

GENERAL FUND - MEDIUM TERM FINANCIAL PLAN

SUMMARY Model August 2013

Sheet Reference

	2012/13 Actual	2013/14	2014/15	2015/16	2016/17	2017/18	
	£'000	£'000	£'000	£'000	£'000	£'000	
Net Cost of Services	12,776	13,359	14,519	15,017	15,714	16,434	A
Interest Payments	660	662	662	662	662	662	C
Interest & Investment Income	-1,193	-996	-817	-670	-872	-1,302	C
Pensions Interest/Return on Assets	1,029	1,043	1,043	1,043	1,043	1,043	
Fees & Charges			-118	-237	-352	-479	
Growth Items			40	58	76	76	K
Special Items			122	2	3	1	J
Efficiency Savings - Existing plans			-492	-735	-883	-883	G
Efficiency Savings - New					-571	-1,512	
One off Savings			-15				H
Known Changes			766	1,297	1,021	1,149	B
Planning Contingency		590	692	34			
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	13,297	14,938	16,629	16,495	15,865	15,214	
Contribution to / from Earmarked Reserves	1,443	-166	-67	-361	39	89	
Contribution to/ from Interest Equalisation reserve	1,249	600	-112	-195	-125		
Use of General Reserve	97		-200				
Movement on Pension Reserve	-911	-550	-550	-550	-550	-550	
Net Expenditure after reserves	15,175	14,822	15,699	15,389	15,229	14,753	
Formula Grant/NNDR	-5,537	-5,940	-5,174	-4,657	-4,191	-3,772	D
Council Tax Freeze Grant	-233	-94	-94	-94			
Other general grants	-13	-16	-16				
New Homes Bonus*			-1,693	-1,873	-2,053	-1,818	E
Transfer (from)/to Collection Fund	-62	-95					
Demand on Collection Fund	9,330	8,677	8,722	8,765	8,985	9,164	
Council Taxbase	58,628	55,084	55,359	55,636	55,914	55,914	F
Council Tax at Band D	159.13	157.54	157.54	157.54	160.69	163.90	

Percentage Increase

-1.00% 0.00% 0.00% 2.00% 2.00%

*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

SHEET A

SUB - SUMMARY August 2013

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	£'000	£'000	£'000	£'000	£'000	£'000
Director of Neighbourhood services	126	120	122	124	128	132
Corporate Support	99	104	105	107	111	114
Planning & Building Control	1,262	1,185	1,223	1,261	1,329	1,400
Housing Services	423	539	539	549	564	580
Community Safety & Health	1,361	1,530	1,506	1,540	1,595	1,652
Director of Customer & Community	142	134	136	139	143	148
Welfare Reform	2	170				
Environment	4,792	5,648	5,820	5,975	6,145	6,320
Customer & New Media	-706	-1,048	-981	-914	-832	-747
Economic Development	115	93	109	124	141	159
Community Engagement	746	741	716	730	749	767
Hertford Theatre	201	216	232	248	269	290
Director of Internal Services	142	132	134	137	141	145
Governance Support	351	605	622	639	666	694
People, ICT & Property Services	2,481	2,376	2,453	2,500	2,581	2,665
Financial Support Services	555	569	579	590	608	627
Revenues & Benefits	202	168	117	151	221	293
Corporate Risk	338	353	360	367	377	386
Other	327	-87	785	797	815	834
Non Distributed Costs						
Capital Salaries	-172	-188	-26	-26	-26	-26
Adjustment	-10		-33	-21	-11	
Net Cost of Services	12,776	13,359	14,519	15,017	15,714	16,434
Interest Payments	660	662	662	662	662	662
Interest & Investment Income	-1,193	-996	-817	-670	-872	-1,302
Pensions Interest/Return on Assets	1,029	1,043	1,043	1,043	1,043	1,043
Known Changes			766	1,297	1,021	1,149
Contribution to Earmarked Reserves	1,620	99	189	189	189	189
Contribution to/ from Interest Equalisation reserve	1,249	600	-112	-195	-125	
Contribution from Earmarked Reserves	-177	-265	-256	-550	-150	-100
Funding change Contingency			200			
Council Tax Support Scheme: grants to town and parish		255				
Planning Contingency		590	692	34		
Savings 2014/15			-492	-492	-492	-492
Savings 2015/16				-244	-244	-244
Savings 2016/17					-148	-148
Savings 2017/18						
Efficiency Savings - New					-571	-1,512
One Off Savings			-15			
Growth 2014/15			40	40	40	40
Growth 2015/16				18	18	18
Growth 2016/17					18	18
Growth 2017/18						
Special Item			122	2	3	1
RCCO/Internal Interest	25	25	25	25	25	25
Use of General Reserve	97		-200			
Movement on Pension Reserve	-911	-550	-550	-550	-550	-550
Car Parking Fees & Charges			-80	-160	-235	-321
Other fees & Charges			-38	-77	-117	-158
Net Expenditure	15,175	14,822	15,699	15,389	15,229	14,753

Formula Grant/NNDR	-5,537	-5,940	-5,174	-4,657	-4,191	-3,772
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Demand on Collection Fund	9,330	8,677	8,722	8,765	8,985	9,164
Council Taxbase	58,628	55,084	55,359	55,636	55,914	55,914
Council Tax at Band D	159.13	157.54	157.54	157.54	160.69	163.90
Percentage Increase		-1.00%	0.00%	0.00%	2.00%	2.00%

Pay and Price Assumptions for Medium Term Financial Plan

Data Table	2013/14	2014/15	2015/16	2016/17	2017/18
Overall salary increase (Inclusive of everything)*	1.75%	1.75%	1.75%	3.25%	3.25%
Members Allowances	1.00%	1.00%	1.00%	2.50%	2.50% **
Inflation	2.00%	2.30%	2.10%	2.00%	2.00%
NNDR	2.50%	2.80%	3.20%	3.60%	3.90%
Fuel	2.50%	2.30%	2.10%	2.00%	2.00%
Contract Index - All Contracts	3.20%	2.30%	2.10%	2.00%	2.00%
Contract Index - Street Cleansing	1 2.60%	2.30%	2.10%	2.00%	2.00%
Contract Index - Refuse Only	2 2.60%	2.30%	2.10%	2.00%	2.00%
Contract Index - Parking	3 3.10%	2.30%	2.10%	2.00%	2.00%
Contract Index - Leisure	4 3.10%	2.80%	3.20%	3.60%	3.90%
Income					
Increase for Fees & Charges	2.50%	2.50%	2.50%	2.50%	2.50%
Increase for car parks	0.00%	2.50%	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	1.00	1.00	1.00	2.50	2.50
Pay allowance - increments and local award	0.75	0.75	0.75	0.75	0.75
	1.75	1.75	1.75	3.25	3.25

** Subject to IRP recommendation

OTHER KNOWN REDUCTIONS AND INCREASES

SHEET B

	2014/15	2015/16	2016/17	2017/18
	£'000	£'000	£'000	£'000
Increase in pension costs	97	194	291	388
Changes to Terms and Conditions	-258	-352	-352	-352
Hertford Theatre Hydro Income		-11	-11	-11
National Insurance rebate (exact date uncertain)			222	222
Waste: Alternate Financial Model (AFM) income reduction	32	32	32	32
Application of New Homes Bonus - 25% to parish and towns	423	468	513	454
Application of New Homes Bonus - priority spending capped at 2012/13	210	210	210	210
LDF Public exam/Green belt review	140	390	90	40
Housing Condition survey	50			
Future Council elections		100		
Reduction in housing benefit over recovery	61	122	183	244
Adjust council tax admin grant	79	158	237	316
Causeway lease reversal of accrual			-380	-380
Data Protection Officer - (Salaries - Customer Svs & NM)	-30	-30	-30	-30
Auto Enrolment (pensions)	77	77	77	77
DCLG New Burdens income (Revs & Bens)		53.5	53.5	53.5
New Recycling Scheme - Ongoing Annual operating savings	-25.8	-25.8	-25.8	-25.8
New Recycling scheme - Revenue cost from loss of investment interest	36.5	36.5	36.5	36.5
New Recycling scheme - Additional income from Recycling credits	-146.2	-146.2	-146.2	-146.2
New Recycling scheme - Loss of income from mixing material	20.9	20.9	20.9	20.9
Total	766	1,297	1,021	1,149

Investment Income

SHEET C

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 Rate	21.8	22	22	22
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%

Investment Income - 24/07/2013

	2013/14	2014/15	2015/16	2016/17	2017/18
total cash	64	63	62	61	61
Fixed term					
Lloyds rate 3.72	10	10	10	10	10

		372	372			
rolled over rate 1.1				110		
rolled over rate 1.4					140	
rolled over rate 2.0						200
Natwest rate 2.25 to Apr 13	5	5	5	5	5	5
rolled over rate 0.8	40					
rolled over rate 0.7		35				
rolled over rate 1.00			50			
rolled over rate 1.4				70		
rolled over rate 2.0						100
Lloyds rate 3% Jul-13	10	10	10	10	10	10
Income	75					
rolled over rate 0.92	70					
rolled over rate 0.75		75				
rolled over rate 1.1			110			
rolled over rate 1.4				140		
rolled over rate 2.0						200
Barclays to Aug 14	5	5	5	5	5	5
rolled over rate 2%	100	30				
rolled over rate 0.7%		23				
rolled over rate 1.1%			50			
rolled over rate 1.4%				70		
rolled over rate 2.0%						100
Barclays Until April 14	5	5	5	5	5	5
rate 0.88%	40					
rolled over rate 0.7%		35				
rolled over rate 1.1%			50			
rolled over rate 1.4%				70		
rolled over rate 2.0%						100
Investec Rate	21.8	22	22	22	22	22
0.70%	114	165				
1.00%			220			
1.60%				352		
2.10%						462
Short term	10	6	5	5	5	5
rate	0.7	0.7	0.9	1.2	1.9	1.9
Income	40	42	45	60	95	95
In house cash flow	45	40	35	40	45	45
Total	896	817	670	872	1302	1302
Total - Feb 2012 MTFP Difference (2014/15 - 2016/17 to be funded from Reserves)	996	929	865	997	0	0
	100	112	195	125	0	-1302

	£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	0.95%
16/17	1.40%
17/18	2.05%

FORMULA GRANT AND RETAINED NNDR

SHEET D

EHC Summary - Figures from AM 07/08/12

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Like for like on formula grant basis	5,537	5,321	4,851	4,678	4,678	
add council tax support grant		674	674	674	674	
total = start up funding allocation	<u>5,537</u>	<u>5,995</u>	<u>5,525</u>	<u>5,352</u>	<u>5,352</u>	
NNDR retained business rates = base line funding level		2,637	2,430	2,354	2,354	
RSG and central share and ctax support		3,358	3,095	2,998	2,998	
Settlement December 2012						
NNDR		2,377	2,450			
RSG		3,573	2,746			
<i>note-totals include Council Tax Support grant for both EHC and Parishes</i>		<u>5,950</u>	<u>5,196</u>			
Indicative NNDR figures						
Billing Authority Baseline		21,556				
EHC Baseline (80%)		17,245				
EHC Baseline Funding Level		2,377	2,450			
Tariff		14,868	15,324	15,783	16,256	
EHC NNDR 1						
Billing Authority Baseline		21,544	22,190	22,856	23,543	
EHC Baseline (80%)		17,235	17,752	18,285	18,834	
EHC Baseline Funding Level - Budget Figure		2,367	2,428	2,502	2,578	
Tariff (as above)		14,868	15,234	15,783	16,256	
BUDGET TOTALS						
RSG		3,573	2,746	2,540	2,350	
NNDR		2,367	2,428	2,502	2,578	
		<u>5,940</u>	<u>5,174</u>	<u>5,042</u>	<u>4,928</u>	<u>4,928</u>
CSR 2013						
Less 10% 15/16 onwards			5,174	4,657	4,191	3,772
			-	385	737	£'000

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

SHEET E

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
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)	(425)
New Homes Bonus 13/14 (to be received 13/14 to 18/19)		(553)	(553)	(553)	(553)	(553)
New Homes Bonus 14/15 (to be received 14/15 to 19/20)			(300)	(300)	(300)	(300)
New Homes Bonus 15/16 (to be received 15/16 to 20/21)				(180)	(180)	(180)
New Homes Bonus 16/17 (to be received 16/17 to 21/22)					(180)	(180)
New Homes Bonus 17/18/ (to be received 17/18 to 22/23)						(180)
Built into Estimates	840	1,393				
	-	-	(1,693)	(1,873)	(2,053)	(1,818)

**Calculation of Council Tax base
Updated**

SHEET F

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	-4608	-4608	-4608	-4608
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
	13/14	14/15	15/16	16/17
ST Figures 14/12/12				
Eligible chargeable properties	59,354			
Council tax benefit scheme	(4,639)			
Estimated growth	0.89%	487		
Non collection allowance	1.25%	(690)		
Increase - CT reduction scheme		175		
Increase - Wider CT reforms		397		
Assume increase of 0.5% per annum (SC 18/12/2012)			275	277
			278	
	55,084	55,359	55,636	55,914

Planning & Building Control

Reduction in budget		(61,000)		
Building control fees - Loss of Income				
Building Control Reduced Spending	(50,000)	(50,000)		
Development Control BPI led savings	(22,000)			
DC miscellaneous costs				
Planning administration	(34,000)	(34,000)		
LDF funding				
Planning policy resources				

Community Safety & Health

Set taxi licence fees to recover full costs		(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				

Environmental Services

Waste services contract transition	(100,000)			
Leisure Savings	155,000			
Grounds Maintenance Contract Extension	(12,500)	(37,500)		

Community Engagement

C&C - MOW				
Hertford Theatre - new business plan	(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				
Printing - Shared Services Savings				
FM - Shared Services Savings				
Phased reduction in hours of estates staffing	(14,000)			
Estimated Shared services Savings	(208,000)			
SBC Contribution to EHC retained recharges	(9,560)			

Revenues & Benefits

Shared service efficiencies		(15,000)		
Invest to save option				

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 - (134,500)

Total to be built into estimates

(491,560)	(243,800)	(148,000)	0
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One Off Savings

2014/15 2015/16 2016/17 2017/18
£ £ £ £

SHEET H

Customer & Community

Community Engagement

Public Consultation & Research

(14,700)

Total to be built in

(14,700) 0 0 0

Already built in

Total already built in

0 0 0 0

Total One Off Savings

(14,700) 0 0 0

Special Items

Welfare Reform

People, ICT & Property

EHC disturbance Costs (Less SBC contribution)

Total Special Items

	2014/15	2015/16	2016/17	2017/18
	£	£	£	
Welfare Reform	120,000			
EHC disturbance Costs (Less SBC contribution)	2200	2450	2700	1200
Total Special Items	122,200	2,450	2,700	1,200

Growth

2014/15	2015/16	2016/17	2017/18
£	£	£	

Environment

Waste Services - Property Growth

22,000

Customer & New Media

Improved Cleansing of Multi Storey Car Parks

Locking of Grange Paddock Car Park

Revenue effect of new Parking vehicle (Net)

Parking - Pay by Phone

8,000

8,000

8,000

Parking - VMS Sign Maintenance

IT

Growth from IT Capital Programme

10,000

10,000

10,000

Communication, Engagement & Cultural Services

Govdelivery - coordinated digital communications tool

Total growth**40,000****18,000****18,000****0**