

27th November 2014

REPORT OF THE LEADER OF THE COUNCIL

DRAFT BASE BUDGET FORECASTS 2015/16 to 2019/20

Purpose

To inform Members of the re-priced base budget for 2015/16, base budget forecasts for the period 2015/16 to 2019/20 (the 5 Year Medium Term Planning Period) and the underlying assumptions and to consider the future strategy to address the financial trends.

Recommendations

That:

- 1. the technical adjustments and re-priced base budget figures for 2015/16 & indicative budgets to 2019/20 be approved (as attached at Appendix B, C, D, E, F & G);**
- 2. consideration be given to the proposed Policy Changes and Capital Programmes, as detailed within the report;**
- 3. consideration be given to the planned Council Tax and Housing Rent increases for 2015/16, as detailed within the report; and**
- 4. in compliance with the Constitution of the Council, the Joint Scrutiny Budget Workshop be asked to consider the budget proposals contained within this report.**

Executive Summary

The following detailed budget information is contained within the report:

- Re-priced base budget information (& the associated technical adjustments) for 2015/16 in respect of the General Fund and Housing Revenue Account (HRA);
- A five year, medium term financial forecast for the General Fund and HRA;
- The associated strategy to address the financial trends & projection;
- The Provisional Capital Programmes for the General Fund and Housing Revenue Account for the period 2015/16 to 2019/20.

The Medium Term Financial Planning process is being challenged by the ongoing uncertain economic conditions. The attached forecast is based on a 5 year period, but does contain a number of uncertainties. The forecast grant reductions will put significant pressure on the ability of the Council to publish a balanced 5 Year Medium Term Financial Strategy (MTFS) – it may have to be a 3 or 4 year MTFS, in compliance with the Prudential Code.

Currently projections identify:

1. a General Fund shortfall of £0.7m over 3 years (with a shortfall of £5.8m over 5 years), including the minimum approved level of £0.5m;
2. a HRA shortfall of £0.3m over 3 years (with a shortfall of £1.0m over 5 years) including the minimum recommended balances of £0.5m.

The key uncertainties which will inform further budget considerations before the final budget proposals are developed are:

- a) Potential changes to future New Homes bonus levels following the announcement that the Government will be reviewing the scheme again;
- b) Future Revenue Support Grant levels following indications as part of the *Local Government Finance Settlement 2014-15 and 2015-16* issued by the DCLG in January 2014 (which indicated a revenue support grant reduction of 31.8% in 2015/16) – the provisional grant proposals are expected in December 2014 following the Chancellor's Autumn Statement on 3rd December 2014;
- c) The impact of Business Rate Reform from 1st April 2013 and the associated forecast business rates receivable in 2014/15 and future years – of which the Council's budget will receive 40% (subject to 20% levy reduction on 'excess' rates payable to the Greater Birmingham & Solihull Local Enterprise Partnership (GBSLEP) after deduction of the 50% central share, 9% County Council and 1% Fire & Rescue Authority share;
- d) The calculation of the level of business rate appeal costs – of which the Council has to fund 40% from its own budgets – a provision of £983k was set aside in 2013/14 (40% of which relates to the Council);
- e) Future Pension contribution levels - following the triennial review carried out by the Actuaries employed by the Pension Fund - indicative *ongoing* annual increases in Employer's contributions of c.2% p.a. for the next 3 years have been included. This now includes an ongoing lump sum (with an annual increase) relating to past liabilities and a set rate for future employer contributions of 16.5% p.a.

The Council has also made savings of c.£84k through pre-payment of pension contributions for the next 3 years;

- f) The impact of Pension Auto-Enrolment and the single tier pension from 2016/17 – no additional cost associated with auto enrolment has been included as salary budgets are prepared on a full cost basis (and then reduced by the 5% vacancy allowance).

An increase in Employer's National Insurance contributions of 3.4% p.a. have been included from 2016/17 when the single-tier pension starts as the State Second Pension scheme will close and contracting out will end;

- g) While the Government announced a pay cap for 2014/15 & 2015/16, a 2.2% increase (plus other changes) has recently been agreed from 1st January 2015. The impact of inflation on pay settlements and other contractual arrangements for future years is less certain;

- h) Proposed changes set out in the Welfare Reform Act 2012 and the introduction of Universal Credit – impact on housing benefits and associated income receipts (including Housing Rents) of the council;
- i) The impact of any further uncertainty over future interest rate levels and their impact on investment income / treasury management;
- j) The severity of the recession and the impact it has had and still could have on the Council's income streams (including the impact of the Local Council Tax Scheme on council tax collection levels);
- k) Due to uncertainties around the Better Care Fund, a significant risk on the current grant funding for Disabled Facilities Grants (DFG) is highlighted after 2015/16. A grant of £224k p.a. has been assumed to be redistributed – in line with the funding notified for 2015/16.
- l) Finalisation of the expected outcomes and impact on the Council's financial position from the programme of short-term and medium-term workstream reviews commissioned by Cabinet in August 2013 as part of the 'Plan for a Sustainable Future' overarching strategy to identify measures to help the Council cope with grant & income reductions in the coming years - potential savings arising from the Sustainability Plan workstreams have been included – it is anticipated that further review outcomes will be reported as policy changes in the next phase of the budget process;
- m) Review and finalisation of the revised budgets/policy changes and feedback from the Scrutiny process.

Resource Implications

The detailed financial & budgetary implications are outlined in detail within the report, however:

- The Central Forecast projects a General Fund shortfall of £0.7m over 3 years (£5.8m over 5 years), including the minimum approved level of £0.5m – assuming annual Council Tax increases of below 2% p.a. - in line with the 2% cap set by the Department for Communities & Local Government (DCLG) for 2014/15. This excludes any further potential savings arising from the Sustainability Plan workstreams at this stage – which will be reported as policy changes in the next phase of the budget process;

Key issues arising from the base budget review are detailed within the report and summarised below:

- a) Impact of Committee decisions on the 2014/15 budget – a General Fund net cost reduction of £1.1m;

b) Budget issues 2014/15:

- Marmion House – achievement of additional planned income generated through the Agile Working Project has been delayed, projected overspend of £59k;
- Assembly Rooms Bar - £24k overspend;
- Joint Waste Contingency budget not required (£34k);
- Corporate Finance – 2014/15 pensions saving arising from pre-payment of costs for 3 years (£49k);
- Commercial & Industrial Property Management - £61k additional rent income;
- Development Control - £50k projected additional Planning Applications income.

c) Base Budget review:

- Commercial & Industrial Rents – increased income of £50k;
 - New Homes Bonus – reduced grant income of £63k;
 - Reduced Housing Benefits costs of £41k.
- The current forecast projects a Housing Revenue Account (HRA) shortfall of £0.3m over 3 years (£1.0m over 5 years) including the minimum recommended balances of £0.5m.

However this includes contributions to capital spend of £5.1m over 3 years (£7.8m over the next 5 years) and the regeneration reserve of £7.0m over 3 years (£10.6m over 5 years) - resulting in balances of £1.0m over 3 years (£5.8m over 5 years).

a) Impact of Committee decisions on the 2014/15 budget – a net cost increase of £1.5m;

b) Budget issues 2014/15:

- Rent income is projected to exceed budget by £95k for the year due to lower than budgeted void levels;
- The budgeted increase in bad debts due to the impact of Welfare Benefit Reforms is being contained by robust and effective arrears recovery – pending implementation of Universal Credit.

c) Base Budget review:

- Reduced Income from Housing Rents of £646k arising from a reduced inflation factor in the rent calculation;
- Increased Interest income receivable on HRA balances of £68k.

Legal / Risk Implications

The Council's constitution requires Cabinet publish initial proposals for the budget, having first canvassed the views of local stakeholders as appropriate - budget proposals will be referred to the Joint Scrutiny Committee (Budget) for further advice and consideration.

In line with the constitution a Joint Scrutiny Budget Workshop has been arranged for 2nd December 2014.

In order to allow Scrutiny Committees to respond to the Cabinet on the outcome of their deliberations, a meeting of the Scrutiny Committee (Budget) has been arranged for 27th January 2015.

Proposed amendments to the 2014/15 base budget, approved by Council on 25th February 2014, are detailed within the report.

Risks to Forecasts:

Risk	Control Measure
Major variances to the level of grant / subsidy from the Government (including specific grants e.g. Benefits administration, Business Rates Section 31 funding); (High)	Sensitivity modelling undertaken to assess the potential impact in the estimation of future grant levels; (Medium / High)
New Homes Bonus grant levels lower than estimated; Continuation of the scheme in its current form is uncertain – a further review is planned. (High/Medium)	Future levels included on a risk based approach in order to offset further grant reductions / uncertainty over additional property numbers; (Medium)
Potential 'capping' of council tax increases by the Government or local Council Tax veto / referendum; (Medium)	Current indications are that increases of 2% and above risk 'capping' (confirmed as 2% for 2014/15); (Low)
The achievement of substantial savings / efficiencies will be needed to ensure sufficient resources will be available to deliver the Council's objectives through years 4 to 5. Ongoing; (High)	A robust & critical review of savings proposals will be required / undertaken before inclusion within the forecast; A minimum General Fund capital balance of £500k is a requirement – this has been financed in the past by revenue contributions (held in a revenue reserve). (High/Medium)
Pay awards greater than forecast; (Medium)	Forecast assumes a 2% increase p.a.; (Medium / Low)

Risk	Control Measure
<p>Pension costs higher than planned / adverse performance of pension fund;</p> <p>(Medium)</p>	<p>Regular update meetings with Actuary; Increases of c.2% p.a. with a new 'lump sum' element have been included with agreement made with Pension Fund following triennial review (during 2013 for 2014/15) for next 3 years;</p> <p>(Medium)</p>
<p>Assessment of business rates collection levels to inform the forecast / budget (NNDR1) and estimates of appeals, mandatory & discretionary reliefs, cost of collection, bad debts and collection levels;</p> <p>New burdens (Section 31) grant funding for Central Government policy changes – including impact on levy calculation;</p> <p>Potential changes to the Business Rates Retention system by the DCLG in support of Town Centre Regeneration / equalisation of the scheme; (High)</p>	<p>Robust estimates included to arrive at collection target. Ongoing proactive management & monitoring will continue;</p> <p>Business Rates Collection Reserve - provision of reserve funding to mitigate impact of any changes in business rate income levels;</p> <p>Monitoring of the situation / regular reporting;</p> <p>(High / Medium)</p>
<p>Local Council Tax Reduction scheme implementation – potential yield changes and maintenance of collection levels;</p> <p>(High)</p>	<p>Robust estimates included. Ongoing proactive management & monitoring (including a quarterly healthcheck on the implications on the organisation – capacity / finance) will continue;</p> <p>(High / Medium)</p>
<p>Achievement of income streams in line with targets e.g. treasury management interest, car parking, planning, commercial & industrial rents etc.; (High / Medium)</p>	<p>Robust estimates using a zero based budgeting approach have been included;</p> <p>(Medium)</p>
<p>Insurance arrangements are due for re-tendering during 2015/16 – a hardening market may see significant premium increases above inflation;</p> <p>(High / Medium)</p>	<p>The tender will include options around excess levels and further use of self insurance.</p> <p>(Medium)</p>
<p>Delivery of the capital programme (GF / HRA – including Regeneration schemes) dependent on funding through capital receipts and grants (including DFG funding through the Better Care Fund); (High / Medium)</p>	<p>Robust monitoring and evaluation – should funds not be available then schemes would not progress.</p> <p>(Medium)</p>

If Members would like further information or clarification prior to the meeting please contact Stefan Garner, Director of Finance Ext. 242.

Background Papers:-	Budget & Medium Term Financial Strategy 2014/15 – 2016/17, Council 25 th February 2014
	Budget and Medium Term Financial Planning Process, Cabinet 21 st August 2014
	Budget Consultation Report, Cabinet 23 rd October 2014

Base Budget Forecast 2015/16 to 2019/20

Revisions / updates have been made to the 2014/15 base budget in order to produce an adjusted base for 2015/16 and forecast base for 2016/17 onwards.

General Fund Revenue

Forecast – When the budget for 2014/15, and indicative budgets for 2015/16 to 2016/17, were approved by Council in February 2014 it was anticipated that balances would remain above the minimum approved level of £500k for the 3 year period.

However, a number of issues have now arisen & will need to be considered:

Budget Issues 2014/15

Significant items currently identified relating to outturn overspends/under achievement of income are,

- Marmion House – achievement of additional planned income generated through the Agile Working Project has been delayed, projected £59k overspend;
- Assembly Rooms bar - £24k overspend.

Significant items mitigating the financial impact of the above and contributing to the outturn position,

- Joint Waste Contingency budget not required, £34k;
- Corporate Finance – 2014/15 pensions saving arising from pre-payment of lump sum costs over 3 years of £49k;
- Commercial & Industrial Property Management - £61k additional rent income;
- Development Control - £50k projected additional Planning Applications income.

Base Budget

Key issues arising from the base budget review are detailed within the report and summarised below:

- Commercial & Industrial Rents – increased rent income of £50k;
- New Homes Bonus – reduced income of £63k following completion of CTB1 return, mainly due to increased levels of empty homes in the Borough;
- Reduced Housing Benefits costs of £41k.

Issues for the Medium Term

The central forecast projects a General Fund shortfall of £0.7m over 3 years (£5.8m over 5 years), including the minimum approved level of £0.5m – assuming annual council tax increases of c.1.99% p.a. - in line with the 2% cap set by the Department for Communities & Local Government (DCLG). This excludes any further potential savings arising from the Sustainability Plan workstreams at this stage.

Implications & Options

It is currently estimated that further savings of around £230k per annum will be required over the next 3 years (based on annual c.1.99% increases in Council tax).

Consideration of the level of Council tax increases over the 5-year period is needed to account for potential 'capping' by the Government or a local referendum / veto and to ensure that balances are maintained at the minimum approved level of £0.5m.

Decisions on future funding will need to be made with reference to the Council's Corporate Priorities together with the feedback & issues raised by the budget consultation exercise.

There is a need to consider how the limited resources can be 'prioritised' (& whether service improvements in a priority area should be met from service reductions elsewhere).

Responses / indications from Scrutiny Committees on priority areas for the future allocation of resources will be sought, as part of the consultation required by the constitution.

Housing Revenue Account

Forecast – When the budget for 2014/15, and indicative budgets for 2015/16 to 2018/19, were approved by Council in February 2014 it was anticipated that balances would remain above the minimum approved level of £500k for the 5-year period, with significant planned contributions to a regeneration reserve.

Budget Issues 2014/15

Significant items currently identified relating to underspends/over achievement of income are,

- Rent income is projected to exceed budget by £95k for the year due to lower than budgeted void levels;
- The budgeted increase in bad debts due to the impact of Welfare Benefit Reforms is being contained by robust and effective arrears recovery – pending implementation of Universal Credit.

Base Budget

Key issues arising from the base budget review are detailed within the report and summarised below:

- Reduced Income from Housing Rents arising from a revised inflationary increase – when the budget for 2014/15 and provisional budgets for 2015/16 onwards were set, CPI inflation was expected to be 2.5% p.a. For September 2014 (the month when the Government suggest the guideline increase) CPI was just 1.2% - a reduction of 1.3%; The impact is detailed in the following table:

	2014/15 Planned Increase	MTFS £'000	2015/16 Draft Increase	Draft MTFS £'000	Reduced income £'000
2015/16	3.50%	18,664	2.20%	18,297	367
2016/17	3.00%	19,005	2.50%	18,541	464
2017/18	3.00%	19,349	2.75%	18,832	517
2018/19	3.00%	19,697	3.00%	19,171	526
2019/20	3.00%	20,048	3.00%	19,514	534
<i>Total</i>					2,408

- Increased Interest income receivable on HRA balances of £68k.

There is still a degree of uncertainty over the future financial position of the HRA arising from:

- Update / finalisation of the costs / income associated with the regeneration / redevelopment schemes – to inform the likely need from the Regeneration Reserve;
- The impact of restructuring following Supporting People funding reductions;
- The effect of potential service charges implementation following the ongoing review;
- Results of ongoing structural surveys e.g. High Rise;
- The impact of Welfare Benefit Reform on rent collection levels – limited so far but further measures are to be rolled out (e.g. Universal Credit);
- Future impact of the Government's increased discounts to promote Right to Buy sales on housing stock numbers and associated income levels – 50 sales p.a. have been assumed in future years. There is also still uncertainty over retained receipt levels (pending further Government guidance) and spending plans.

The current forecast projects a HRA shortfall of £0.3m over 3 years (£1.0m over 5 years) including the minimum recommended balances of £0.5m.

However this includes contributions to capital spend of £5.1m over 3 years (£7.8m over 5 years) and the regeneration reserve of £7.0m over 3 years (£10.6m over 5 years) - resulting in balances of £1.0m over 3 years (£5.8m over 5 years).

Consideration of the level of Housing Rent increases over the 5-year period is needed to inform the budget setting process and to ensure that balances are maintained at the minimum approved level of £0.5m.

Detailed Considerations

Base Budget Forecasts 2015/16 to 2019/20

Revisions / updates have been made to the 2014/15 base budget in order to produce an adjusted base for 2015/16 and forecast base for 2016/17 onwards. These changes, known as technical adjustments, have been informed by feedback from budget managers and calculated to take account of:

- virements approved since the base budget was set;
- the removal of non-recurring budgets from the base;
- the effect of inflation;
- changes in payroll costs and annual payroll increments;
- changes in expenditure and income following decisions made by the Council;
- other changes outside the control of the Council such as changes in insurance costs and reduction in grant income;
- The 'Zero base budgeting' review of income levels.

General Fund – Technical Adjustments Summary

Technical Adjustments	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Base Budget B/Fwd	9,132	8,242	8,344	8,612	8,842
Committee Decisions	(1,099)	(291)	86	65	-
Inflation	36	47	50	52	52
Other	(75)	(69)	(76)	(90)	65
Pay Adjustments (Including pay award / reduction of 5% for vacancy allowance)	192	415	208	203	207
Revised charges for non-general fund activities	56	-	-	-	-
Virements	-	-	-	-	-
Total / Revised Base Budget	8,242	8,344	8,612	8,842	9,166

The technical adjustments are shown in detail at **Appendix B** with a summary by Directorate at **Appendix D**. The key assumptions made during the exercise are summarised at **Appendix A**.

Future Revenue Support Grant & Business Rate income

Given the current economic climate and further anticipated reductions in Central Government Grant support together with the uncertainty around the impact of the Business Rate Retention scheme, detailed modelling has been carried out in consultation with other Local Councils and with the support of LG Futures – who have also provided detailed estimates of the potential impact of further austerity cuts in Local Government funding.

The 2015/16 settlement

The final Local Government finance settlement figures for Tamworth for 2014/15 and the provisional figures for 2015/16 were announced in February 2014. They show that the Government funding assessment (Revenue Support Grant (RSG) plus the new business rates baseline retained income) totals £4.423m for 2014/15 (£5.114m 2013/14) and £3.736m for 2015/16.

External Finance	2014/15 £'000	2015/16 £'000
Business Rates Baseline	2,083	2,140
Revenue Support Grant	2,340	1,596
Total Funding Assessment	4,423	3,736
% Change (Increase) / Decrease	13.5%	15.5%

The Council's actual reduction in combined Revenue Support Grant / assessed Business Rates baseline funding need was 13.5% for 2014/15 (which means that Government support decreased by £0.69m over 2013/14) with a further reduction of 15.5% (£0.69m) planned in 2015/16.

Business Rates

Additional monthly monitoring has been implemented since the implementation of business rate retention from 2013/14 – following approval of the NNDR1 form (Business Rates estimates) by Cabinet in January 2014.

The Council received additional business rates during 2013/14 (above forecast / baseline) and had to pay a levy of £386k to the Greater Birmingham & Solihull Local Enterprise Partnership (GBSLEP). The latest estimates indicate additional business rates receivable above the baseline in 2014/15 and future years – of which the Council will receive 40% less the Government set tariff payment of c.£11m (and a 20% levy on any surplus over the baseline to the GBSLEP) - after deduction of the 50% Central Share, 9% County & 1% Fire & Rescue Authority shares).

This is mainly due to the additional rates income generated from the warehouse site at Bitterscote – however, the future position for 2015/16 is less certain. A robust check & challenge approach has been taken of any increases on the base figure, including a risk assessed collection level.

New Burdens (Section 31) grant is receivable for additional reliefs given by the Government relating to business rates from 1st April 2014 e.g. Small Business Rate Relief – of which 50% of any in excess of the baseline will be payable in levy to the GBSLEP. A prudent approach has been taken in respect of any new burdens funding – and, due to uncertainties & risk, the creation of an associated Business Rates Collection reserve to mitigate fluctuation in income.

For future years, in light of indications of further grant reductions, it has been assumed that there will be a reduction in Revenue Support Grant as detailed below. It is expected that should grant levels deteriorate further than anticipated, this would be mitigated as New Homes Bonus funding has been included on a risk based approach.

External Finance	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Revenue Support Grant	2,340	1,596	1,196	861	647	547
% Change Increase/(Decrease)	(23.8)%	(31.8)%	(25.1)%	(28.0)%	(24.9)%	(15.5)%

Forecast

Using the central case funding forecast and assuming increases in Council Tax of c.2.0% per annum for 2015/16 onwards, the five year base budget forecast is as follows:

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Estimated Net Cost of Services	8,242	8,344	8,612	8,842	9,166
Proposed Policy Changes / Additional Costs Identified (Detailed at Appendix B)	277	75	75	55	52
Net Expenditure	8,519	8,419	8,687	8,897	9,218
Financing:					
RSG	(1,596)	(1,196)	(861)	(647)	(547)
Collection Fund Surplus	-	-	-	-	-
Collection Fund Surplus (Business Rates)	(492)	(240)	-	-	-
Business Rates S.31 Grants (75%, 75% then 50% p.a.)	(388)	(329)	(238)	(256)	(274)
Business Rates Levy	485	507	406	320	243
Tariff Payable	10,640	10,853	11,070	11,291	11,517
Non Domestic Ratepayers	(13,234)	(13,611)	(13,633)	(13,691)	(13,771)
Council Tax Income	(3,272)	(3,354)	(3,448)	(3,544)	(3,642)
Gross Financing	(7,857)	(7,370)	(6,704)	(6,527)	(6,474)
Surplus(-) / Deficit	662	1,049	1,983	2,370	2,744
Balances Remaining (-) / Overdrawn	(2,847)	(1,798)	185	2,555	5,299
Per Council, 25 th February 2014	(1,968)	(500)	-	-	-

Indicating a potential shortfall in General fund balances of approx. £0.7m over 3 years (£3.1m over 4 years & £5.8m over the 5 year period) - including the minimum approved level of £0.5m.

Balances are forecast to be £3.51m at 31st March 2015.

A detailed summary of the budget for 2015/16 is attached at **Appendix F** with 5 years attached at **Appendix G**.

Future Strategy

Due to the adverse financial forecast, there is a need to reconsider the inclusion of items contained within the forecast / budget:

1) Variations to Council Tax Policy/Strategy

The Government indicated that it would offer grant support for the 4 year Comprehensive Spending Review (CSR) period should the Council freeze Council Tax levels for 2011/12. There was no mention that this arrangement would continue thereafter. A subsequent offer was announced for 2012/13 but with Government grant support for one year, 2012/13 only. A similar offer was announced for 2013/14 & 2014/15 where Government grant support equivalent to 2% of a Council Tax increase would be payable over a 2 year period (i.e. 1% p.a.). It is anticipated that a similar scheme will operate for 2015/16 should the Council freeze the Council Tax level.

Also, for future years potential 'capping' of the increase by the Government or a proposed local council tax referendum/veto needs to be considered when setting future Council Tax increases. The Council's Council Tax is currently £155.50 which is below the average of the council tax charges of similar councils (from the Cipfa nearest neighbour grouping).

The indication is that the 'capping' threshold will be 2.0% - following a freeze in 2011/12 & 2012/13 and a below 2% increase for 2013/14 & 2014/15, the impact of a lower than 2% p.a. increase (Band D) is outlined below:

Model 1 Impact of 1.99% increase in Council tax in 2015/16 (followed by inflationary increases of c.1.99% p.a.)

Year:	2015/16	2016/17	2017/18	2018/19	2019/20
Forecast:	£'000	£'000	£'000	£'000	£'000
Surplus (-) /Deficit	662	1,049	1,983	2,369	2,744
Balances Remaining (-) / Overdrawn	(2,847)	(1,798)	185	2,555	5,299
£ Increase	3.10	3.15	3.20	3.25	3.35
% Increase	1.99%	1.99%	1.98%	1.97%	1.99%
Note: Resulting Band D Council Tax	158.60	161.75	164.95	168.20	171.55

which indicates a potential shortfall in balances of £0.7m over 3 years, £5.8m over 5 years - further savings of approx. £1.2m per annum would have to be identified.

In order to take advantage of the potential Council Tax Freeze grant, the following scenarios have been modelled:

Model 1a Impact of 0% increase in Council tax in 2015/16 (followed by increases of c.1.99% p.a.)

Year:	2015/16	2016/17	2017/18	2018/19	2019/20
Forecast:	£'000	£'000	£'000	£'000	£'000
Reduction in Council Tax £	63	64	65	66	68
Revised Surplus (-) / Deficit	725	1,113	2,048	2,435	2,812
Balances Remaining (-) / Overdrawn	(2,785)	(1,672)	376	2,812	5,624
£ Increase	-	3.10	3.15	3.20	3.25
% Increase	0.0%	1.99%	1.99%	1.98%	1.97%
Note: Resulting Band D Council Tax	155.5	158.60	161.75	164.95	168.20

Less £70k freeze grant - indicates a potential shortfall in balances of £0.9m over 3 years, £6.1m over 5 years - further savings of approx. £1.2m per annum would have to be identified.

Further indicative models are outlined below:

Model 2 Impact of 2.5% increase in Council tax in 2014/15 (followed by increases of 2.5% thereafter)

Year:	2015/16	2016/17	2017/18	2018/19	2019/20
Forecast:	£'000	£'000	£'000	£'000	£'000
Increase in Council Tax £	(18)	(36)	(55)	(74)	(93)
Revised Surplus/(Deficit)	644	1,013	1,928	2,295	2,651
Balances Remaining (-) / Overdrawn	(2,866)	(1,853)	75	2,371	5,022
£ Increase	3.90	4.00	4.10	4.20	4.30
% Increase	2.5%	2.5%	2.5%	2.5%	2.5%
Note: Resulting Band D Council Tax	159.40	163.40	167.50	171.70	176.00

which indicates a potential shortfall in balances of £0.4m over 3 years, £5.5m over 5 years - further savings of approx. £1.1m per annum would have to be identified.

However, given the announced 2% cap, a referendum would be required at this level which is not considered feasible given the risk & associated costs.

Model 3 Impact of 0% increase in Council tax in 2014/15 (followed by increases of 0% thereafter)

Year:	2014/15	2015/16	2016/17	2017/18	2018/19
Forecast:	£'000	£'000	£'000	£'000	£'000
Reduction in Council Tax £	64	129	196	264	335
Revised Surplus/(Deficit)	726	1,178	2,179	2,633	3,079
Balances Remaining (-) / Overdrawn	(2,783)	(1,605)	574	3,208	6,287
£ Increase	-	-	-	-	-
% Increase	-	-	-	-	-
Note: Resulting Band D Council Tax	155.50	155.50	155.50	155.50	155.50

Less £70k freeze grant - indicates a potential shortfall in balances of £1.1m over 3 years, £6.7m over 5 years - further savings of approx. £1.3m per annum would have to be identified.

Model 4 Impact of 1% increase in Council tax in 2014/15 (followed by increases of 1% thereafter)

Year:	2014/15	2015/16	2016/17	2017/18	2018/19
Forecast:	£'000	£'000	£'000	£'000	£'000
Reduction in Council Tax £	32	65	99	134	171
Revised Surplus/(Deficit)	694	1,114	2,082	2,503	2,915
Balances Remaining (-) / Overdrawn	(2,815)	(1,701)	381	2,885	5,800
£ Increase	1.55	1.57	1.58	1.60	1.61
% Increase	1.00%	1.00%	1.00%	1.00%	1.00%
Note: Resulting Band D Council Tax	157.05	158.62	160.20	161.80	163.41

which indicates a potential shortfall in balances of £0.9m over 3 years, £6.3m over 5 years - further savings of approx. £1.3million per annum would have to be identified.

2) *Potential Savings / additional costs*

Potential revenue policy changes are highlighted below:

Policy Changes Identified	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
There is a requirement to increase the ICT budget (Application Software) to cover upgrade costs for Microsoft products. This requirement is for £35K p.a.	35.0	35.0	35.0	35.0	35.0
Contingency budget to allow for 'in year' decisions to be made by Cabinet & to provide for any potential further reductions in income as a result of the financial climate	100.0	-	-	-	-
Revised budgetary contribution required re Staffs Connects partnership & continued development of CRM system - as per Staffs Connects Strategic Advisory report and revised budget proposals agreed March 2014.	10.0	10.0	10.0	(10.5)	(12.8)
Agile Working Project - Deferral of receipt of projected income for Marmion House	102.3	-	-	-	-
Estimated increase in costs for Street Scene equipment when new contract let	30.0	30.0	30.0	30.0	30.0
Total New Items / Amendments	277.25	75.0	75.0	(54.5)	(52.2)

As part of the planned review & scrutiny process leading up to formal presentation of the budget, Executive Management Team will consider feedback received from the Budget Consultation process, the Joint Scrutiny Budget workshop and the Joint Budget Scrutiny Committee (planned for 27th January 2015) in order to inform the next stages of the budget process:

- a review of the proposals including:
 - Reference to the Council's corporate priorities together with the feedback & issues raised by the budget consultation exercise.
 - Consideration of how the limited resources can be 'rationed' (& whether service improvements in a priority area should be met from service reductions elsewhere).
- Inclusion of any further potential savings arising from the Sustainability Plan workstreams in order to mitigate the forecast budget shortfall. This process is ongoing and will be reported as policy changes in the next phase of the budget process in order to formulate a balanced medium term financial strategy for approval by Cabinet & Council in February 2015.

Housing Revenue Account – Technical Adjustments Summary

Technical Adjustments	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Base Budget	984	3,187	658	604	446
Committee Decisions	1,509	(3,212)	100	-	-
Inflation	127	143	148	151	156
Other	556	407	(369)	(374)	(383)
Pay Adjustments	61	133	67	65	57
Revised charges for non-general fund activities	(50)	-	-	-	-
Virements	-	-	-	-	-
Total / Revised Base Budget	3,187	658	604	446	276

The detail of the technical adjustments are shown in Appendix C with a more detailed summary of the HRA Technical Adjustments at Appendix E. Assuming increases in Rent in line with Government guidance (Consumer price index plus 1.0% from 2015/16), the five year base budget forecast is as follows:

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Estimated Net (Surplus) / Deficit	3,187	658	604	446	276
Proposed Policy Changes / Additional Costs Identified	(7)	(7)	(7)	(7)	(7)
Surplus (-) / Deficit	3,180	651	597	439	269
Balances Remaining (-) / Overdrawn	(1,460)	(809)	(212)	227	496

Per Council, 25 th February 2014	(1,394)	(1,265)	(1,285)	(1,492)	-
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Indicating a Housing Revenue Account (HRA) shortfall of £0.3m over 3 years (with a shortfall of £1.0m over the next 5 years) including the minimum recommended balances of £0.5m.

However this includes contributions to capital spend of £5.1m over 3 years (£7.8m over the next 5 years) and the regeneration reserve of £7.0m over 3 years (£10.6m over 5 years) - resulting in balances of £1.0m over 3 years (£5.8m over 5 years).

A summary of the HRA over the 5 year period is shown at **Appendix H**.

There is still a degree of uncertainty over the future financial position of the HRA arising from:

- Update / finalisation of the costs / income associated with the regeneration / redevelopment schemes – to inform the likely need from the Regeneration reserve;

- The impact of restructuring following Supporting People funding reductions;
- The effect of potential service charges implementation following the ongoing review;
- Results of ongoing structural surveys e.g. High Rise;
- The impact of Welfare Benefit Reform on rent collection levels – limited so far but further measures are to be rolled out (e.g. Universal Credit);
- Future impact of the Government’s increased discounts to promote right to buy sales on housing stock numbers and associated income levels – 50 sales p.a. have been assumed in future years. There is also still uncertainty over retained receipt levels (pending further Government guidance) and spending plans.

Potential revenue policy changes for the HRA are highlighted below:

Policy Changes Identified	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Potential savings arising from Service Review options - Delete apprenticeship post in Investment team	(6.6)	(6.6)	(6.6)	(6.6)	(6.6)
Reduced PTP budget to transfer funds from PTP to Capital to fund Energy Efficiency Improvements	(50.0)	(50.0)	(50.0)	(50.0)	(50.0)
Contribution to Capital Programme - to transfer funds from PTP to Capital to fund Energy Efficiency Improvements	50.0	50.0	50.0	50.0	50.0
Total New Items / Amendments	(6.6)	(6.6)	(6.6)	(6.6)	(6.6)

Rent Restructuring

The introduction of rent restructuring in April 2003 required the Council to calculate rents in accordance with a formula on a property by property basis and account separately for rental payments and payments which are for services (for example grounds maintenance, upkeep of communal areas, caretaking) within the total amounts charged.

This framework removed the flexibility to independently set rent levels from Social Landlords and replaced it with a fixed formula (RPI plus 0.5% plus £2.00) based on the value of the property and local incomes. The aim of the framework was to ensure that by a pre-set date all social landlord rents have reached a ‘target rent’ for each property that will reflect the quality of accommodation and levels of local earnings. In achieving this target rent councils were also annually set a “limit rent” which restricted the level of rent increase in any one year.

Housing rents were increased in accordance with the Rent Restructuring Framework for 2014/15. However, from 2015/16, it is for the Council to decide locally at what level to increase rents. An increase in line with CPI plus 1% has been assumed following receipt of Government Guidance.

However, should the Council agree to vary this level, **for 2015/16 only**, the alternative increases outlined below could generate additional funding to support increased maintenance costs and the regeneration of key housing areas within the Borough.

	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Option 1: CPI + 1% (capped at Formula Rent)						
Actual Rent (52 Weeks)	79.94	80.87	82.89	85.17	87.73	90.36
Actual Rent (48 Weeks)	86.60	87.61	89.80	92.27	95.04	97.89
% Increase		1.17%	2.50%	2.75%	3.00%	3.00%
Option 2: CPI + 1% + £2 (capped at Formula Rent)						
Actual Rent (52 Weeks)	79.94	81.51	83.55	85.84	88.42	91.07
Actual Rent (48 Weeks)	86.60	88.30	90.51	93.00	95.79	98.66
% Increase		1.96%	2.50%	2.75%	3.00%	3.00%
Increased Rent compared to Option 1		144,100	146,030	148,320	151,000	153,690
				5 year impact		743,140
Option 3: All at Formula Rent						
Actual Rent (52 Weeks)	79.94	82.56	84.62	86.95	89.56	92.25
Actual Rent (48 Weeks)	86.60	89.44	91.68	94.20	97.02	99.93
% Increase		3.28%	2.50%	2.75%	3.00%	3.00%
Increased Rent compared to Option 1		382,190	387,300	393,360	400,460	407,600
				5 year impact		1,970,910
Inflation at CPI + 1%	3.20%	2.20%	2.50%	2.75%	3.00%	3.00%
February 2014 MTFS	3.20%	3.50%	3.00%	3.00%	3.00%	3.00%
Expected increase						

However, it should be noted that an increase to Formula Rent could mean a substantial increase in rents for individual properties – where the current rent is significantly below the formula rent level.

In addition, under Benefit regulations and circulars issued by the DWP, the Rent Rebate Subsidy Limitation scheme penalises the Council should the average rent be above the notified limit rent – for 2014/15 this was £80.85 (per circular HB S5/14 received in June 2014, after rent setting for 2014/15). The guidance on rent increases stated a CPI + 1% increase which, when applied to the 2014/15 limit rent, would give a limit rent for 2015/16 of £82.63 which would suggest that the above increases would not mean a loss of Housing Benefit subsidy grant.

It should also be noted that when the budget for 2015/16 and provisional budgets for 2016/17 onwards were set, CPI inflation was expected to be 2.5% p.a. For September 2014 (the month when the Government suggest the guideline increase) CPI was just 1.2% - a reduction of 1.3% which has impacted on forecast rent income for 2015/16 and future years.

Capital Programme

Following a review of the Capital Programme approved by Council on 25th February 2014, a revised programme has been formulated including additional schemes which have been put forward for inclusion.

Each scheme has been assessed with regard to:

- the contribution its delivery makes towards the achievement of the Council's corporate priorities;
- the achievement of Government priorities and grant or other funding availability;
- the benefits in terms of the contribution to the Council's Corporate Objectives and compliance with the Corporate Capital Strategy requirements of:
 1. Invest to save
 2. Maintenance of services and assets
 3. Protection of income streams
 4. Avoidance of cost.

The current de-minimus for capital expenditure is £10k per capital scheme.

General Fund

It is estimated that approximately £2.2m (excluding the £0.5m approved minimum balance) will be needed during the period to 2019/20 for future capital spending (including the usable capital receipts generated from the sale of council housing).

A shortfall over 3 years of £35k is highlighted, £333k over 5 years. This allows for the current Agile Working & Assembly Rooms commitments to be continued, subject to revised business case submissions.

Details of the proposed capital programme are shown in **Appendix I**.

The capital programme has been reviewed and updated:

a) **Technology Replacement**

A revised capital submission had been prepared for £60k p.a. from 2015/16 (the provisional programme included £70k p.a. from 2016/17);

b) **Agile Working**

The provisional programme included £80k for refurbishment and £48k for new furniture for 2015/16 (as well as £128k in 2014/15) in addition to the 7th floor scheme in 2013/14;

As the 2014/15 budget will not be spent by March 2015 it will be forecast to underspend – with a new business case to be prepared;

c) **Disabled Facilities Grants**

No changes have been made. However, due to current demand, it is likely that an increased budget will be needed – subject to the usual funding constraints.

d) CCTV Camera Renewals

Required for the rolling replacement of cameras, subject to funding constraints.

e) Assembly Rooms

The scheme business case has not been revised to reflect the current bid/s for funding from the single local growth fund, HLF, ERDF etc.

An update on the Cultural Quarter is due to be presented to Cabinet in January following notification of the results of the bids.

As a substantial element of the 2014/15 budget will not be spent by March 2015 it will be forecast to underspend – with, subject to a successful bid, a new business case to be prepared.

f) Gateways

The inclusion of £83k in 2013/14 followed by £50k p.a. from TBC thereafter has drawn in funding and professional support from SCC – with plans for significant capital works in 2015/16 (funded mainly by SCC through their section 106 funds) and future years.

g) Contingency

It was agreed that a £50k contingency budget would be required for 2015/16 – to be re-profiled from the unspent 2014/15 budget.

Housing

The proposed 5 year Housing Capital Programme is attached at **Appendix J**.

It is estimated that approximately £51.85m (excluding the £0.5m approved minimum balance) will be needed during the period to 2019/20 for future capital spending (including revenue contributions from the HRA of £11.3m, Regeneration reserve balances of £7.4m & additional borrowing of £7.2m – the ‘headroom’ in line with the HRA Government debt cap is £11.3m) - resulting in balances of £1.0m over 3 years (£5.8m over 5 years).

The capital programme has been reviewed and updated to include the new year 5 costs – with costs then smoothed over the new 5 year planning period. In addition, certain demand led schemes have been reviewed and updated to reflect current trends:

a) Disabled Adaptations

The budget had been increased from c.£200k p.a. to c.£300k p.a. to reflect increased demand.

b) Structural Works

The budget for 2015/16 only had been increased from £100k to £200k to address the backlog.

c) Fire Upgrades (Sprinklers)

The budget of £565k had been re-profiled over 2 years.

d) High Rise Balconies

The budget had been increased from £60k p.a. to £525k p.a. for 4 years, subject to the results of the ongoing survey / confirmation of the costs.

e) Sheltered Schemes

A new budget of £250k had been included as a contingency pending the results of a review / survey.

f) General Estate Works

The budget had been reduced from c.£250k p.a. to £200k p.a.

g) Regeneration Schemes

The budgets for Tinkers Green & Kerria have not yet changed but will be updated to reflect final scheme designs.

Main Assumptions

Inflationary Factors	2015/16	2016/17	2017/18	2018/19	2019/20
Inflation Rate - Pay Awards	2.20%	2.00%	2.00%	2.00%	2.00%
National Insurance	7.10%	10.50%	10.50%	10.50%	10.50%
Superannuation	16.50%	16.50%	16.50%	16.50%	16.50%
Inflation Rate (RPI)	2.50%	2.75%	2.75%	2.75%	2.75%
Inflation Rate (CPI)	2.00%	2.00%	2.00%	2.00%	2.00%
Investment Rates	1.25%	2.25%	2.75%	3.25%	3.25%
Base Interest Rates	1.00%	1.75%	2.25%	2.75%	2.75%

1. Pay award – it has been assumed that public sector pay will rise in line with the latest consultation for 2014/15 & 2015/16 (generally 2.2% from 1st January 2015 plus other one-off payments) and is estimated to mirror the Government's inflation target of 2% thereafter.
2. Overall Fees and Charges will rise generally by 2.5% annually except where a proposal has otherwise been made (car parking charges, corporate & industrial property rental income, statutory set planning fees, leisure fees);
3. No effect of any Prudential Borrowing has been included;
4. Revised estimates for rent allowance / rent rebate subsidy levels have been included;
5. Changes to the level of recharges between funds has been included;
6. Within the Local Government Finance Settlement for 2014/15 and the provisional settlement for 2015/16 announced in February 2014, the Government proposed cuts of 15.5% to the Councils funding streams for 2015/16 – revised annual grant reductions have been included.
7. The Government has not yet indicated its policy regarding council tax bills being frozen for the next year. It is anticipated that a grant will be available to authorities that agree to freeze or reduce Council Tax in 2015/16;
8. The major changes to the previously approved policy changes are included within this forecast – Directors were issued with the provisional information in August to review, confirm & resubmit by the end of September;
9. Annual year-on-year increases of c.2% in the pension lump sum element for past liabilities have been included (for 3 years following SCC triennial review).
10. Increases in rent levels are restricted by the Government guidelines & current indications that sales of council houses will be approximately 50 per annum.

Technical Adjustments Analysis – General Fund

	£	£	£
Chief Executive			
Virements		-	
Committee Decisions		-	
Inflation		160	
Other			
2015/16 BWP 005 Corporate Services Car Allowances	(620)		
2015/16 BWP 028 Insurance Budgets	180		
2015/16 BWP 031 Vacancy Allowance	(210)	(650)	
Pay Adjustments		5,780	
Changes in External Recharges		(5,310)	
			(20)
Executive Director Corporate Services			
Virements		-	
Committee Decisions			
2014/15 Policy Change ED2 New Burdens - Local Council Tax Scheme Grant	73,710	73,710	
Inflation		(640)	
Other			
2015/16 BWP 005 Car Allowances	(1,250)		
2015/16 BWP 014 Benefits Welfare Benefits & Fairer Charging	(8,950)		
2015/16 BWP 016 Benefits Estimates	(41,280)		
2015/16 BWP 028 Insurance Budgets	930		
2015/16 BWP 029 Bank Charges	(530)		
2015/16 BWP 031 Vacancy Allowance	(640)	(51,720)	
Pay Adjustments		16,360	
Changes in External Recharges		(13,230)	
			24,480
Director of Finance			
Virements		-	
Committee Decisions			
2011/12 Policy Change Removal Council Tax Freeze Grant	87,130		
2012/13 Policy Change FER1 New Homes Bonus Grant Income	(57,000)		
2013/14 Policy Change DF1 New Homes Bonus	(29,350)		
2013/14 Policy Change DF2 Remove Part General Contingency	(80,000)		
2014/15 Policy Change DF2 Remove General Contingency	(100,000)		
2014/15 Policy Change DF5 Remove NNDR Provisional Levy Payment	(145,080)	(324,300)	
Inflation		3,050	

	£	£	£
Other	Reversal of impact 2011/12 Policy Change as budget already removed	(87,130)	
	2014/15 BWP 019 Debt Management Expenses	250	
	2014/15 BWP 025 Treasury Management	(37,200)	
	2014/15 BWP Contingencies	80,000	
	2015/16 BWP 005 Corporate Services Car Allowances	(1,450)	
	2015/16 BWP 010 Cost of Collection Grant	50	
	2015/16 BWP 011 Revenues Court Costs Income	(17,150)	
	2015/16 BWP 013 Pensions	(9,300)	
	2015/16 BWP 018 Ext Audit Fee	(11,780)	
	2015/16 BWP 019 Interest SOCH/HAA	20	
	2015/16 BWP 024 Depreciation	116,290	
	2015/16 BWP 028 Insurance Budgets	3,510	
	2015/16 BWP 029 Bank Charges	(3,370)	
	2015/16 BWP 031 Vacancy Allowance	(820)	
	2015/16 BWP 037 Finance Leasing Interest	(843,750)	
	2015/16 BWP 038 New Homes Bonus	62,980	
	2015/16 BWP 040 Treasury Management	52,030	(696,820)
Pay Adjustments			20,950
Changes in External Recharges			(59,120)
			(1,056,240)
Director of Technology & Corporate Programmes			
	Virements		-
	Committee Decisions		-
	Inflation		11,720
	Other		
	2015/16 BWP 005 Corporate Services Car Allowances	80	
	2015/16 BWP 024 Depreciation	(83,640)	
	2015/16 BWP 028 Insurance Budgets	1,710	
	2015/16 BWP 031 Vacancy Allowance	(900)	
	2015/16 BWP 035 Procurement Savings	(3,000)	(85,750)
Pay Adjustments			17,990
Changes in External Recharges			56,150
			110
Solicitor to the Council			
	Virements		-
	Committee Decisions		-
	Inflation		4,520
	Other		
	2015/16 BWP 003 Members Allowances	(460)	
	2015/16 BWP 005 Corporate Services Car Allowances	80	
	2015/16 BWP 017 NNDR TBC Properties	20	
	2015/16 BWP 028 Insurance Budgets	380	
	2015/16 BWP 029 Bank Charges	10	
	2015/16 BWP 031 Vacancy Allowance	100	130

	£	£	£
Pay Adjustments		9,430	
Changes in External Recharges		(20,860)	
			(6,780)
Director of Transformation & Corporate Performance			
Virements		-	
Committee Decisions			
2014/15 Policy Changes TCP2 Service Review			
Savings Customer Services	(50,380)	(50,380)	
Inflation		2,630	
Other			
2015/16 BWP 005 Corporate Services Car Allowances	(1,170)		
2015/16 BWP 007 Staff Health Insurance	3,320		
2015/16 BWP 028 Insurance Budgets	730		
2015/16 BWP 029 Bank Charges	(660)		
2015/16 BWP 031 Vacancy Allowance	1,800		
2015/16 BWP 035 Procurement Savings	(3,000)	1,020	
Pay Adjustments		19,240	
Changes in External Recharges		24,910	
			(2,580)
Director of Communities, Planning & Partnerships			
Virements		-	
Committee Decisions			
2013/14 Policy Change CPP 1 County's Strategic Partnership Post	700		
2013/14 Policy Change CPP3 Small Grants	1,000		
Cabinet 11/09/14 Closure of the Golf Course	(86,310)	(84,610)	
Inflation		(1,850)	
Other			
2014/15 BWP 025 Treasury Management	-		
2014/15 BWP 036 Quick Wins Reduce Salaries Budget	(7,540)		
2015/16 BWP 017 NNDR TBC Properties	5,300		
2015/16 BWP 024 Depreciation	(1,440)		
2015/16 BWP 027 Income Targets	10,460		
2015/16 BWP 028 Insurance Budgets	(30)		
2015/16 BWP 029 Bank Charges	(1,420)		
2015/16 BWP 031 Vacancy Allowance	(1,810)		
2015/16 BWP 032 Community Services Car Allowances	(2,180)	1,340	
Pay Adjustments		42,800	
Changes in External Recharges		(52,820)	
			(95,140)
Director of Housing & Health			
Virements		-	
Committee Decisions			
2013/14 Policy Changes HH1 Preventing Homelessness	(162,000)		
2014/15 Policy Change HH1 Service Review Savings Strategic Housing	(21,710)	(183,710)	

	£	£	£
Inflation		1,010	
Other			
2014/15 BWP 036 Quick Wins Homelessness Prevention Grant	11,460		
2015/16 BWP 028 Insurance Budgets	510		
2015/16 BWP 031 Vacancy Allowance	(600)		
2015/16 BWP 032 Community Services Car Allowances	20	11,390	
Pay Adjustments		4,370	
Changes in External Recharges		88,630	
			(78,310)
Director of Assets & Environment			
Virements		-	
Committee Decisions			
2014/15 Policy Change AE1 Additional Rent Marmion House	(74,750)		
2014/15 Policy Change AE1 Additional Service Charges from Marmion House	(27,500)		
2014/15 Policy Change AE5 Waste Management Revised Organic Waste	(145,000)		
SOD Oct 14 Kettlebrook CC declared surplus asset to be included in local plan for housing	5,500		
Cabinet 21/08/14 Service Review Savings Public Conveniences	(71,270)		
Cabinet 21/08/14 Service Review Savings CCTV and Street Wardens	(217,120)	(530,140)	
Inflation		15,190	
Other			
2015/16 BWP 017 NNDR TBC Properties	(14,030)		
2015/16 BWP 021 Marmion House Rents and Service Charges	24,810		
2015/16 BWP 024 Depreciation	(31,210)		
2015/16 BWP 026 Income Targets	(15,070)		
2015/16 BWP 028 Insurance Budgets	2,580		
2015/16 BWP 029 Bank Charges	1,240		
2015/16 BWP 031 Vacancy Allowance	9,030		
2015/16 BWP 032 Community Services Car Allowances	(890)		
2015/16 BWP 036 Joint Waste Management Arrangement	(4,230)		
2015/16 BWP 037 Finance Leasing Interest	843,750		
2015/16 BWP 039 Commercial and Industrial Rents	(50,000)		
2015/16 BWP 041 Car Park Income and Expenditure	(15,390)		
2015/16 BWP 042 Environmental Health Vehicle Hire	(4,170)	746,420	
Pay Adjustments		54,780	
Changes in External Recharges		37,930	
			324,180
TOTAL			(890,300)

() denotes saving

	£	£	£
Director of Housing and Health			
Virements		-	
Committee Decisions:			
2014/15 Policy Change HH1 Service Review Savings Strategic Housing	(10,450)	(10,450)	
Inflation		31,770	
Other			
2014/15 BWP 023 External Audit Fees	(6,550)		
2014/15 BWP 029 HRA SP Alarm Call Charges	(1,320)		
2015/16 BWP 007 Healthshield Staff Health Insurance	1,810		
2015/16 BWP 017 NNDR TBC Properties	70		
2015/16 BWP 024 Depreciation	(2,870)		
2015/16 BWP 028 Insurance Budgets	5,580		
2015/16 BWP 029 Bank Charges	(340)		
2015/16 BWP 031 Vacancy Allowance	(3,250)		
2015/16 BWP 033 Car Allowances	(730)	(7,600)	
Pay Adjustments		57,610	
Changes in External Recharges		(59,210)	
			12,120
Director of Assets & Environment			
Virements		-	
Committee Decisions:			
2014/15 Policy Change AE7 Service Review Savings Housing Investments	(13,510)	(13,510)	
Inflation		190	
Other			
2015/16 BWP 028 Insurance Budgets	50		
2015/16 BWP 031 Vacancy Allowance	510		
2015/16 BWP 033 Car Allowances	(40)	520	
Pay Adjustments		3,730	
Changes in External Recharges		9,080	
			10
Housing Revenue Account Summary			
Virements		-	
Committee Decisions:			
2012/13 POLICY CHANGES HRA2B Rent Increase	(704,360)		
2012/13 POLICY CHANGES HRA2D Increase in Interest Costs	3,680		
2012/13 POLICY CHANGES HRA7 Contribution to Regeneration Reserve	2,546,000		
2012/13 Policy Changes HRA2 Reduction in Revenue Contribution to Capital Outlay	(712,150)		
2013/14 Policy Changes HRA11 Contribution to Regeneration Reserve	400,000	1,533,170	
Inflation		94,680	

	£	£	£
Other			
2014/15 BWP 019 Debt Management Expenses	1,460		
2014/15 BWP 025 Treasury Management	(67,550)		
2015/16 BWP 013 Pensions	(720)		
2015/16 BWP 019 Interest SOCH/HAA	(60)		
2015/16 BWP 024 Depreciation	(8,010)		
2015/16 BWP 030 HRA Garage Rents	540		
2015/16 BWP 034 Housing Rents	645,680		
2015/16 BWP 040 Treasury Management	(8,060)	563,280	
Pay Adjustments		-	
Changes in External Recharges		-	
			2,191,130
			2,203,260

General Fund

<i>Figures exclude internal recharges which have no bottom line impact</i>	Budget 2014/15	Technical Adjustments						External Recharge Changes (non-GF Activities) £	Total Adjustments £	Total Adjusted Base 2015/16
		Virements £	Committee Decisions £	Inflation £	Other £	Pay Adjustments £				
Chief Executive	156,670	-	-	160	(650)	5,780	(2,210)	3,080	159,750	
Executive Director Corporate Services	340,230	-	73,710	(640)	(51,720)	16,360	2,230	39,940	380,170	
Director of Finance	79,920	-	(324,300)	3,050	(696,820)	20,950	(15,700)	(1,012,820)	(932,900)	
Director of Technology & Corporate Programmes	894,590	-	-	11,720	(85,750)	17,990	17,690	(38,350)	856,240	
Solicitor to the Council	554,580	-	-	4,520	130	9,430	(5,440)	8,640	563,220	
Director of Transformation & Corporate Performance	939,450	-	(50,380)	2,630	1,020	19,240	(17,700)	(45,190)	894,260	
Director of Communities, Planning & Partnerships	2,337,010	-	(84,610)	(1,850)	1,340	42,800	-	(42,320)	2,294,690	
Director of Housing & Health	1,033,190	-	(183,710)	1,010	11,390	4,370	76,500	(90,440)	942,750	
Director of Assets & Environment	2,796,590	-	(530,140)	15,190	746,420	54,780	910	287,160	3,083,750	
Grand Total	9,132,230	-	(1,099,430)	35,790	(74,640)	191,700	56,280	(890,300)	8,241,930	

Housing Revenue Account

	Budget 2014/15	Technical Adjustments						Total Adjustments £	Total Adjusted Base 2015/16
		Virements £	Committee Decisions £	Inflation £	Other £	Pay Adjustments £	External Recharge Changes (non-HRA Activities) £		
<i>Figures exclude internal recharges which have no bottom line impact</i>									
Director of Housing & Health	4,052,290	-	(10,450)	31,770	(7,600)	57,610	(59,210)	12,120	4,064,410
Director of Assets & Environment	12,280	-	(13,510)	190	520	3,730	9,080	10	12,290
HRA Summary	(3,080,310)	-	1,533,170	94,680	563,280	-	-	2,191,130	(889,180)
Grand Total	984,260	-	1,509,210	126,640	556,200	61,340	(50,130)	2,203,260	3,187,520

General Fund Summary Budgets – 2015/16

<i>Figures exclude internal recharges which have no bottom line impact.</i>	Base Budget 2014/15 £	Technical Adjustments £	Policy Changes £	Budget 2015/16 £
Chief Executive	156,670	3,080	-	159,750
Executive Director Corporate Services	340,230	39,940	-	380,170
Director of Finance	79,920	(1,012,820)	100,000	(832,900)
Director of Technology & Corporate Programmes	894,590	(38,350)	35,000	891,240
Solicitor to the Council	554,580	8,640	-	563,220
Director of Transformation & Corporate Performance	939,450	(45,190)	10,000	904,260
Director of Communities, Planning & Partnerships	2,337,010	(42,320)	-	2,294,690
Director of Housing & Health	1,033,190	(90,440)	-	942,750
Director of Assets & Environment	2,796,590	287,160	132,250	3,216,000
	9,132,230	(890,300)	277,250	8,519,180

General Fund Summary Budgets – 2014/15 to 2019/20

<i>Figures exclude internal recharges which have no bottom line impact.</i>	Base Budget 2014/15 £	Budget 2015/16 £	Budget 2016/17 £	Budget 2017/18 £	Budget 2018/19 £	Budget 2019/20 £
Chief Executive	156,670	159,760	168,100	171,830	175,630	179,500
Executive Director Corporate Services	340,230	380,160	394,930	406,730	418,300	430,110
Director of Finance	79,920	(932,920)	(1,106,930)	(1,058,900)	(1,041,980)	(936,100)
Director of Technology & Corporate Programmes	894,590	856,240	892,840	917,770	943,300	968,400
Solicitor to the Council	554,580	563,210	583,840	598,210	611,880	625,840
Director of Transformation & Corporate Performance	939,450	894,260	893,660	916,340	939,710	963,900
Director of Communities, Planning & Partnerships	2,337,010	2,294,690	2,328,090	2,367,290	2,400,800	2,442,670
Director of Housing & Health	1,033,190	942,760	953,320	958,810	964,470	970,290
Director of Assets & Environment	2,796,590	3,083,770	3,235,950	3,333,760	3,429,570	3,521,480
	9,132,230	8,241,930	8,343,800	8,611,840	8,841,680	9,166,090

Housing Revenue Account 2015/16 to 2019/20

<i>Figures exclude internal recharges which have no bottom line impact.</i>	Base Budget 2014/15 £	Budget 2015/16 £	Budget 2016/17 £	Budget 2017/18 £	Budget 2018/19 £	Budget 2019/20 £
Director of Housing & Health	4,073,760	4,088,800	4,241,440	4,336,080	4,430,980	4,520,390
Director of Assets & Environment	(9,190)	(12,100)	(5,160)	(1,320)	1,590	4,580
HRA Summary	(3,080,310)	(889,180)	(3,577,840)	(3,731,250)	(3,986,570)	(4,249,040)
Grand Total	984,260	3,187,520	658,440	603,510	446,000	275,930

Draft General Fund Capital Programme 2015/16 to 2019/20

	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	Total £
<u>General Fund Capital Programme</u>						
Technology Replacement	60,000	60,000	60,000	60,000	60,000	300,000
Agile Working - Floor Refurbishment	80,000	-	-	-	-	80,000
Agile Working - Furniture	48,000	-	-	-	-	48,000
Subtotal	188,000	60,000	60,000	60,000	60,000	428,000
Private Sector Grants - Disabled Facilities Grants	300,000	250,000	250,000	250,000	250,000	1,300,000
CCTV Camera Renewals	15,000	15,000	15,000	15,000	15,000	75,000
Assembly rooms development	100,000	-	-	-	-	100,000
Gateways	50,000	50,000	50,000	50,000	50,000	250,000
Contingency	-	-	-	-	-	-
Subtotal	465,000	315,000	315,000	315,000	315,000	1,725,000
Total General Fund Capital	653,000	375,000	375,000	375,000	375,000	2,153,000
<u>Proposed Financing:</u>						
Supported Capital Expenditure	-	-	-	-	-	-
Grants - Disabled Facilities	224,000	224,000	224,000	224,000	224,000	1,120,000
General Fund Capital Receipts	100,000	146,900	73,500	4,400	-	324,800
Sale of Council House Receipts	190,000	4,100	21,900	-	-	216,000
General Fund Capital Reserve	81,000	-	20,200	-	-	101,200
Revenue Contribution to Capital Outlay in Year	58,000	-	-	-	-	58,000
Unsupported Borrowing			35,400	146,600	151,000	333,000
Total	653,000	375,000	375,000	375,000	375,000	2,153,000

Draft Housing Revenue Account Capital Programme 2015/16 to 2019/20

	2015/16	2016/17	2017/18	2018/19	2019/20	TOTAL
	£	£	£	£	£	£
<u>Housing Revenue Account</u>						
<u>Capital Programme</u>						
Bathroom Renewals Disabled Facilities Adaptations	755,370	774,250	795,540	817,420	839,900	3,982,480
Gas Central Heating Upgrades and Renewals	300,000	307,500	315,960	324,650	333,580	1,581,690
Kitchen Renewals	557,560	569,830	582,360	595,170	608,260	2,913,180
Kitchen Renewals	897,000	919,430	944,710	970,690	997,380	4,729,210
High Rise Lift Renewal Major Roofing Overhaul and Renewals	335,090	342,460	349,990	-	-	1,027,540
Fencing/Boundary Walls	152,950	156,770	161,080	165,510	170,060	806,370
Fire Upgrades to Flats	30,000	30,000	30,000	30,000	30,660	150,660
Structural Works	300,000	265,460	-	-	-	565,460
High Rise Balconies	200,000	100,000	100,000	100,000	100,000	600,000
Sheltered Schemes	525,000	525,000	525,000	525,000	-	2,100,000
General Estate Works Energy Efficiency Improvements	250,000	-	-	-	-	250,000
Window and Door Renewals	200,000	200,000	200,000	200,000	200,000	1,000,000
Gas Heating at Belgrave	50,000	50,000	50,000	50,000	50,000	250,000
Contingency	292,310	298,740	305,310	312,030	318,900	1,527,290
Capital Salaries	284,820	-	-	-	-	284,820
CDM Fees	100,000	100,000	100,000	100,000	100,000	500,000
Regeneration Schemes	165,670	169,310	173,040	176,840	180,730	865,590
Kerria	9,950	10,170	10,390	10,620	10,850	51,980
Tinkers Green						-
Redevelopment of Garage sites and other acquisitions	2,930,000	3,845,000	-	-	-	6,775,000
Total HRA Capital	4,890,000	5,239,000	5,339,000	-	-	15,468,000
	1,605,000	1,605,000	1,605,000	1,605,000	-	6,420,000
	14,830,720	15,507,920	11,587,380	5,982,930	3,940,320	51,849,270

	2015/16	2016/17	2017/18	2018/19	2019/20	TOTAL
	£	£	£	£	£	£
<u>Proposed Financing:</u>						
Major Repairs Reserve	4,482,060	4,482,060	4,482,060	4,327,930	3,890,320	21,664,430
Revenue Contribution to Capital Outlay in Year	923,660	336,860	161,320	50,000	50,000	1,521,840
Capital Receipts from add Council House Sales	1,000,000	1,000,000	1,000,000	-	-	3,000,000
Sale proceeds	-	649,000	649,000	-	-	1,298,000
Regeneration Revenue Reserves	3,312,000	2,000,000	1,840,000	200,000		7,352,000
Revenue Contribution to Capital Outlay in Year	2,871,000	2,068,000	3,455,000	1,405,000	-	9,799,000
Unsupported Borrowing	2,242,000	4,972,000	-	-	-	7,214,000
Shortfall						-
Total	14,830,720	15,507,920	11,587,380	5,982,930	3,940,320	51,849,270