

GENERAL FUND - MEDIUM TERM FINANCIAL PLAN

SUB - SUMMARY Model - August 2012 CBS version

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive & PAs	244	219	223	227	234	240
Strategic Direction	440					
Governance Support	421	314	338	350	368	383
Community Engagement	438	634	666	683	702	720
Director of Neighbourhood services	126	124	127	129	133	137
Planning & Building Control	1,321	1,177	1,198	1,251	1,334	1,404
Legal	147	275	281	289	299	308
Housing Services	436	484	494	506	524	539
Community Safety & Health	1,296	1,398	1,432	1,474	1,533	1,585
Director of Customer & Community	108	106	108	110	113	116
Environment	5,172	5,359	5,555	5,768	6,016	6,264
Customer & New Media	-735	-831	-801	-720	-624	-532
Economic Development	170	132	155	178	214	248
Revenues & Benefits	233	301	336	370	440	494
Cultural & Community	82					
Hertford Theatre	342	238	253	273	296	317
Director of Internal Services	144	82	83	85	88	90
People, ICT & Property Services	2,818	2,408	2,453	2,500	2,580	2,645
Financial Support Services	499	596	607	619	638	655
Corporate Risk	378	348	354	363	374	384
Other	410	636	950	969	986	1,003
Non Distributed Costs	172					
Capital Salaries *****	-186	-226	-226			
Adjustment	-11	-25	-32	17	23	
Net Cost of Services	14,464	13,750	14,555	15,440	16,272	16,999
Interest Payments	661	662	662	662	662	662
Interest & Investment Income	-846	-687	-1,053	-1,082	-1,135	-1,304
Pensions Interest/Return on Assets	401	401	401	401	401	401
Known Changes			835	832	977	1,128
Contribution to Earmarked Reserves	506	299	249	249	249	249
Contribution to/ from Interest Equalisation reserve	434	743	600	200		
Contribution from Earmarked Reserves	-257	-128	-407	-400	-200	-200
Funding change Contingency			200	200		
Council Tax Support Scheme: grants to town and parish			255	255	255	255
Planning Contingency			491	383	89	300
Savings 2013/14			-637	-637	-637	-637
Savings 2014/15				-307	-307	-307
Savings 2015/16					-256	-256
Savings 2016/17						-346
One Off Savings			-6	-15		

Growth 2013/14			29	29	29	29
Growth 2014/15				53	53	53
Growth 2015/16						
Growth 2016/17						
Special Item						
RCCO/Internal Interest	25	25	25	25	25	25
Use of General Reserve	396		-200	-200		
Movement on Pension Reserve	-256	95	95	95	95	95
Car Parking Fees & Charges			-83	-163	-243	-318
Other fees & Charges			-36	-73	-111	-150
Net Expenditure	15,528	15,160	15,974	15,946	16,218	16,678
Formula Grant/NNDR	-6,079	-5,306	-5,905	-5,533	-5,352	-5,352
Council Tax Freeze Grant	-231	-462				
Share of Council Tax support scheme grant (local precepts)			-255	-255	-255	-255
New Homes Bonus			-1,040	-1,240	-1,440	-1,640
Transfer (from)/to Collection Fund	31	-62	-95			
Demand on Collection Fund	9,249	9,330	8,679	8,918	9,171	9,431
Council Taxbase	58,123	58,628	54,543	54,673	54,850	55,027
Council Tax at Band D	159.13	159.13	159.13	163.10	167.19	171.37
Percentage Increase		0.00%	0.00%	2.50%	2.51%	2.50%

Pay and Price Assumptions for Medium Term Financial Plan

Data Table	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	
Overall salary increase (Inclusive of everything)*	0.65%	1.70%	1.45%	1.75%	1.75%	3.25%	2.50%	
Members Allowances	0.00%	2.68%					***	
Inflation	2.00%	2.10%	3.00%	2.00%	3.20%	2.70%	2.70%	
NNDR	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	
Fuel	5.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	
Contract Index - All Contracts	2.00%	2.70%	3.00%	3.20%	2.70%	2.70%	2.70%	
Contract Index - Street Cleansing	1	2.00%	2.70%	3.40%	3.00%	3.20%	3.40%	* assumed RPIx 25/7/11
Contract Index - Refuse Only	2	2.50%	3.20%	3.40%	3.00%	3.20%	3.40%	* assumed RPIx 25/7/11
Contract Index - Parking	3	1.50%	2.20%	3.40%	3.00%	3.20%	3.40%	
Contract Index - Leisure	5	1.50%	2.20%	3.40%	3.00%	3.20%	3.40%	
Tax Base Increase	0.50%	0.50%	0.25%	0.25%	0.30%	0.30%		
Income								
Increase for Fees & Charges	3.50%	2.50%	2.50%	2.50%	2.50%	2.50%		
Increase for car parks	5.00%	2.50%	2.50%	2.50%	2.50%	2.50%	****	
Interest on investment - other than Structured Depo	2.46%	1.00%	0.65%	80.00%	1.00%	1.70%	2.30%	
- Structured Deposit		3.70%	3.70%	3.70%	3.70%			

1. Street cleansing / Grounds Maintenance - April RPI applied in April

2. Refuse & Recycling - April AEI (public sector) applied in August

3. Parking - April RPIx applied in January

5. Leisure - January RPIx applied in January

*Salary Increase

Pay award original budget **	0.00	0.20	0.00	1.00	1.00	2.5	2.5
Pay allowance - increments and local award	0.65	1.50	1.45	0.75	0.75	0.75	
	0.65	1.70	1.45	1.75	1.75	3.25	2.50

** Pay award actuals and now reflected in future plans

*** Subject to IRP recommendation

**** The 2012/13 increase in parking fees is assumed to take effect from 1 October and remains subject to the parking review. If not implemented the reduction in income will be £39k in 2012/13 and £80k in each subsequent year.

OTHER KNOWN REDUCTIONS AND INCREASES

	2013/14	2014/15	2015/16	2016/17
	£'000	£'000	£'000	£'000
increase in pension costs		92	184	184
Jackson Square Contract - Rent	8	16	16	16
Income Shortfall 2009/10 reducing effect	-50	-50	-50	-50
Changes to Terms and Conditions	-130	-409	-503	-503
Markets - marketing & maintenance		22	22	22
Homelessness grant continuation (reduction in income fr	50	50	50	50
Hertford Theatre Hydro Income	-11	-11	-11	-11
National Insurance rebate			206	206
Waste: Alternate Financial Model (AFM) income reducti	150	300	300	300
Application of New Homes Bonus	520	620	720	820
LDF Public exam/Green belt review	300	400	100	100
Housing Condition survey	50			
Future Council elections			100	100
Removal of Ctax Benefit	-7511	-7751	-7961	-8176
Removal of Ctax Benefit Subsidy	7587	7830	8041	8258
Reduction in housing benefit over recovery	40	60	100	149
Adjust council tax admin grant	-168	-337	-337	-337
Total	835	832	977	1,128

FORMULA GRANT AND NNDR GRANT

EHC Summary - Figures from AM 07/08/12

	2012/13	2013/14	2014/15	2015/16	2016/17
Like for like on formula grant basis	5537	5231	4859	4678	4678
add council tax support grant		674	674	674	674
total = start up funding allocation	<u>5537</u>	<u>5905</u>	<u>5533</u>	<u>5352</u>	<u>5352</u>
NNDR share of national pool	5431				
RSG	105				
NNDR retained business rates = base line funding level		2597	2434	2354	2354
RSG and central share and ctax support		3308	3099	2998	2998

New Homes bonus - Income (expenditure shown on known changes sheet)

	2012/13	2013/14	2014/15	2015/16
New Homes Bonus 11/12 (to be received 11/12 to 16/17)	-415	-415	-415	-415
New Homes Bonus 12/13 (to be received 12/13 to 17/18)	-425	-425	-425	-425
New Homes Bonus 13/14 (to be received 13/14 to 18/19)		-200	-200	-200
New Homes Bonus 14/15 (to be received 14/15 to 19/20)			-200	-200
New Homes Bonus 15/16 (to be received 15/16 to 20/21)				-200
New Homes Bonus 16/17 (to be received 16/17 to 21/22)				
Built into Estimates	840			
	<u>0</u>	<u>-1040</u>	<u>-1240</u>	<u>-1440</u>

2016/17

-415

-425

-200

-200

-200

-200

-1640

**Calculation of Council Tax base
Updated**

	12/13 £	13/14 £	14/15 £	15/16 £	16/17 £
Council Tax Base	58,628	58,628	58,774	58,950	59,127
assumed increase		146	176	177	177
prior to impact of local council tax support scheme	58,628	58,774	58,950	59,127	59,304

Revised tax base - AM 07/08/12	13/14	14/15	15/16	16/17
Current	58,774	58,950	59,127	59,304
council tax support scheme	(4,608)	(4,608)	(4,608)	(4,608)
growth in cases 1% 2014/15		(46)	(46)	(46)
Reduction in empty discounts ***	377	377	377	377
revised tax base	54,543	54,673	54,850	55,027

*** assumption prior to policy decision

Savings	2013/14	2014/15	2015/16	2016/17
	£	£	£	£
Strategic Direction				
Reduction in service activity				
Planning & Building Control				
Reduction in budget			(61,000)	
Building control fees	(50,000)	(50,000)		
Development Control BPI led savings		(22,000)		
DC miscellaneous costs	(10,000)			
Planning administration		(68,000)		
LDF funding	(100,000)			
Planning policy resources	(12,000)			
Community Safety & Health				
Set taxi licence fees to recover full costs	(5,000)	(5,000)		
Restructuring the services delivered by Licensing, Community Safety and Environmental Health leading to a reduction in resources		(106,000)		
Continuation of funding Housing Improvement Agency	(10,000)			
Environmental Services				
Waste services contract transition	(100,000)	(100,000)		
Leisure Savings	39,000	118,000		
Customer Services & Parking				
Elm Road income estimate correction	5,000			
Rye st/Grange paddocks income estimate correction	15,000			
Residents permit income	3,000			
Ware Amwell End - Revision of rent payable by Hertford regional College for student car park spaces	(1,000)			
Grange Paddocks Project				

Elm Road income	(10,000)		
Rye St/Grange Paddocks income	(50,000)		
Link Road resulting from redesignation as short stay	(50,000)		
Northgate End resulting from redesignation as short stay	(56,000)		
Grange Paddocks Project - Resident permit income	(2,500)		
Community Engagement			
C&C - MOW	(15,269)		
Castle Hall - new business plan (subject to approval)	(57,671)	(45,000)	
People & Organisational Development			
Reduce HR support	(60,000)		
Reduction in corporate training budget pro rata to staff reduction	(6,000)		
Facilities			
Shared services			(153,000)
Phased reduction in hours of estates staffing	(14,000)	(14,000)	
Revenues & Benefits			
Shared service efficiencies			(15,000)
Invest to save option	(64,000)		
Financial Services & Performance			
Review of Financial Support Services		(2,000)	
Democratic & Legal Services			
Reduction in Legal third party payments budget			(27,000)
Land Charges - staffing reductions	(23,000)		
Efficiency measures for electoral canvass		(13,000)	
Restructuring of Democratic & Legal Services			

	2013/14 £	2014/15 £	2015/16 £	2016/17 £
Corporate Risk				
Reduction of insurance premiums following retender	(3,000)			
Total to be built into estimates	(637,440)	(307,000)	(256,000)	0

One Off Savings	2013/14	2014/15	2015/16	2016/17
	£	£	£	£

INTERNAL SERVICES

**Review of 09/10 outturn
CHIEF EXECUTIVE**

Strategic Direction

Public Consultation & Research

(5,700)	(14,700)		
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Public Consultation & Research

Total to be built in

<u>(5,700)</u>	<u>(14,700)</u>	<u>0</u>	<u>0</u>
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Already built in

Total already built in

<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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Total One Off Savings

<u>(5,700)</u>	<u>(14,700)</u>	<u>0</u>	<u>0</u>
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Special Items

2013/14 2014/15 2015/16 2016/17
£ £ £ £

Total

0 0 0 0

Growth**2013/14**
£**2014/15**
£**2015/16**
£**2016/17**
£**Environment**

Refuse Service - Property Growth

53,000

Customer & New Media

Grange Paddocks Project - Maintenance of pay and display machines

3,600

Growth from capital programme

25,000

Total growth**28,600****53,000****0****0**