pay for a wider range of day opportunities better tailored to their individual needs. If service users choose to take up these opportunities, the subsequent impact is likely to reduce the cost of the Council's own service as well as the transport subsidy of £0.267m. The market will be encouraged to provide a range of individualised day opportunities and to develop innovative models of support.	-0.253
Saving	AH&Wb	Health and Independence	Home Care	There will be a lead provider per locality and services commissioned on an outcomes basis. Overall we expect to see the number of people with packages of care to be maintained against a rise in population, with average package size reducing overall. This will be achieved through:- New entrants to home care will decline overall – This will see a decline in the proportion of service users on low to medium sized packages of home care New entrants to home care with a higher level of need will increase due to supporting people in their own homes for longer instead of going into residential care – This will see an increase in the proportion of service users on higher sized packages of home care In addition those people receiving high packages will step down to medium and medium to low through an asset based approach to assessment, care management, use of technology and brokerage – therefore the average package size overall will be expected to decrease. Providers will be expected to provide assistive technology to support their care offer and also to make this available to self-funders.	-0.724
Saving	AH&Wb	Health and Independence	Residential Care - Working Age	A significant number of people who are currently placed in LD or YPD Residential Care will be encouraged to move into other provision, such as Supported Living (SL), and there will be very low numbers of new entrants to residential care each year.	-0.900
Saving	AH&Wb	Health and Independence	Residential Care - Older People	Placements into Residential Care are expected to continue to decline but with an increased complexity in the needs of those entering care. The Council will re-frame the definition of 'standard' and 'complex' care such that it will aim to bring a greater proportion of those service users who have been placed out of the borough back into placements in Doncaster. Providers will be required to look at the use of technology to support their care offer. The Council will seek to disinvest in provision that is seen to be lower quality in order to reduce the overall amount of this type of bedded care.	-1.418

Proposal	Directorate	Future Council	Service/Saving Proposal	Narrative	2017/18 £'m
Saving	LOCYP	Prevention / Life Chances	Education Services Grant	<p>The total Education Services Grant reduction is currently estimated at £1.742m. Based a review of the services ESG funds we have split the reduction target between LOCYP and associated Corporate Services which support School Improvement and Education Welfare.</p> <p>A) £0.551m School Improvement - restructure being progressed/transfer of functions to PIL/VR&VER's already agreed.</p> <p>B) £0.035m Education Data post VER agreed.</p> <p>C) £0.281m Education Welfare - Service area is to be reviewed and detailed savings are still to be identified (anticipated through fast-tracked element of phase 2 LOCYP restructure).</p> <p>D) £0.476m LOCYP (other education services) - this target is effectively the net balance of the total savings required less those already identified in A to C. These savings are still to be identified (anticipated through phase 2 LOCYP restructure).</p> <p>E) 0.400m Corporate Recharges - Support services and Building Recharges.</p>	-1.742
Saving	LOCYP	Prevention / Life Chances	LO-CYP: Spans and Layers	<p>Spans and Layers review - management restructure. LOCYP staffing budget is £5.24m for the review. The management restructure is progressing well and is costed to deliver the £850k. Consultation ended in October and is expected to be populated during by the new year to achieve the saving for 2017/18.</p>	-0.850

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Total

-1.281

Proposal	Directorate	Future Council	Service/Saving Proposal	Narrative	2017/18 £'m
Grant Exit Strategy	AH&Wb	N/A	Independent Living Fund	Independent Living Fund - expenditure will be reduced to meet the funding reduction.	-0.025
Grant Exit Strategy	AH&Wb	N/A	Public Health Grant	Public Health Grant - details on the grant reduction are included in Appendix A - expenditure will be reduced to meet the funding reduction.	-0.618
Grant Exit Strategy	Children's Trust	N/A	Youth Justice Board	Youth Justice Board - actual grant reduction to be announced. Expenditure will be reduced to meet the funding reduction..	-0.050
Grant Exit Strategy	Council-Wide	N/A	Dedicated Schools Grant	Increased academisation will eventually result in a loss of DSG for Free School Meals service (current DSG value is £79k), Museum School service (£102k) and EMTAS (£310k). National Funding Formula consultation states all de-delegated budgets will be removed by 2019/20. However, transfer of functions to traded service is an option - so may not result in a pressure.	-0.100
Grant Exit Strategy	LOCYP	N/A	DWP - Access to Work	Department for Work and Pensions (DWP) - Access to Work - the grant is specific to the post holder in Standards & Effectiveness Service, who has recently retired. The post is part of the LOCYP management restructure and cessation of this grant funding has been taken into account and addressed.	-0.016
Grant Exit Strategy	R&E	N/A	Ambition SCR	Ambition Sheffield City Region (SCR) - funding is due to end in July 2017. Alternative funding is being sought to meet this grant reduction.	-0.395
Grant Exit Strategy	R&E	N/A	Skills Funding Agency	Skills Funding Agency - Skills Made Easy (City Deal) - funding is due to end in July 2016. Alternative funding is being sought to meet this grant reduction (2016/17 pressure being met from one-off funding).	-0.077

Fees & Charges Summary 2017/18

Directorate	Service	Comment on Proposed Fees and Charges for 2017/18	Main Fee (including VAT)	2016/17 Average Increase %	2016/17 Budget increase £	2016/17 Budget £	2017/18 Proposed Average Increase %	2017/18 Proposed Budget increase £
Adults, Health & Wellbeing	Museums	There is limited scope to increase. Income is not achieved at Chequer Road. Room hire charges have been revised in attempt to achieve existing targets.	Cusworth Hall admission - remains free	0.0%	0	53,290	0.0%	0
Adults, Health & Wellbeing	Allotments	Direct Managed Sites - no increase is being applied in 17/18. Self managed sites - The self managed allotments site are currently charged at various different rents as previous fees & charges increases were not implemented. Councillors are currently being consulted about the best way forward to standardise the charges, but the current proposal is that these rents will be rationalised in the future. As a result the rents in 2017/18 will not increase.	Direct managed sites £9.94 per 100m ² per annum (£7.46 for senior citizens). No increase.	0.0%	1,050	35,190	0.0%	0
Adults, Health & Wellbeing	Libraries	Fees held at 2016/17 levels in most cases as activity would decrease if fees increased therefore reducing income generated. Fees have been increased/rounded where possible.	Various	1.7%	2,010	74,740	1.4%	1,080
Regeneration & Environment	Bereavement - Burial	Fees generally increased by 2.2% and then rounded which has given an average fee increase of 3.0%. Core child related services are free of charge.	Use of chapel increased from £90 to £100	2.7%	19,450	924,040	3.0%	26,700
Regeneration & Environment	Bereavement - Cremation	Fees generally increased by 2.2% and then rounded which, along with a few bespoke increases, has given an average fee increase of 3.5% Adult Full Service and Committal Service charges have been increased by 2.2% Core child related services are free of charge.	Adult Full Service Charge (inc Medical ref fee) increased from £700 to £715 Adult Committal Service Charge (inc Medical ref fee) increased from £665 to £680	7.3%	18,650	1,900,180	3.5%	40,570
Regeneration & Environment	Bereavement - Memorial Items	Fees generally increased by 2.2% and then rounded which, along with a few bespoke increases, has given an average fee increase of 5.3% Core child related services are free of charge.	Metal vases for cemetery/crematorium plots increase from £15 to £16.	3.1%	5,610		5.3%	11,340
Regeneration & Environment	Bereavement - Mausoleums	New charges from July 2016 increased by 5.0% and rounded; however, uptake is uncertain so no increase to budget.				30,000	5.0%	0

Directorate	Service	Comment on Proposed Fees and Charges for 2017/18	Main Fee (including VAT)	2016/17 Average Increase %	2016/17 Budget increase £	2016/17 Budget £	2017/18 Proposed Average Increase %	2017/18 Proposed Budget increase £
Regeneration & Environment	Building Control	Trading element not increased (requirement to cover costs; no profit), Increases are from non-trading element and assumed no impact on the level of activity. Further review being undertaken as part of NS16	Main schedule remains the same, no increase. The non fee activity has increased by an average of 3%.	0.3%	2,780	571,120	0.9%	1,280
Regeneration & Environment	Car Parking - Permits	No increase - cost of changes up to the recommended 2.2% likely to outweigh the benefit.	Public Permits 6 day £372. Staff Permits 5 day £360.	0.0%	0	293,970	0.0%	0
Regeneration & Environment	Car Parking - Residents Permits	Residents Permit Scheme - charges intended to cover cost of administering scheme. Fees reviewed in 2016/17 as income was not covering the cost of scheme; agreed on a phased increase over the next 3 or 4 years of £5 per annum (to be reviewed each year). Review for 2017/18 proposes no increase as the cost of implementing a small step change in one year outweighs the benefit.	Residents Permit (all schemes) £25 per property per annum. Scratchcards initial issue £25 for 50 per annum then £2.50 per scratch card thereafter (the latter reduced from £5 to make more comparable with standard all day parking charges in main car parks).	66.7%	0	108,190	0.0%	0
Regeneration & Environment	Car Parking - Off Street Charges	Includes Colonnades, Markets, Chappell Drive and other Council owned car parks. A 0.1% overall increase is proposed but charges for underused car parks will be frozen or reduced to try and compete with other providers in the town centre and increase business	Charges range from 50p to £7.60 depending on car park and length of stay.	0.0%	0	846,630	0.1%	41,410
Regeneration & Environment	Car Parking - On Street Charges	No change proposed. Low value of increase would be outweighed by cost of cash collection and new signage.	Majority at £2.00 per hour	0.0%	0	152,000	0.0%	0
Adults, Health & Wellbeing	Cusworth Hall Car Park	No change proposed. Data is being gathered in order to do a full review of parking charges in 2017/18.	£1.00 for 1 hour £1.50 for 2 hours £2.20 for 3 hours £6.00 for all day £10 per coach	0.0%	0	44,060	0.0%	0
Regeneration & Environment	Development Management	Planning application fees are set nationally and are not at the discretion of the Council. Although at the start of the Coalition Government there was the suggestion of local fee setting this was shelved and has not been moved forward since. No increase in national fees have been announced for 2017/18. Further review is being undertaken as part of NS16.	Various depending on application type (see detail). The schedule of charges has been revised for 2017/18 and includes amended and new charges eg. Pre-application validation service £25.	0.0%	0	1,382,460	0.0%	0

Directorate	Service	Comment on Proposed Fees and Charges for 2017/18	Main Fee (including VAT)	2016/17 Average Increase %	2016/17 Budget increase £	2016/17 Budget £	2017/18 Proposed Average Increase %	2017/18 Proposed Budget increase £
Regeneration & Environment	Environment Public Health	Team dealing with public health nuisances such as excessive noise in the environment. Alarm disconnection fee. Charges are based on cost recovery. Increased by the recommended 2.2% and rounded. Includes re-introduction of Environmental Impact Assessment Fee in accordance with the associated Regulations.	Alarm disconnection charges increase in range from £200 - £480 to £215 - £511. Environmental Impact Assessment Fee £40 per hour.	4.2%	260	17,380	2.3%	140
Regeneration & Environment	FLAG - leaflets	For the purchase of a licence to distribute free leaflets and literature within designated areas. Charge is based on a points system to determine charge - linked to number of days, number of leaflets and nature of event. Service has requested that the charges are set at a higher level.	10 to 15 leaflet £400	0.0%	0	22,830	15.3%	2,280
Regeneration & Environment	FLAG - Litter fixed penalty notices	Maximum fee set nationally.	Litter Fixed Penalty Notice £80	0.0%	0	106,000	0.0%	0
Regeneration & Environment	Safety & Food Education	Food hygiene courses. Charges have been increased by the recommended 2.2% and then rounded resulting in an average increase of 2.6%.	Various. For example - Level 3 Award in Food Safety £284.	2.8%	5,560	34,370	2.6%	2,750
Regeneration & Environment	Food Control	Charges have been increased by the recommended 2.2% and rounded.	Drinking water sampling visit £92 per hour	0.0%	0	5,870	2.4%	20
Regeneration & Environment	Port Health Food Control	New Designated Point of Entry inspection charges commencing in September 2016. Fees planned to cover cost of provision, no increase until extent of take up established.		NEW	0	18,000	0.0%	0
Regeneration & Environment	Facilities Management - Other Room Hire	Fees for external room hire in the Civic Office and Holmescarr Centre, both new for 2017/18, though minimal take up anticipated. (Fees for Mansion House weddings and Mary Woollett Centre shown separately).	Civic Office £26 per hour Holmescarr Centre £12 per hour	n/a	n/a	0	0.0%	0
Regeneration & Environment	Gypsy & Traveller Rents / Static Caravan Sites	These can be increased by 1.8% in line with latest RPI but decision last year was taken to freeze these in line with the freeze on HRA rents.	White Towers £70.67 Single plot, £78.21 Double plots. New plots at White Towers and Lands End Single £83.07, Doubles £93.45	0.0%	0	335,310	1.8%	6,040
Regeneration & Environment	Highways Licences & Permits	Various % increases but after weighting is reflected as 2.2% budget increase.	Licensing of skips on the Highway increase form £15 to £17	0.0%	0	233,650	2.2%	5,140

Directorate	Service	Comment on Proposed Fees and Charges for 2017/18	Main Fee (including VAT)	2016/17 Average Increase %	2016/17 Budget increase £	2016/17 Budget £	2017/18 Proposed Average Increase %	2017/18 Proposed Budget increase £
Regeneration & Environment	Landlord Licences (Selective Licences)	Licences are for a fixed term 01/07/2015 to 30/06/2020 with payment only being required for the remainder of that term. Other fees increased to reflect cost of service.	Council Scheme fee 2017/18 is £415.	-17.0%	0	2,400	0.0%	0
Regeneration & Environment	Landlord Licences (HMO)	License fees need to reflect costs and there was a review last year following a challenge from HMO which found that we were slightly overcharging on new licenses but significantly undercharging on renewals. The proposal is to keep the new license fee at the same level and increase the renewal fee which will address this issue. Approximately 40% of fees are estimated to relate to renewals so this is expected to address any pressure created by keeping other fees at the same level. Variation and transfer fees have been removed. Variations are required by law without charging a fee. We cannot legally transfer a license so these would have to be treated as a new applicant. Overall effect on the budget is expected to be minimal.	Standard License Basic Fee £800 (five Year License) Renewal Licence Basic Fee £740 (five Year License). Programme originally introduced 2009/10.	2.9%	-8,740		2.3%	50
Regeneration & Environment	Taxi Licencing	Not allowed to generate a surplus, limited to cost recovery. Fees realigned which generate an average increase of 2.9%.	Private Hire/Hackney Vehicle Licence £235	0.0%	0	344,030	2.9%	9,800
Regeneration & Environment	Miscellaneous Licences	The Council must not be seen to generate a surplus income from its licensing activities nor must it be seen to be using fees to support the enforcement activity against unlicensed individuals/businesses. Service has standardised some fees eg. copy of license which has increased the average rise to 2.7%.	Sex establishments remain at £2,840 Tattooist charges increase to £205	0.0%	18,720	348,520	2.7%	1,050
Regeneration & Environment	Markets & Town Centre Management	No increases to Markets and Town Centre Management charges are proposed for 2017/18. This includes tenancy agreements, stall rents, storage, performance sites and pavement cafes.	For example a 12ft stall at Doncaster Market on a Saturday will remain at £22	3.6%	62,340	1,789,740	0.0%	0
Regeneration & Environment	Mansion House	Provision of facilities for Weddings and room hire. Fees have been increased by the recommended 2.2% and then rounded resulting in an average fee increase of 3.3%. However, issues with the level of take up is not expected to lead to an increase in budget.	Weddings £1,025 Room hire £26 per hour	0.0%	0	3,000	3.3%	0

Directorate	Service	Comment on Proposed Fees and Charges for 2017/18	Main Fee (including VAT)	2016/17 Average Increase %	2016/17 Budget increase £	2016/17 Budget £	2017/18 Proposed Average Increase %	2017/18 Proposed Budget increase £
Regeneration & Environment	Mary Woollett Centre	Fees have increased by the recommended 2.2% and then rounded resulting in an average fee increase of 3.5%.	Full day room hire £179 and hall hire £265	0.0%	0	35,600	3.5%	850
Regeneration & Environment	MOT fees	No increase proposed as MOT service offered locally by numerous providers at a lower price. Need to remain competitive. Income has fallen in Car/light van category due to competitors offering reduced rates.	Car/light van fee £38, re-test fee £10 Light minibuses £50, re-test £20 Light Commercial £50, re-test £20.	0.0%	0	48,100	0.0%	0
Regeneration & Environment	Parks & Playing Fields	Some services have been increased in line with the recommended increase of 2.2% and rounded, but for some services it is impractical to increase the price and would not result in any appreciable increase in income.	Football pitches for under 12's provided free of charge in accordance with previous change in 2014/15. Bowling green fees £1,053 for season per green.	3.0%	2,050	39,550	2.2%	1,540
Regeneration & Environment	Pest Control	Generally fees have increased by an average 8.75% but with income targets already not being met the change to the budget has been kept at 2.2%.	Domestic charges for all pests (excluding rats, moles, squirrels) £53 full charge, £42 for those on Housing Benefit / LTSS. Rats free. Moles & Squirrels £78 for first 2 hours, then hourly. Bed bugs £60 per visit (£50 for benefits and LTSS).	7.4%	570	82,760	2.2%	1,940
Regeneration & Environment	Pollution Prevention & Control	Statutory fees with no increase expected.		0.0%	0	41,270	0.0%	0
Regeneration & Environment	Trading Standards	Fees increased by an average 4.2%	TSO Hourly Rate Charge increased from £64 to £70 Motor Trade Partnership Subscription increased from £383.46 to £392.00	0.0%	0	50,010	4.2%	2,020
Regeneration & Environment	Waste & Recycling	Fees have increased by the recommended 2.2% and then rounded resulting in an average fee increase of 2.81%. This excludes Bulky Waste collections as the c. £27k saving from increasing these charges is included in the service specific Waste saving target £300k.	Quarterly collection of a standard wheeled bin increases from £55 to £57 Additional Bins for those meeting criteria £31 Replacement bins (lost/damaged) 1st bin FREE, subsequent requests £22. Bulky collections standard charge increases from £25 to £30 and for residents on benefits increases from £12 to £15.	9.1%	267,710	2,771,910	2.8%	77,980

Directorate	Service	Comment on Proposed Fees and Charges for 2017/18	Main Fee (including VAT)	2016/17 Average Increase %	2016/17 Budget increase £	2016/17 Budget £	2017/18 Proposed Average Increase %	2017/18 Proposed Budget increase £	
Regeneration & Environment	Planning - Built & Natural Environment	Local Records Centre - collation and provision of biological records data for private and public sector use.	Charge for first two hours of a basic search £154.	0.0%	0	7,570	2.2%	170	
Regeneration & Environment	Schools Catering	Primary & Secondary meal fees for pupils and adults. No increase proposed.	No increases. Existing charges:- £2.00 Primary £1.70 Nursery £2.10 Secondary £3.60 Adult £2.60 Adult duty.	0.0%	0	4,200,330	0.0%	0	
Regeneration & Environment	Facilities Management Catering	Catering charges to staff/public mainly at the Vibe, Café Culture, Mary Woollett Centre and the Mansion House. General increase to cover inflation on supplies and staffing increases.	Standard Coffee/Tea £1.45/£1.25 Speciality coffee £1.90 Meal Deal £3.30 Buffet £6.60 Standard Sandwich £2.05 Standard Wedding Package (per head) £94.05	2.0%	5,160	245,260	2.2%	5,820	
Finance & Corporate Services	Land Charges	Fees for searches to the official Land Charges Register. Includes admin & copying. Fees have to be set to only recover costs. CON290 & R fall within scope of VAT from Feb 2016 following HMRC & CIPFA guidance.	Various, e.g. CON29R (Enq of LA inc Public Register info) £60.84 and LLC1 Only (Official Search - Land Charges Register) £27.00	0.0%	0	167,860	0.0%	0	
Finance & Corporate Services	Registrars	Statutory fees remain unchanged pending announcement from government. Wedding package fees have been remodelled in view of the move to priory place; however, in the short term any increase in income is earmarked to help fund the cost of moving offices. Other fees have been increased by the recommended 2.2% but after roundings this gives an average increase for those fees of 2.0%	Hire registrar Saturday £436 plus £4 certificate. New fees proposed for premium weddings at Priory Place ranging from £150 to £200 depending on day and location.	2.2%	560	415,890	2.0%	3,440	
Learning & Opportunities (CYPS)	Attendance	Fixed Penalty Notice for irregular attendance at School - Per Parent Per Child. Disclosure and Barring check for volunteers to be chaperones whilst working with children involved in performing. An increase of £2 in 2017/18. Due to low take up there will be no budget increase.	£60.00 per parent per child (national charge). £27.00 per application.	12.5%	0	150,000	4.0%	0	
						403,740	17,933,080		243,410

Grants to 3rd Sector Organisations

Directorate	Grant Recipient	Service Provided/Update	2016/17 Budget	2017/18 Budget	Note
A,H&WB	Citizens Advice Bureau (Mexborough/ North East)	The two CAB's provide advice services facing a range of issues such as debt, homelessness prevention, immigration, employment, benefit and consumer issues. They also act as a referral and sign-posting organisation to more specialist advice across a range of public sector services and other voluntary organisations. They also raise other funding streams to benefit the residents of Doncaster. (Savings of £130k have been made in 2010/11 and a further £32k in 2015/16. There is a £40,380 recharge to the HRA for Corporate & Democratic Core services)	152,150	152,150	The Mayor's budget proposals for 2015/16 onwards contain a £32k CAB grant reduction. The £32k reduction to the DMBC budget was implemented in full in 2015/16, but the CAB's will receive the following phased payments over the next 3 years as a transition arrangement: Year 1 2015/16 £32k one-off funding from council reserves, no effect for CAB's as grant payment will remain the same. Year 2 2016/17 £16k one-off funding from council reserves, CAB's will have a £16k grant payment reduction. Year 3 2017/18 No one-off funding from reserves, the full £32k grant payment reduction will be passed onto the CAB's. 2017/18 payment will be £152,150.
LO-CYP	Doncaster Community Arts (DARTS) / The Art House and Secondary Schools Arts Education (funded from the DSG)	Through active participation in a huge range of different art forms, Darts enables people of all ages and abilities from different backgrounds to build their confidence and skills to play a crucial role in the cultural, economic and social regeneration of their communities. To also, provide drama, art, music etc. to the PRUs mainly but also other schools.	18,000	TBC	This grant to DARTS will cease 31st March 2017, as funding will not be available from the DfE for 2017/18. Conversations are progressing to set-up a new contract with DARTS.
A,H&WB	Doncaster Community Arts (DARTS)	Through active participation in a huge range of different art forms, Darts enables people of all ages and abilities from different backgrounds to build their confidence and skills to play a crucial role in the cultural, economic and social regeneration of their communities.	43,500	43,500	No change proposed for 2017/18.
A,H&WB	Doncaster Victim Support	Doncaster Victim Support will provide victims or witnesses of crime with support and information to deal with the harmful effects of their experiences within 48 hours of receiving a referral. The grant pays for a contribution to rent of the premises, utilities, postage, stationery, cleaning, volunteer expenses and recruitment, staff recruitment and locum cover. Trained volunteers work as restorative justice workers under the supervision of the Restorative Justice co-ordinator to deal with low level crime and neighbour disputes.	20,010	20,010	No change proposed for 2017/18. Grant will be reviewed for 2018/19.

Directorate	Grant Recipient	Service Provided/Update	2016/17 Budget	2017/18 Budget	Note
A,H&WB	Doncaster Rape and Sexual abuse Counselling Centre (DRASAC)	DRASAC receive this grant as a contribution towards their provision of specialist counselling service for victims of sexual abuse. This includes children from the age of 5 yrs. This is a historic voluntary sector grant which has been reduced over recent years– services for sexual abuse have never been commissioned by Doncaster Council.	27,520	27,520	No change proposed for 2017/18. Grant will be reviewed for 2018/19.
A,H&WB	Doncaster Rape and Sexual abuse Counselling Centre (DRASAC)	DRASAC receive this grant as a contribution towards their two Independent Sexual Violence Advocates. (ISVA).	65,000	65,000	No change proposed for 2017/18. Grant will be reviewed for 2018/19.
A,H&WB	Borough Wide Day Centres Age UK	Commissioning of a mobile day care service that delivers a wide range of day care opportunities to the people of Doncaster. Funded from Better Care Fund (BCF).	125,000	125,000	No change proposed for 2017/18.
A,H&WB	Changing Lives	Support Service for women with mental problems at Women's Centre	105,408	105,408	No change proposed for 2017/18, contract to be put in place for 2018/19.
A,H&WB	MIND	Services for people with a mental health problems.	175,830	175,830	No change proposed for 2017/18, contract to be put in place for 2018/19.
Total Grants to 3rd Sector			732,418	714,418	