

GENERAL FUND - MEDIUM TERM FINANCIAL PLAN

SUMMARY Model January 2014 for Scrutiny

Ref Paper

	2012/13 Actual	2013/14	2014/15	2015/16	2016/17	2017/18	
	£'000	£'000	£'000	£'000	£'000	£'000	
Net Cost of Services	13,310	14,218	13,962	14,293	14,966	15,659	A
Interest Payments	660	662	662	662	662	662	
Interest & Investment Income	-1,193	-996	-895	-1,113	-1,330	-1,650	B
Fees & Charges			-37	-81	-206	-332	
Growth Items			58	76	94	94	C
Special Items			376	65	3	1	D
Efficiency Savings - Existing plans			-64	-326	-339	-339	E
Efficiency Savings - to be Identified					-246	-165	E
One off Savings			-15				F
Known Changes				379	423	163	G
Application of New Homes Bonus *	238	558	1,095	1,356	1,592	1,798	H
Contingency		590	513	443			
Council Tax Support Scheme: grants to town and parish		255	127				
RCCO/Internal Interest	25	25	25	25	25	25	
Net Expenditure	13,040	15,312	15,807	15,780	15,643	15,915	
Contribution to / from Earmarked Reserves	1,443	-166	-95	-331	-21	-35	
Contribution to/ from Interest Equalisation reserve	1,249	600	-34				
Use of General Reserve	97						
Movement on Pension Reserve (Deficit Contribution)	118	493	600	600	600	600	
Net Expenditure after reserves	15,947	16,239	16,277	16,049	16,222	16,480	
Formula Grant/NNDR	-5,537	-5,940	-5,238	-4,439	-3,995	-3,596	I
Council Tax Freeze Grant	-233	-94	-94	-94			
Other general grants	-13	-16	-16				
New Homes Bonus	-772	-1,416	-2,190	-2,715	-3,188	-3,601	
Transfer (from)/to Collection Fund	-62	-95	-				
Transfer (from)/to NNDR Collection			-				
Demand on Collection Fund	9,330	8,677	8,738	8,800	9,039	9,284	
Council Taxbase	58,628	55,084	55,469	55,857	56,248	56,642	J
Council Tax at Band D	159.13	157.54	157.54	157.54	160.70	163.92	

Percentage Increase

-1.00% 0.00% 0.00% 2.00% 2.00%

* 2014/15 onwards NHB application split between Priority Spending and Parish & Town Councils (as shown on the Known changes sheet)

Reconciliation of Net Cost of Services	2012/13 Actual	2013/14	2014/15
Net Cost of Services as per MTFP	13,310	14,218	13,962
Built into estimates:			
Application of New Homes Bonus	238	558	1095
New Home Bonus Income	-772	-1416	-2190
Council Tax Support Scheme: grants to town and parish			127
Capital Salaries	172	188	26
SPARC - Adjustments to recycling budgets		470	
2012/13 Carry forward budgets		81	
Net Cost of Services as per Revenue Estimates	12,948	14,099	13,020

GENERAL FUND - MEDIUM TERM FINANCIAL PLAN

SUB - SUMMARY January 2014 for Scrutiny

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	£'000	£'000	£'000	£'000	£'000	£'000
Director of Neighbourhood services	126	120	116	118	122	126
Corporate Support	99	104	108	110	113	117
Planning & Building Control	1,262	1,185	1,136	1,174	1,243	1,314
Housing Services	423	539	477	507	523	539
Community Safety & Health	1,361	1,530	1,453	1,406	1,457	1,510
Chief Executive and Director of Customer & Community Services	142	134	150	153	158	163
Welfare Reform	2	170				
Environment	4,792	5,648	5,457	5,591	5,753	5,920
Customer & New Media	-706	-1,048	-865	-801	-725	-646
Economic Development	115	93	83	89	96	103
Community Engagement	746	741	728	707	724	743
Hertford Theatre	201	216	221	238	259	281
Director of Finance and Support Services	142	132	131	133	137	142
Governance Support	351	605	559	575	601	628
People & Property Services	2,481	2,376	1,045	1,066	1,100	1,135
ICT, Printing & DTP Services			1,280	1,307	1,356	1,406
Financial Support Services	555	569	552	562	579	597
Revenues & Benefits	202	168	245	279	350	423
Corporate Risk	338	353	336	342	351	361
Other	851	772	775	766	794	824
Capital Salaries	-172	-188	-26	-26	-26	-26
Net Cost of Services	13,310	14,218	13,962	14,293	14,966	15,659
Interest Payments	660	662	662	662	662	662
Interest & Investment Income	-1,193	-996	-895	-1,113	-1,330	-1,650
Car Parking Fees & Charges					-80	-160
Other fees & Charges			-37	-81	-126	-172
Growth 2014/15			58	58	58	58
Growth 2015/16				18	18	18
Growth 2016/17					18	18
Growth 2017/18						
Special Item			376	65	3	1
Savings 2014/15			-64	-64	-64	-64
Savings 2015/16				-262	-262	-262
Savings 2016/17					-14	-14
Savings 2017/18						
Efficiency Savings - to be Identified					-246	-165
One Off Savings			-15			
Known Changes				379	423	163
Application of New Homes Bonus *	238	558	1,095	1,356	1,592	1,798
Contingency		590	513	443		

Council Tax Support Scheme: grants to town and parish		255	127			
RCCO/Internal Interest	25	25	25	25	25	25
Contribution to Earmarked Reserves	1,620	99	39	39	39	25
Contribution from Earmarked Reserves	-177	-265	-134	-370	-60	-60
Contribution to/ from Interest Equalisation reserve	1,249	600	-34			
Use of General Reserve	97					
Movement on Pension Reserve (Deficit Contribution)	118	493	600	600	600	600
Net Expenditure	15,947	16,239	16,277	16,049	16,222	16,480
Formula Grant/NNDR	-5,537	-5,940	-5,238	-4,439	-3,995	-3,596
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Transfer (from)/to NNDR Collection Fund			-			
Demand on Collection Fund	9,330	8,677	8,738	8,800	9,039	9,284
Council Taxbase	58,628	55,084	55,469	55,857	56,248	56,642
Council Tax at Band D	159.13	157.54	157.54	157.54	160.70	163.92
Percentage Increase		-1.00%	0.00%	0.00%	2.00%	2.00%

* 2014/15 onwards NHB application split equally between Priority Spending and Parish & Town Councils (as shown on the Known changes sheet)

Investment Income - 12/12/2013

REF PAPER B

		2013/14	2014/15	2015/16	2016/17	2017/18	Assumptions	Source
total cash		67	67	60	60	0	60	
Fixed term								
Lloyds rate 3.72 to Apr 2015		10	10	10	10	10		
rolled over rat rate 1.1	372	372		110			Roll over for 1 year	Capital Assets Services
rolled over rat rate 1.4					140		" "	" "
rolled over rat rate 2.0						200	" "	" "
Natwest rate 2.25 to Oct 13		5	5	5	5	5		
Rate 0.8 to April 2014	20						95 Days Notice	
rolled over rate 0.6	15		35					
rolled over rate 0.7				50				
rolled over rate 1.1					70			
rolled over rate 1.4						100		
rolled over rat rate 2.0								
Lloyds rate 3% Jul-13		10	10	10	10	10		Capital Assets Services
Income	75						Roll over for 1 year	" "
rolled over rate 0.92	70		75				" "	" "
rolled over rate 0.75				110			" "	" "
rolled over rate 1.1					140		" "	" "
rolled over rate 1.4						200	" "	" "
rolled over rate 2.0							" "	" "
Barclays to Aug 14		5	5	5	5	5		Capital Assets Services
rate 2%	100		30				Roll over for 1 year	" "
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		Capital Assets Services
rate 0.88%	40		35				Roll over for 1 year	" "
rolled over rate 0.7%				50			" "	" "
rolled over rate 1.1%					70		" "	" "
rolled over rate 1.4%						100	" "	" "
rate 2.0%							" "	" "
Investec Rate		21.8	12	5	5	5		Investec
0.25%	55		15				Disinvest £10m in July 2014/15 and £7m in 2015/16	
0.75%				38				
1.40%					70			
1.50%						75		
LAM		1	1	1	1	1		Funds placed in 2013/14
3.00%	30		30		30	30		
Property Fund			20	20	20	20		Investment commence in second quarter 2014/15
Rate 3.0%			220				Half Year income less £80k entry fees	
Rate 3.2%				640			Full year income	
Rate 3.5%					700		"	
Rate 4.0%						800	"	
Short term		10						Disinvesting in second quarter 2014/15
rate	0.4		0.4					
Income	40		20					
In house cash flow	45		40	35	40		45	
Total		842	895	1113	1330		1650	
Total - Feb 2012 MTFP		996	929	865	997		0	
Difference (2014/15 - 2016/17 to be funded from Reserves)		154	34	-248	-333	0	-1650	

	£million		Maturity
Lloyds min return	10	3.72%	Apr-15
Nat west	5	0.60%	Apr-14
Lloyds	10	1%	Jul-14
Barclays	5	2%	Aug-14
Barclays	5	0.88%	Apr-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%

Growth	2014/15	2015/16	2016/17	2017/18
	£	£	£	
Environment				
Waste Services - Property Growth	22,000			
Customer & New Media				
Parking - Pay by Phone	8,000	8,000	8,000	
IT				
Growth from IT Capital Programme	10,000	10,000	10,000	
New Items				
People & Property				
Consultants fees re property investment appraisal	7,700			
Lighting columns maintenance costs	10,000			
Total growth	57,700	18,000	18,000	0

REF PAPER D

Special Items	2014/15	2015/16	2016/17	2017/18
	£	£	£	
Welfare Reform	120,000			
New items				
People, ICT & Property				
EHC disturbance Costs (Less SBC contribution)		2,450	2,700	1,200
Resource to facilitate HR performance reporting	20,000			
Compliance Surveys	30,000	30,000		
Customer Services & New Media				
Southmill Area Resident Permit Scheme	15,000	30,000		
Car Park Management System Consultancy - Specification & Tender Support	15,000			
Bisops Stortford Parking Futures	15,000			
Review of on-stree limited waiting bays	15,000			
Intranet consultation and redesign including role and template implementation	15,000			
Member's website consultation and redesign including role and template implementation	15,000			
Accessibility assessment of www.eastherts.gov.uk	10,000			
Finance & Performance				
Controlled Stationery - cheques		3,000		
Community Engagement				
20203/822 Development of Olympic Programme	500			
20203/822 Herts Savers Credit Union	5,000			
Revenues & Benefits				
Revenues & Benefits shared service - contribution to staffing	100,000			
Total Special Items	375,500	65,450	2,700	1,200
Built into 2014/15 Estimates				
People, ICT & Property				
EHC disturbance Costs (Less SBC contribution)	2,200			
	377,700	65,450	2,700	1,200

REF PAPER E

MTFP Savings 2014/15 To 2017/18		Note	2014/15	2015/16	2016/17	2017/18
			£	£	£	£
Planning & Building Control						
Reduction in budget				(61,000)		
Building Control Reduced Spending				(50,000)		
Planning administration				(34,000)		
Environmental Services						
Grounds Maintenance Contract Extension			(12,500)	(37,500)		
Community Engagement						
Hertford Theatre - new business plan				(14,300)	(9,500)	
People, ICT & Property						
Reduce HR support - Shared Support Services			(2,000)	(5,000)	(4,000)	
17719/053	Reduction in corporate training budget pro rata to staff reduction		(3,000)			
Phased reduction in hours of estates staffing			(14,000)			
SBC Contribution to EHC retained recharges			(9,560)			
Revenues & Benefits						
Shared service efficiencies				(15,000)		
Democratic & Legal Services						
Reduction in Legal third party payments budget				(27,000)		
Efficiency measures for electoral canvass				(12,500)		
Revenue effects of capital						
Bell Street Public Conveniences modernisation			(5,600)	(5,600)		
3G Artificial Turf Pitch development at Hartham Common (Management fee reduc			(17,000)			
Total			(63,660)	(261,900)	(13,500)	0
Savings to be Identified					(252,000)	(174,000)
Total savings to be built into estimates			(63,660)	(261,900)	(265,500)	(174,000)
Already built in to Estimates as part of Underspend Challenge						
Planning & Building Control						
Planning administration			(34,000)			
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			(3,420)			

Environmental Services	
Waste services contract transition	(100,000)
Community Engagement	
Hertford Theatre - new business plan	(45,000)
Democratic & Legal Services	
Land Charges - staffing reductions	(23,000)
	<u>(210,420)</u>
Already built into Estimates	
Community Safety & Health	
Restructuring the services delivered by Licensing, Community Safety and Environmental Health leading to a reduction in resources	(102,580)
Environmental Services	
Leisure Savings	155,000
People, ICT & Property	
Estimated Shared services Savings	(208,000)
	<u>(155,580)</u>
Items removed from Savings list (not built in to estimates)	
Planning & Building Control	
Building Control Reduced Spending	(50,000)
Development Control BPI led savings	(22,000)
	(72,000)
Total	<u>(501,660)</u>

REF PAPER F

One Off Savings

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

Customer & Community

Community Engagement

Public Consultation & Research

(14,700)

Total to be built in

(14,700)	0	0	0
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REF PAPER G

OTHER KNOWN REDUCTIONS AND INCREASES

	2014/15	2015/16	2016/17	2017/18
	£'000	£'000	£'000	£'000
Changes to Terms and Conditions		-92	-92	-92
Hertford Theatre Hydro Income		-11	-11	-11
National Insurance rebate (exact date uncertain)			222	222
LDF Public exam/Green belt review		250	40	40
Future Council elections		100		
Reduction in housing benefit over recovery		65	130	195
Adjust council tax admin grant		67	134	201
Causeway lease reversal of accrual				-380
Causeway car park - loss of net income				36
Leisure Contract reduction in contract expenditure				-48
Remove Council Tax Support Scheme				
Waste - Alternate Financial Model (AFM) income reduction				
		379	423	163
For information				
Application of New Homes Bonus - 25% to parish and towns		678	796	899
Application of New Homes Bonus - priority spending		678	796	899
		1,356	1,592	1,798

REF PAPER H

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

	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)			(797)	(797)	(797)	(797)
New Homes Bonus 15/16 (to be received 15/16 to 20/21)				(525)	(525)	(525)
New Homes Bonus 16/17 (to be received 16/17 to 21/22)					(473)	(473)
New Homes Bonus 17/18/ (to be received 17/18 to 22/23)						(828)
Built into Estimates	840	1,393	2,190			
	-	-	-	(2,715)	(3,188)	(3,601)

REF PAPER I

FORMULA GRANT AND RETAINED NNDR

	2013/14	2014/15	2015/16	2016/17	2017/18
Settlement December 2012					
NNDR	2,377	2,450			
RSG	3,573	2,746			
	<u>5,950</u>	<u>5,196</u>			
Settlement December 2013					
Indicative NNDR figures					
Billing Authority Baseline	21,556	21,976	22,583		
EHC Baseline (80%)	17,245	17,581	18,066		
EHC Baseline Funding Level	2,377	2,423	2,490		
Tariff	14,868	15,158	15,576		
EHC NNDR 1 Note 1					
Billing Authority Baseline	21,544	21,975	22,583	23,260	23,958
EHC Baseline (80%)	17,235	17,580	18,066	18,608	19,166
EHC Baseline Funding Level - Budget Figure	2,367	2,423	2,490	2,565	2,642
Tariff (as above)	14,868	15,158	15,576	16,043	16,525
BUDGET TOTALS Note 2					
RSG	3,573	2,815	1,949	1,430	954
NNDR	2,367	2,423	2,490	2,565	2,642
	<u>5,940</u>	<u>5,238</u>	<u>4,439</u>	<u>3,995</u>	<u>3,596</u>
CSR 2013					
Less 10% 16/17 onwards		5,238	4,439	3,995	3,596

Note 1 - Figures for 2014/15 onwards based on indicative settlement figures pending completion of East Herts NNDR1 return
 Figures for 16/17 & 17/18 assume a 3% uplift

Note 2 - Budget figures shown in bold

Note 3 - 16/17 & 17/18 RSG are assumed figures

REF PAPER J

Calculation of Council Tax base

	13/14	14/15	15/16	16/17	17/18
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	
Revised Tax base 13/12/2013 From Final Tax base report		55468.63			
Assume increase of 0.7% per annum (SC 19/11/2013)			388	391	394
		55,469	55,857	56,248	56,642

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	0.00%	1.00%	1.00%	2.50%	2.50% **
Inflation	2.00%	2.30%	2.10%	2.00%	2.00%
NNDR	2.50%	2.00%	3.00%	3.00%	3.00%
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%	3.30%	3.60%	3.80%
Income					
Increase for Fees & Charges	2.50%	2.50%	2.50%	2.50%	2.50%
Increase for car parks	0.00%	0.00%	0.00%	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