

GENERAL FUND - MEDIUM TERM FINANCIAL PLAN						
SUMMARY Model - Exec						
	2011/12 Actual	2012/13	2013/14	2014/15	2015/16	2016/17
	£'000	£'000	£'000	£'000	£'000	£'000
Net Cost of Services	14,464	13,750	13,342	14,833	15,539	16,268
Interest Payments	661	662	662	662	662	662
Interest & Investment Income	-846	-687	-996	-929	-865	-997
Pensions Interest/Return on Assets	401	401	1,043	1,043	1,043	1,043
Fees & Charges			-47	-165	-284	-399
Growth Items			43	114	132	150
Special Items			303	120		
Efficiency Savings - Existing plans			-386	-804	-1,040	-1,040
Efficiency Savings - New						-55
One off Savings			-6	-15		
Known Changes				1,014	1,402	1,172
Planning Contingency			688	606	256	
Funding change Contingency				200		
Council Tax Support Scheme: grants to town and parish			255			
RCCO/Internal Interest	25	25	25	25	25	25
Net Expenditure	14,705	14,151	14,927	16,704	16,870	16,828
Contribution to / from Earmarked Reserves	249	171	-66	-167	-311	89
Contribution to/ from Interest Equalisation reserve	434	743	600			
Use of General Reserve	396			-200		
Movement on Pension Reserve	-256	95	-550	-550	-550	-550
Net Expenditure after reserves	15,528	15,160	14,910	15,787	16,009	16,367
Formula Grant/NNDR	-6,079	-5,306	-5,940	-5,174	-5,042	-4,928
Council Tax Freeze Grant	-231	-462	-94	-94		
Other general grants			-16	-16		
New Homes Bonus*				-1,693	-1,893	-2,093
Transfer (from)/to Collection Fund	31	-62	-95			
Demand on Collection Fund	9,249	9,330	8,765	8,809	9,075	9,347
Council Taxbase	58,123	58,628	55,084	55,359	55,636	55,914
Council Tax at Band D	159.13	159.13	159.13	159.13	163.11	167.18

Percentage Increase

0.00% 0.00% 0.00% 2.50% 2.50%

*New Homes Bonus income of £840k for 2012/13 and £1,393k for 13/14 is already built into Net Cost of Services

GENERAL FUND - MEDIUM TERM FINANCIAL PLAN

SUB - SUMMARY Model - Exec

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive & PAs	244	219	104	106	109	112
Strategic Direction	440					
Governance Support	421	314	330	342	360	379
Community Engagement	438	634	735	713	734	756
Director of Neighbourhood services	126	124	120	122	126	130
Planning & Building Control	1,321	1,177	1,157	1,209	1,290	1,373
Legal	147	275	276	283	294	305
Housing Services	436	484	549	552	569	586
Community Safety & Health	1,296	1,398	1,512	1,514	1,571	1,630
Director of Customer & Community	108	106	134	136	141	145
Environment	5,172	5,359	5,649	5,805	5,969	6,137
Customer & New Media	-735	-831	-921	-846	-755	-658
Economic Development	170	132	93	108	129	150
Revenues & Benefits	233	301	132	192	258	326
Cultural & Community	82					
Hertford Theatre	342	238	273	294	318	342
Director of Internal Services	144	82	132	134	139	143
People, ICT & Property Services	2,818	2,408	2,421	2,469	2,547	2,628
Financial Support Services	499	596	569	580	598	617
Corporate Risk	378	348	353	362	372	383
Other	410	636	-87	785	796	808
Non Distributed Costs	172					
Capital Salaries	-186	-226	-188	-26	-26	-26
Adjustment	-11	-25				
Net Cost of Services	14,464	13,750	13,342	14,833	15,539	16,268
Interest Payments	661	662	662	662	662	662
Interest & Investment Income	-846	-687	-996	-929	-865	-997
Pensions Interest/Return on Assets	401	401	1,043	1,043	1,043	1,043
Known Changes				1,014	1,402	1,172
Contribution to Earmarked Reserves	506	299	149	189	189	189
Contribution to/ from Interest Equalisation reserve	434	743	600			
Contribution from Earmarked Reserves	-257	-128	-215	-356	-500	-100
Funding change Contingency				200		
Council Tax Support Scheme: grants to town and parish			255			
Planning Contingency			688	606	256	
Savings 2013/14			-386	-386	-386	-386
Savings 2014/15				-418	-418	-418
Savings 2015/16					-236	-236
Savings 2016/17						-55
One Off Savings			-6	-15		
Growth 2013/14			43	43	43	43
Growth 2014/15				71	71	71
Growth 2015/16					18	18
Growth 2016/17						18
Special Item			303	120		
RCCO/Internal Interest	25	25	25	25	25	25
Use of General Reserve	396			-200		
Movement on Pension Reserve	-256	95	-550	-550	-550	-550
Car Parking Fees & Charges				-80	-160	-235
Other fees & Charges			-47	-85	-124	-164
Net Expenditure	15,528	15,160	14,910	15,787	16,009	16,367

Formula Grant/NNDR	-6,079	-5,306	-5,940	-5,174	-5,042	-4,928
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Council Taxbase	58,123	58,628	55,084	55,359	55,636	55,914
Council Tax at Band D	159.13	159.13	159.13	159.13	163.11	167.18
Percentage Increase		0.00%	0.00%	0.00%	2.50%	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%	3.25%
Members Allowances	0.00%	2.68%	0.00%				**
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	2.00%	2.70%	3.40%	2.60%	2.20%	2.00%	2.00%
Contract Index - Refuse Only	2.50%	3.20%	3.40%	2.60%	2.20%	2.00%	2.00%
Contract Index - Parking	1.50%	2.20%	3.40%	3.10%	2.70%	3.10%	3.40%
Contract Index - Leisure	1.50%	2.20%	3.40%	3.10%	2.70%	3.10%	3.40%
Income							
Increase for Fees & Charges	3.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Increase for car parks	0.00%	0.00%	0.00%	0.00%	2.50%	2.50%	2.50%

1. Street cleansing / Grounds Maintenance - CPI

2. Refuse & Recycling - CPI

3. Parking - April CPI applied in January

4. Leisure - January RPIx applied in January

*Salary Increase

Pay award	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	0.75
	0.65	1.70	1.45	1.75	1.75	3.25	3.25

** Subject to IRP recommendation

OTHER KNOWN REDUCTIONS AND INCREASES

	2013/14	2014/15	2015/16	2016/17
	£'000	£'000	£'000	£'000
Increase in pension costs		97	194	291
Jackson Square Contract - Rent		8	8	8
Income Shortfall (reducing effect)			-50	-50
Changes to Terms and Conditions		-258	-352	-352
Hertford Theatre Hydro Income		-11	-11	-11
National Insurance rebate (exact date uncertain)				222
Waste: Alternate Financial Model (AFM) income reduction		32	32	32
Application of New Homes Bonus - 25% to parish and towns		423	473	523
Application of New Homes Bonus - priority spending capped at 2012/13		210	210	210
LDF Public exam/Green belt review		240	340	40
Housing Condition survey		50		
Future Council elections			100	
Reduction in housing benefit over recovery		81.5	163	244
Adjust council tax admin grant		94	194	294
Causeway lease reversal of accrual				-380
Data Protection Officer - (Salaries - Customer Svs & NM)		-30	-30	-30
Auto Enrolment (pensions)		77	77	77
DCLG New Burdens income (Revs & Bens)			53.5	53.5
Total		1,014	1,402	1,172

Investment Income

Investment Income - from AM 03/08/2012

	2013/14	2014/15	2015/16	2016/17
total cash	62	61	60	59
Fixed term				
Lloyds rate 3.72	10	10	10	10
	372	372		
rolled over rate 2.25			225	225
Natwest rate 2.25	5	5	5	5
to Apr 13				
rolled over rate 2.00	100	100	100	
rolled over rate 2.25				112
Lloyds rate 3%	10	10	10	10
Jul-13				
Income	75			
rolled over rate 2.0	150	200	200	200
Barclays	5	5	5	5
to Aug 14 rate 2%	100	30		
rolled over rate 2%		70	100	100
Short term	32	31	30	29
rate	0.8	1	1.7	2.3
Income	256	310	510	667
total	1053	1082	1135	1304

Investment Income - 12/12/2012

	2013/14	2014/15	2015/16	2016/17
total cash	62	61	60	59
Fixed term				
Lloyds rate 3.72	10	10	10	10
	372	372		

rolled over rate 2.0			200	200
Natwest rate 2.25 to Apr 13	5	5	5	5
rolled over rate 1.5	75	75		
rolled over rate 1.75			88	88
Lloyds rate 3% Jul-13	10	10	10	10
Income	87			
rolled over rate 1.55	103	155		
rolled over rate 1.8			180	180
Barclays to Aug 14 rate 2%	5	5	5	5
	100	30		
rolled over rate 1.5%		44	75	75
Investec	21.8	22	22	22
Rate 0.75%	164	165		
1.00%			220	
1.50%				330
Short term	10	9	8	7
rate	0.7	0.7	0.9	1.2
Income	70	63	72	84
In house cash flow	25	25	30	40
total	996	929	865	997

	£million		Maturity
Lloyds min return	10	3.72%	Apr-15
Nat west	5	2.25%	Apr-13
Lloyds	10	3%	Jul-13
Barclays	5	2%	Aug-14

Using Office Budget Responsibility (OBR)

13/14	0.70%
14/15	0.70%
15/16	0.90%
16/17	1.20%

FORMULA GRANT AND RETAINED NNDR

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	5321	4851	4678	4678
add council tax support grant		674	674	674	674
total = start up funding allocation	<u>5537</u>	<u>5995</u>	<u>5525</u>	<u>5352</u>	<u>5352</u>
NNDR retained business rates = base line funding level		2637	2430	2354	2354
RSG and central share and ctax support		3358	3095	2998	2998

Settlement December 2012

NNDR		2377	2450		
RSG		3573	2746		
		<u>5950</u>	<u>5196</u>		

note-totals include Council Tax Support grant for both EHC and Parishes

Indicative NNDR figures

Billing Authority Baseline		21556			
EHC Baseline (80%)		17245			
EHC Baseline Funding Level		2377	2450		
Tariff		14868	15324	15783	16256

EHC NNDR 1

Billing Authority Baseline		21544	22190	22856	23543
EHC Baseline (80%)		17235	17752	18285	18834
EHC Baseline Funding Level - Budget Figure		2367	2428	2502	2578
Tariff (as above)		14868	15234	15783	16256

BUDGET TOTALS

RSG		3573	2746	2540	2350
NNDR		2367	2428	2502	2578
		<u>5940</u>	<u>5174</u>	<u>5042</u>	<u>4928</u>

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

	2012/13	2013/14	2014/15	2015/16	2016/17
New Homes Bonus 11/12 (to be received 11/12 to 16/17)	-415	-415	-415	-415	-415
New Homes Bonus 12/13 (to be received 12/13 to 17/18)	-425	-425	-425	-425	-425
New Homes Bonus 13/14 (to be received 13/14 to 18/19)		-553	-553	-553	-553
New Homes Bonus 14/15 (to be received 14/15 to 19/20)			-300	-300	-300
New Homes Bonus 15/16 (to be received 15/16 to 20/21)				-200	-200
New Homes Bonus 16/17 (to be received 16/17 to 21/22)					-200
Built into Estimates	840	1393			
	<u>0</u>	<u>0</u>	<u>-1693</u>	<u>-1893</u>	<u>-2093</u>

MTFP Savings 2013/14 To 2016/17

	Note	2013/14 £	2014/15 £	2015/16 £	2016/17 £
Planning & Building Control					
Reduction in budget				(61,000)	
Building control fees - Loss of Income		100,000			
Building Control Reduced Spending		(50,000)	(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)		
Leisure Savings		39,000	118,000		
Grounds Maintenance Contract Extension			(12,500)	(37,500)	
Customer Services & Parking					
Elm Road income estimate correction		5,000			
Rye St/Grange paddocks income estimate correction		15,000			
Residents permit printing costs		3,000			
Ware Amwell End - Revision of rent payable by Hertford regional College for student car park spaces		(1,000)			
Grange Paddocks Project					

	2013/14 £	2014/15 £	2015/16 £	2016/17 £
Customer Services & Parking				
Elm Road income	(20,000)			
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)			
Hertford Theatre - new business plan	(57,671)	(45,000)	(14,300)	(9,500)
People, ICT & Property				
Reduce HR support - Shared Support Services		(2,000)	(5,000)	(4,000)
Reduction in corporate training budget pro rata to staff reduction		(3,000)		
ICT - Shared Services Savings	(18,000)	(55,000)	(10,000)	
Printing - Shared Services Savings	(13,000)	(17,000)	(1,000)	
FM - Shared Services Savings		(1,000)	(15,000)	
Phased reduction in hours of estates staffing	(14,000)	(14,000)		
Revenues & Benefits				
Shared service efficiencies			(15,000)	
Invest to save option	(64,000)			
Democratic & Legal Services				
Reduction in Legal third party payments budget			(27,000)	
Land Charges - staffing reductions		(23,000)		
Efficiency measures for electoral canvass		(12,500)		
 2016/17 Savings -				(41,500)
Total to be built into estimates	(386,440)	(418,000)	(235,800)	(55,000)

Already built into Estimates

Corporate Risk

Reduction of insurance premiums following retender

(3,000)

(3,000) 0 0 0

Total Savings

(389,440) (418,000) (235,800) (55,000)

Previous Savings Total

(637,440) (304,500) (256,000) 0

Variance

248,000 (113,500) 20,200

One Off Savings	2013/14	2014/15	2015/16	2016/17
	£	£	£	£
Customer & Community				
Community Engagement				
Public Consultation & Research	(5,700)	(14,700)		
Total to be built in	(5,700)	(14,700)	0	0
Already built in				
Total already built in	0	0	0	0
Total One Off Savings	(5,700)	(14,700)	0	0

Special Items	2013/14	2014/15	2015/16	2016/17
	£	£	£	£
Community Engagement				
Olympic Legacy	500			
Herts Savers Credit Union	5,000			
Revs and Bens				
Contingency (50% of £200k)	100,000			
Welfare Reform	170,000	120,000		
Community Safety				
PCSO's	27,500			
Total Special Items	303,000	120,000	-	-
Already built into estimates				
Customer & New Media				
Data Protection Compliance Officer - one year only	30,000			

Growth	2013/14	2014/15	2015/16	2016/17
	£	£	£	£
Environment				
Waste Services - Property Growth		53,000		
Customer & New Media				
Improved Cleansing of Multi Storey Car Parks	10,000			
Locking of Grange Paddock Car Park	2,000			
Revenue effect of new Parking vehicle (Net)	500			
Parking - Pay by Phone	16,000	8,000	8,000	8,000
Parking - VMS Sign Maintenance	3,000			
IT				
Growth from IT Capital Programme		10,000	10,000	10,000
Communication, Engagement & Cultural Services				
Govdelivery - coordinated digital communications tool	11,800			
Total growth	43,300	71,000	18,000	18,000
Already built into Estimates				
Growth from IT Capital Programme	25,000			
Customer & New Media				
Grange Paddocks Project - Maint of P&D machines	3,600			
	28,600			