GENERAL FUND - MEDIUM TERM FINANCIAL PLAN						
SUMMARY August 2011 Version						
	20010/11 Actual	**2011/12**	**2012/13**	**2013/14**	**2014/15**	**2015/16**
	£'000	£'000	£'000	£'000	£'000	£'000
Net Cost of Services	**7,790**	**15,651**	**15,689**	**16,634**	**17,588**	**18,554**
Interest Payments	661	662	662	662	662	662
Interest & Investment Income	-871	-1,175	-1,830	-2,140	-2,412	-2,634
Pensions Interest/Return on Assets	1,007	1,424	1,424	1,424	1,424	1,424
Fees & Charges			-124	-236	-350	-463
Growth Items			25	94	147	147
Special Items			25			
Efficiency Savings - Existing plans			-1,019	-1,539	-1,794	-1,794
Efficiency Savings - New						-704
Balancing Figure			**626**	**495**	**429**	**344**
One off Savings			-15	-6	-15	
Known Changes			248	229	428	826
Planning Contingency			161	470	779	1,000
RCCO/Internal Interest	25	26	26	26	26	26
Net Expenditure	**8,612**	**16,588**	**15,898**	**16,112**	**16,912**	**17,387**
Contribution to / from Earmarked Reserves	162	-124	249	249	249	249
Contribution to/ from Interest Equalisation reserve	-1,185	17	27	115	-72	-72
Cost of change Contingency			200			
Use of General Reserve	993	-66		145		
Movement on Pension Reserve	8,817	-888	-888	-888	-888	-888
Net Expenditure after reserves	**17,399**	**15,527**	**15,486**	**15,734**	**16,201**	**16,676**
Formula Grant/NNDR	-8,182	-6,079	-5,306	-5,390	-5,390	-5,390
Council Tax Freeze Grant		-230	-230			
New Homes Bonus			-615	-815	-1,015	-1,215
Area Based Grant	-37					
Transfer (from)/to Collection Fund	16	31	-62			
Demand on Collection Fund	**9,196**	**9,249**	**9,273**	**9,529**	**9,796**	**10,071**
Council Taxbase	57,791	58,123	58,268	58,414	58,589	58,765
Council Tax at Band D	**159.13**	**159.13**	**159.13**	**163.11**	**167.19**	**171.37**
Percentage Increase		0.00%	0.00%	2.50%	2.50%	2.50%

Revision to interest assumption subsequent to CBS				
Existing rate %	2.7	3.4	4.0	4.4
Revised rate %	2.1	2.6	3.0	4.0
	£'000	£'000	£'000	£'000
Reduction in income	406	503	603	240
Offsetting adjustments				
Planning contingency	-161	-8	-174	0
Balancing Figure	-245	-495	-429	-240
Resulting assumptions and provisions				
Interest & Investment Income revised	-1,424	-1,637	-1,809	-2,394
Planning contingency	0	462	605	1000
Balancing figure	381	0	0	104

GENERAL FUND - MEDIUM TERM FINANCIAL PLAN

SUB - SUMMARY August 2011 Version

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive & PAs	221	218	221	230	239	249
Strategic Direction	432	337	343	357	371	385
Director of Neighbourhood services	125	125	127	132	137	143
Planning & Building Control	1,119	1,264	1,310	1,413	1,515	1,624
Health & Housing	1,565	1,551	1,582	1,647	1,711	1,779
Licensing & Community Safety	228	249	261	284	305	328
Director of Customer & Community	109	106	108	112	117	121
Environment	6,129	5,385	5,609	5,877	6,157	6,461
Customer & New Media	-702	-610	-574	-460	-345	-224
Cultural & Community	2,592	1,229	1,167	1,256	1,338	1,425
Director of Internal Services	147	133	135	141	146	152
People & Organisational Development	341	317	323	336	348	361
Business Support	3,468	3,115	3,243	3,360	3,473	3,590
Revenues & Benefits	267	292	296	334	375	420
Financial Support Services	188	143	139	150	162	176
Democratic & Legal Services	469	605	608	642	675	711
Programme Director	107	32				
Other (& Adjustment)	901	1,346	974	1,008	1,051	1,038
Non Distributed Costs	-9,728					
Environment						
Capital Salaries	-186	-186	-186	-186	-186	-186
Adjustment						
Net Cost of Services	**7,790**	**15,651**	**15,689**	**16,634**	**17,588**	**18,554**
Interest Payments	661	662	662	662	662	662
Interest & Investment Income	-871	-1,175	-1,830	-2,140	-2,412	-2,634
Pensions Interest/Return on Assets	1,007	1,424	1,424	1,424	1,424	1,424
Known Changes			248	229	428	826
Contribution to Earmarked Reserves	748	249	249	249	249	249
Contribution to/ from Interest Equalisation reserve	-1,185	17	27	115	-72	-72
Contribution from Earmarked Reserves	-586	-373				
Cost of change Contingency			200			
Contribution of Vacancies						
Balancing Figure			626	495	429	344
Planning Contingency			161	470	779	1,000
Savings 2012/13			-1,019	-1,019	-1,019	-1,019
Savings 2013/14				-521	-521	-521
Savings 2014/15					-255	-255

Savings 2015/16 NEW ***						-704
One Off Savings			-15	-6	-15	
Growth 2012/13			25	25	25	25
Growth 2013/14				69	69	69
Growth 2014/15					53	53
Growth 2015/16						
Special Item			25			
RCCO/Internal Interest	25	26	26	26	26	26
Use of General Reserve	993	-66		145		
Movement on Pension Reserve	8,817	-888	-888	-888	-888	-888
Car Parking Fees & Charges			-78	-158	-240	-320
Other fees & Charges			-46	-78	-110	-143
Net Expenditure	**17,399**	**15,527**	**15,486**	**15,734**	**16,201**	**16,676**
Formula Grant/NNDR	-8,182	-6,079	-5,306	-5,390	-5,390	-5,390
Council Tax Freeze Grant		-230	-230			
Area Based Grant	-37					
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Transfer (from)/to Collection Fund	16	31	-62			
Demand on Collection Fund	**9,196**	**9,249**	**9,273**	**9,529**	**9,796**	**10,071**
Council Taxbase	57,791	58,123	58,268	58,414	58,589	58,765
Council Tax at Band D	**159.13**	**159.13**	**159.13**	**163.11**	**167.19**	**171.37**
Percentage Increase		0.00%	0.00%	2.50%	2.50%	2.50%

*** Set at 4% of 2014/15 Net cost of Service £17588K

Pay and Price Assumptions for Medium Term Financial Plan

Data Table	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	
Overall salary increase (Inclusive of eveything)*	0.65%	1.70%	1.45%	4.10%	4.05%	4.15%	
Members Allowances	0.00%	2.68%	IRP	IRP	IRP	IRP	
Inflation	2.00%	2.10%	3.00%	3.20%	2.70%	2.70%	
NNDR	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%	
Contract Index - All Contracts	2.00%	2.70%	3.00%	3.20%	2.70%	2.70%	
Contract Index - Street Cleansing	2.00%	2.70%	3.40%	3.50%	3.60%	3.80%	* assumed RPIx 25/7/11
Contract Index - Refuse Only	2.50%	3.20%	3.40%	3.50%	3.60%	3.80%	* assumed RPIx 25/7/11
Contract Index - Parking	1.50%	2.20%	3.40%	3.50%	3.60%	3.80%	
Contract Index - Leisure	1.50%	2.20%	3.40%	3.50%	3.60%	3.80%	
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	2.46%	1.81%	2.70%	3.40%	4.00%	4.40%	

1. Street cleansing / Grounds Maintanence - April RPI applied in April
2. Refuse & Recyling - April AEI (public sector) applied in August
3. Parking - April RPIx applied in January
4. Leisure - January RPIx applied in January

*Salary Increase

Pay award original budget **	0.00	0.20	0.20	3.10	3.3	3.4
Pay allowance - increments and local award	0.65	1.50	1.25	1.00	0.75	0.75
	0.65	**1.70**	**1.45**	**4.10**	**4.05**	**4.15**

** Pay award actuals and now reflected in future plans

OTHER KNOWN REDUCTIONS AND INCREASES

	2012/13	2013/14	2014/15	2015/16
	£'000	£'000	£'000	£'000
Causeway deal	-74	-74	-74	-74
increase in pension costs			92	184
Jackson Square Contract - Rent	8	16	24	24
Income Shortfall 2009/10 reducing effect	-50	-100	-100	-100
Changes to Terms and Conditions		-267	-440	-440
New Refuse, Recycling & Street Cleansing Contract				
Joint Mgt team for Revenues and Benefits with Stevenage				
Post regraded in Revenues & Benefits				
Markets - marketing & maintenance			22	22
Additional plastic recyling - full year effect	22	22	22	22
Homlessness grant continuation (reduction in income fr	50	50	50	50
Hertford Theatre Hydro Income	-11	-11	-11	-11
National Insurance rebate	25	25	25	231
Local Services Support Grant (LSSG)	-40			
Strategic Direction Adjustment	11	11	11	11
Reduction in Alternate Financial Model (AFM) income		150	300	300
Application of New Homes Bonus	307	407	507	607
Total	**248**	**229**	**428**	**826**

Items already built in

	Rate	Income £000's
2011/12	1.81%	£1,175
2012/13	2.70%	£1,830
2013/14	3.40%	£2,140
2014/15	4.00%	£2,412
2015/16	4.40%	£2,634

£10m (structured deposit) based on 3.72% until April 2015.

FORMULA GRANT AND NNDR GRANT

	Actual	Provisional	MTFP Assumption		
	11/12	12/13	13/14	14/15	15/16
	£'000	£'000	£'000	£'000	£'000
Formula Grant & NNDR Grant - Figures from A Madin	6,079	5,306	5,390	5,390	5390

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)	-200	-200	-200	-200
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
	-615	-815	-1015	-1215

Calculation of Council Tax base
Updated

	06/07 £	07/08 £	08/09 £	09/10 £	10/11 £	11/12 £	12/13 £	13/14 £	14/15 £	15/16 £
Council Tax Base	55,857	57,122	57,952	57,734			58,123	58,268	58,414	58,589
Assume increase of 0.5% per annum							145	146	175	176
Adjusted Council Tax Base Allowing for Changes	55,857	57,122	57,952	57,734	57,791	58,123	58,268	58,414	58,589	58,765