

## CABINET

23<sup>rd</sup> November 2011

## Report of the Leader of the Council

**DRAFT BASE BUDGET FORECASTS 2012/13 to 2016/17****Purpose**

To inform Members of the re-priced base budget for 2012/13, base budget forecasts for the period 2012/13 to 2016/17 (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 2012/13 & indicative budgets to 2016/17 be approved (as attached at Appendix B, C, D, E, F & G);**
- 2. Consideration be given to the proposed savings measures, as detailed within the report;**
- 3. As required by 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 2012/13 in respect of the General Fund (GF) and Housing Revenue Account (HRA);
- A five year, medium term financial forecast for the General Fund and Housing Revenue Account;
- The associated strategy to address the financial trends & projection;
- At this stage the Provisional Capital Programmes for the General Fund and Housing Revenue Account as contained within the 2011/12 – 2014/15 Budget & Medium Term Financial Strategy (MTFS) are under review. Proposals, once finalised, will be reported to Cabinet for consideration.

The medium term financial planning process is being challenged by the economic downturn / recession. The attached forecast is based on a 5 year period, but does contain a number of uncertainties. The grant reductions will put significant pressure on the ability of the Council to publish a balanced 5 year MTFS – it may have to be a 3 or 4 year MTFS.

As raised at the Executive Management Team Away Day, the key uncertainties which will inform further budget considerations before the final budget proposals are developed are:

- a) Future Revenue Support Grant levels including the impact from the proposals to localise business rates and future support through New Homes Bonus grant;
- b) Proposed changes set out in the Welfare Reform Bill and the introduction of Universal Credit – potential impact on housing and council tax benefits (including support for council tax benefits) and associated income receipts of the council;
- c) The planned removal of the Housing Subsidy system, the introduction of self financing for the HRA and the level of debt allocation the Council would have to take together with the associated impact on the revenue account.
- d) The impact of any further uncertainty over future interest rate levels and their impact on investment income / treasury management;
- e) The severity of the recession and the impact it has had and still could have on the Council's income streams;
- f) While the Government announced a pay freeze for 2011/12 & 2012/13, the impact of inflation on pay settlements and other contractual arrangements for future years is less certain;
- g) Finalisation of the expected outcomes and impact on the Council's financial position from the programme of short-term and long-term workstream reviews commissioned by Cabinet to identify measures to help the Council cope with grant & income reductions in the coming years;
- h) While the Council capitalised the estimated impairment loss from the Council's investments in Icelandic Banks in 2009/10, finalisation of the financial impact is still subject to the likely impact of repayment levels in future years; and
- i) 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 current forecast projects a General Fund (GF) shortfall of £2.7m over the next 5 years (£1.1m over 4 years), including the minimum approved level of £0.5m – assuming annual council tax increases of 2.5% p.a. following a freeze in 2012/13;
- The current forecast projects a Housing Revenue Account (HRA) surplus of £7.2m over the next 5 years (surplus of £7.2m over 4 years) including the minimum recommended balances of £250k, with a forecast £3.5m surplus over 10 years.

- As part of the base budget review, and resulting from the economic conditions in times of austerity, a 'zero-based budgeting' approach has been used to assess income levels for future years - and in addition to those identified in last years exercise - to ensure that income targets are realistic & achievable. The main reductions in income levels, of approx. £114k p.a. for GF, as identified by budget managers are detailed at **Appendix H**;

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

- a) Impact of Committee decisions on the 2011/12 budget – a GF net cost reduction of £272k;
- b) Budget issues 2011/12:
  - A reduction in car park income of £132k p.a.;
  - Treasury Management - The continuing lower level of money market interest rates has resulted in a projected shortfall in our investment income of £64k.
- c) Base Budget review:
  - Removal of Staffordshire Connects contribution of £92k p.a.;
  - Reduced Treasury Management costs anticipated following return of Icelandic investments, £123k p.a.;
  - Reduced Benefits costs & Provision for Bad Debts, £74k;
  - Removal of Specific Contingency budget of £100k;
  - Increased New Homes Bonus Government Grant of £86k.
  - Reduced Car Parks Income of £152k p.a.

## **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 8<sup>th</sup> December 2011.

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 24<sup>th</sup> January 2012.

Proposed amendments to the 2011/12 base budget, approved by Council on 22<sup>nd</sup> February 2011, are detailed within the report.

Risks to Forecasts:

<b>Risk</b>	<b>Control Measure</b>
Major variances to the level of grant / subsidy from the Government;	Sensitivity modelling undertaken to assess the potential impact in the estimation of future grant levels;
Potential 'capping' of council tax increases by the Government or local Council tax Veto / referendum;	Council tax models for consideration are included within this report;
The potential financial impact arising from the Council's investments in Icelandic banks, which have been identified 'at risk';	Following capitalisation, the latest estimates for repayment have been included within the forecasts;
The planned removal of the Housing Subsidy system, the introduction of self financing for the HRA and the level of debt allocation the Council would have to take together with the associated impact on the revenue account;	A detailed review of the consultation proposals during 2011 has been undertaken. When updated proposals are published the model will be updated to identify the impact for the HRA;
The achievement of substantial savings / efficiencies will be needed to ensure sufficient resources will be available to deliver the Council's objectives through the 5 year budget e.g. Transforming Tamworth & Support Services options appraisal workstreams.	A robust & critical review of the savings proposals will be required / undertaken before inclusion within the forecast;

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

Background Papers:-	Budget & Medium Term Financial Strategy 2011/12 – 2014/15, Council 22 <sup>nd</sup> February 2011
	Budget and Medium Term Financial Planning Process, Cabinet 21 <sup>st</sup> September 2011
	Budget Consultation Report, Cabinet 13 <sup>th</sup> October 2011

## **Base Budget Forecast 2012/13 to 2016/17**

Revisions have been made to the 2011/12 base budget in order to produce an adjusted base for 2012/13 and forecast base for 2013/14 onwards.

### **General Fund Revenue**

*Forecast* – When the budget for 2011/12, and indicative budgets for 2012/13 to 2014/15, were approved by Council in February 2011 it was anticipated that balances would remain above the minimum approved level of £500k for a the 4 year period.

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

#### *Budget Issues 2011/12*

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

- Outside Car Parks - £132k. Payment due to Henry Boot based on additional income at Spinning School Lane site (£107k) but the increased parking at this site has had an adverse impact on other parking sites (£31k reduction).
- Treasury Management - £53k. Net overspend mainly as a result of the decision to delay budgeted external borrowing (for economic reasons) resulting in lower external interest payments (£384k) offset by a reduction in the sum chargeable to the HRA in respect of Item 8 dr (£367k). This is then offset by the continuing lower level of money market interest rates has also resulted in a projected shortfall in our investment income (£64k) by year end.
- Public spaces - £36k. Employee's expenditure (£10k) - now at full establishment likely to overspend due to inclusion of vacancy allowance in budget. Sponsored Roundabouts (£11k) - no income can be expected until the issue with Valuation Office regarding rates is resolved.
- Tourist Information Service - £18k. Employee costs - Additional hours worked re TIC relocation and training.
- General Fund Housing - £16k. Net cost of Temporary agency staff covering vacancies.
- CCTV - £12k. Employee costs - Long Term sickness being covered by overtime payments.
- Castle Museum/Education/Events - £19k. Employee expenses - using casuals to cover part time vacancy (£11k), shortfall in income (£5k).
- Public Conveniences - £11k. Higher than expected payment for overtime to cover staff absences. Review of options being undertaken.

- TBC Highways Maintenance - £10k. Invoice for first 6 months received and produced higher than budgeted costs of maintenance. Meetings with the County to limit resources and determine likely outturn in October. May need to flag larger overspend in future monitoring reports.

The main significant items mitigating the financial impact of the above and contributing to the period position,

- Benefits - £98k based on current level of activity and our DWP Estimate Claim submitted at the end of September.
- Environmental Health - £62k. Employee costs - 2 vacant posts - subject to service re-alignment. Further vacant post to be filled. One officer on maternity leave.
- Joint Waste Arrangements - £51k. There is a projected saving of £115k as it is anticipated that there will be no call on the cost centre's Contingency budget. However, there is an estimated increase in contract costs of £32k and a potential under-recovery on Common Services income due to changes in the recharge basis.
- Marmion House - £27k. Mainly due to savings on Electricity costs (£16k), additional income due from renting out 5th floor not in budget (£16k) and a budget saving re Redundancy costs (£5k) as actual costs were charged into the previous year. Reduced by a projected overspend on Cleaning and Domestic supplies (£10k).
- Concessionary Fares - £17k. Payments to Operators - an accrual in respect of potential further claims relating to 2010-11 has now been cleared off, resulting in a saving in this year.
- Development Control - £15k. Employee costs, savings due to maternity leave and a vacant post for 3 months.

#### *Issues for the Medium Term*

- The current forecast projects a General Fund (GF) shortfall of £2.7m over the next 5 years (£1.1m over 4 years), including the minimum approved level of £0.5m – assuming council tax increases of 2.5% p.a. following a freeze in 2012/13;
- As part of the base budget review a 'zero-based budgeting' approach has been used to assess income levels for future years – to ensure that income targets are realistic & achievable. The main reductions in income levels, of approx. £114k p.a. for GF, as identified by budget managers are detailed at **Appendix H**;

## ***Implications & Options***

It is currently estimated that further savings of around £0.2m per annum will be required over the next 4 years (based on annual 2.5% increases in Council tax following a freeze at the current level for 2012/13 - compared to 2% contained within the approved 4-year Medium Term Forecast).

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 £500k.

Decisions on future funding of growth & other items 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' amongst the growth & other proposals/bids (& 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 2011/12, and indicative budgets for 2012/13 to 2014/15, were approved by Council in February 2011, it was highlighted that following retention of the Housing stock, there would be a need to identify significant savings (approx £810k p.a. was estimated from 2011/12 onwards) over the longer term.

A number of service reviews have / are being undertaken aimed at ensuring quality and effectiveness of the service as well as the identification of potential cost savings in order to address the previously projected shortfall over 10 years. Minimum recommended balances are £250k but given the move to self financing this should be reviewed and it is recommended that this be increased to £500k - in line with the General Fund.

### *Budget Issues 2011/12*

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

- HRA Subsidy - £212k. Additional amount payable as a result of continuing low interest rates and the Authority's Capital Financing Requirement being increased by the capitalisation of Icelandic investments, which has the effect of reducing the interest rate that is used to calculate the HRA's capital charge, which then reduces the amount claimable against Subsidy.
- Garage Rents - £41k. Rental income shortfall due to the continuing increase in voids. The use of garage sites is currently being reviewed.

Significant items mitigating the financial impact of the above and contributing to the predicted out-turn position,

- Item 8 DR Interest Charges - £367k. Reduction in the amount budgeted as a result of continuing low interest rates and the change in our Capital Financing Requirement mentioned above.
- Council House Rents - £134k. Projected outturn over recovery against budget partly due to a reduced turnaround of void properties reducing overall void levels.

#### *Impact of Government Support*

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

- the introduction of a self financing model from 2012/13. Initial estimates & proposals have been received and reflected in the forecast but provisional settlement details are awaited which could significantly alter the projections;
- the capital investment needs of the housing stock are being finalised and the impact will need to be reflected within the forecast;
- the costs of any potential regeneration / redevelopment proposals.

#### *Base Budget Review*

- Additional debt costs of £1.4m p.a. arising from self-financing settlement of £44m;
- Removal of subsidy payment budget no longer due - £3.3m p.a.
- Reduced garage rent income due to voids, £41k p.a.



## Detailed Considerations

### *Base Budget Forecasts 2012/13 to 2016/17*

Revisions have been made to the 2011/12 base budget in order to produce an adjusted base for 2012/13 and forecast base for 2013/14 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*

<b>Technical Adjustments</b>	<b>2012/13 £'000</b>	<b>2013/14 £'000</b>	<b>2014/15 £'000</b>	<b>2015/16 £'000</b>	<b>2016/17 £'000</b>
Base Budget B/Fwd	9,416	9,064	9,543	9,783	9,903
Committee Decisions	(270)	173	(47)	87	-
Inflation	82	89	92	89	84
Other	7	(29)	(47)	(288)	(75)
Pay Adjustments (Including pay award / reduction of 5% for vacancy allowance)	(86)	246	242	232	232
Revised charges for non-general fund activities	(85)	-	-	-	-
<b>Total / Revised Base Budget</b>	<b>9,064</b>	<b>9,543</b>	<b>9,783</b>	<b>9,903</b>	<b>10,144</b>

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**.

Assuming a council tax freeze in 2012/13 and increases in Council Tax of 2.5% per annum for 2013/14 onwards, the five year base budget forecast is as follows:

	<b>2012/13 £'000</b>	<b>2013/14 £'000</b>	<b>2014/15 £'000</b>	<b>2015/16 £'000</b>	<b>2016/17 £'000</b>
<b>Estimated Net Cost of Services</b>	<b>9,064</b>	<b>9,543</b>	<b>9,783</b>	<b>9,903</b>	<b>10,144</b>
Proposed Policy Changes	(200)	(620)	(638)	(608)	(666)
<b>Net Expenditure</b>	<b>8,864</b>	<b>8,923</b>	<b>9,145</b>	<b>9,295</b>	<b>9,479</b>
<b>Financing:</b>					
RSG/NNDR	4,605	4,374	4,156	3,947	3,949
Collection Fund Surplus	10	10	10	10	10
Council Tax Income	3,496	3,599	3,705	3,815	3,927
<b>Gross Financing</b>	<b>8,111</b>	<b>7,983</b>	<b>7,871</b>	<b>7,772</b>	<b>7,886</b>
<b>Surplus/(Deficit)</b>	<b>(753)</b>	<b>(940)</b>	<b>(1,274)</b>	<b>(1,523)</b>	<b>(1,593)</b>
<b>Balances Remaining / (Overdrawn)</b>	<b>3,170</b>	<b>2,230</b>	<b>956</b>	<b>(567)</b>	<b>(2,160)</b>

Indicating a potential shortfall in General fund balances of approx. £2.7m over the 5 year period (£1.1m shortfall over 4 years - including the minimum approved level of £0.5 million).

Balances are forecast to be £3.9m at 31<sup>st</sup> March 2012.

A detailed summary of the budget for 2012/13 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

Last year the Government indicated that it would offer grant support for the 4 year Comprehensive Spending Review (CSR) period should Council freeze Council tax levels for 2011/12. There is no mention that this arrangement would continue thereafter. A similar offer (subject to confirmation of the details) has been announced for 2012/13.

However, 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. Tamworth's Council tax is currently £149.55 which is £43 below the average of the council tax charges of similar councils (from the Cipfa nearest neighbour grouping).

The indications are that a potential 'capping' threshold may be around 2.5% - following a freeze in 2011/12, the impact of a 2.0% pa increase (Band D), in line with the approved 4 year financial strategy, is outlined below:

#### Model 1 Impact of 2% p.a. increases in Council tax (in line with approved MTFS)

Year:	2012/13	2013/14	2014/15	2015/16	2016/17
Forecast:	£'000	£'000	£'000	£'000	£'000
<b>Increase in Council Tax Band D</b>	70	54	37	19	-
<b>Revised Surplus/(Deficit)</b>	(683)	(885)	(1,238)	(1,503)	(1,594)
<b>Balances Remaining / (Overdrawn)</b>	<b>3,240</b>	<b>2,354</b>	<b>1,117</b>	<b>(387)</b>	<b>(1,980)</b>
<b>£ Increase</b>	2.99	3.05	3.11	3.17	3.24
<b>% Increase</b>	2.00%	2.00%	2.00%	2.00%	2.00%
<b>Note: Resulting Band D Council Tax</b>	152.54	155.59	158.7	161.87	165.11

This indicates a shortfall of £2.5m over the 5 year period (including the minimum approved balances of £500k). However, the Council would not receive the anticipated council tax freeze grant of £87k p.a. (for 3 years) which would mean a revised deficit of £2.8m.

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

**Model 2 Impact of 0% increase in Council tax in 2012/13 (followed by inflationary increases of 2.5% p.a.)**

Year:	2012/13	2013/14	2014/15	2015/16	2016/17
Forecast:	£'000	£'000	£'000	£'000	£'000
Surplus/(Deficit)	(753)	(940)	(1,274)	(1,523)	(1,593)
<b>Balances Remaining / (Overdrawn)</b>	<b>3,170</b>	<b>2,230</b>	<b>956</b>	<b>(567)</b>	<b>(2,160)</b>
£ Increase	-	3.75	3.85	3.95	4.05
% Increase	0.0%	2.5%	2.5%	2.5%	2.5%
Note: Resulting Band D Council Tax	149.55	153.30	157.15	161.10	165.15

This indicates a shortfall of £2.7m over the 5 year period (including the minimum approved balances of £500k).

**Model 4 Impact of 0% increase in Council tax in 2012/13 (followed by increases of 2% p.a.)**

Year:	2012/13	2013/14	2014/15	2015/16	2016/17
Forecast:	£'000	£'000	£'000	£'000	£'000
<b>Increase in Council Tax £</b>	0	(18)	(37)	(57)	(78)
Revised Surplus/(Deficit)	(753)	(957)	(1,312)	(1,579)	(1,672)
<b>Balances Remaining / (Overdrawn)</b>	<b>3,170</b>	<b>2,212</b>	<b>901</b>	<b>(679)</b>	<b>(2,350)</b>
£ Increase	-	2.99	3.05	3.11	3.17
% Increase	0.00%	2.00%	2.00%	2.00%	2.00%
Note: Resulting Band D Council Tax	149.55	152.54	155.59	158.7	161.87

This indicates a shortfall of £2.9m over the 5 year period (including the minimum approved balances of £500k).

## 2) Potential Savings

As part of the planned review & scrutiny process leading up to formal presentation of the budget, Budget Review Group will consider feedback received from the Budget Consultation process, the Joint Scrutiny Budget workshop and the Joint Budget Scrutiny Committee (planned for 24<sup>th</sup> January 2012) 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' amongst the growth & other proposals/bids (& whether service improvements in a priority area should be met from service reductions elsewhere).
  
- an investigation of other potential savings areas, as detailed below, in order to mitigate the forecast budget shortfall. This process is ongoing in order to formulate a balanced medium term financial strategy for approval by Cabinet & Council in February 2011.
  - Workstream reviews commissioned by Cabinet;
  - Transforming Tamworth project;
  - Building repairs fund balances;
  - New homes bonus levels.

A summary of the proposed policy changes, including potential savings identified, is shown below:

	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
<b>Potential (Savings)</b>					
New Homes Bonus	-	(300)	(358)	(415)	(473)
Council tax freeze grant	(87)	(87)	(87)	-	-
Icelandic Investment Repayment	(150)	(150)	(150)	(150)	(150)
Senior Mgt Restructure saving	(100)	(100)	(100)	(100)	(100)
Audit Fee saving	(6)	-	-	-	-
Support Service Review	(100)	(100)	(100)	(100)	(100)
Building Control Shared Service arrangement	(10)	(10)	(10)	(10)	(10)
<b>Potential Additional Costs</b>					
CRM contribution	12	52	52	52	52
Contingency (including for income reductions)	110	110	110	110	110
Absent voter refresh - postage costs	15	5	5	5	5
Olympic event - one year only	40	-	-	-	-
CDO post - one year only	36	-	-	-	-
CIL budget b/fwd to 12/13 from 13/14	40	(40)	-	-	-
<b>Net Cost / (Saving)</b>	<b>(200)</b>	<b>(620)</b>	<b>(638)</b>	<b>(608)</b>	<b>(666)</b>

*Housing Revenue Account – Technical Adjustments Summary*

<b>Technical Adjustments</b>	<b>2012/13 £'000</b>	<b>2013/14 £'000</b>	<b>2014/15 £'000</b>	<b>2015/16 £'000</b>	<b>2016/17 £'000</b>
Base Budget	679	(1,371)	(927)	(557)	(377)
Committee Decisions	(423)	217	135	(1)	0
Inflation	169	205	210	206	213
Other	(1,946)	(8)	8	(39)	12
Pay Adjustments	73	23	17	14	12
Revised charges for non-general fund activities	77	7	-	-	-
<b>Total</b>	<b>(1,371)</b>	<b>(927)</b>	<b>(557)</b>	<b>(377)</b>	<b>(140)</b>

**The detail of the technical adjustments are shown in Appendix C with a summary at Appendix E.** Assuming increases in Rent in line with the Government's rent restructuring policy, the five year base budget forecast is as follows:

<b>Summary</b>	<b>Projected 2012/13 £'000</b>	<b>Projected 2013/14 £'000</b>	<b>Projected 2014/15 £'000</b>	<b>Projected 2015/16 £'000</b>	<b>Projected 2016/17 £'000</b>
Net Surplus / (Deficit)	1,371	927	557	376	140
Proposed Policy Changes Income / (Cost)	(190)	(150)	(150)	(150)	(150)
Surplus / (Deficit)	<b>1,181</b>	<b>777</b>	<b>407</b>	<b>226</b>	<b>(10)</b>
<b>Balances Remaining</b>	<b>5,841</b>	<b>6,618</b>	<b>7,025</b>	<b>7,251</b>	<b>7,241</b>

Per Council, 22 <sup>nd</sup> February 2011	4,074	3,307	2,118	-	-
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Indicating a Housing Revenue Account (HRA) surplus of £7.2m over the next 4 years (Minimum recommended balances are currently £250k).

However, this does not include and there is still a large degree of uncertainty over the future financial position of the HRA arising from:

- the introduction of a self financing model from 2012/13. Initial estimates & proposals have been received and reflected in the forecast but provisional settlement details are awaited which could significantly alter the projections;
- the capital investment needs of the housing stock are being finalised and the impact will need to be reflected within the forecast;
- the costs of any potential regeneration / redevelopment proposals has not been included within the forecast;
- The potential repayment of debt in the future, which has not been included at this stage.

Potential revenue policy changes for the HRA are highlighted below:

<b>Proposal</b>	<b>12/13 £'000</b>	<b>13/14 £'000</b>	<b>14/15 £'000</b>	<b>15/16 £'000</b>	<b>16/17 £'000</b>
Service improvements in line with tenant priorities developed within HRA business plan	50	50	50	50	50
Develop Asset Management strategy	40	0	0	0	0
Removal of service Charges - Originally due for implementation wef 1/4/11	100	100	100	100	100

## **Capital**

At this stage the Provisional Capital Programmes for the General Fund and Housing Revenue Account as contained within the 2011/12 – 2014/15 Budget & Medium Term Financial Strategy (MTFS) are under review. Proposals, once finalised, will be reported to Cabinet for consideration.

**Main Assumptions**

<b>Inflationary Factors</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2015/16</b>
Inflation Rate - Pay Awards	0.00%	2.00%	2.00%	2.00%	2.00%
National Insurance	7.50%	7.50%	7.50%	7.50%	7.50%
Superannuation	19.10%	19.60%	20.10%	20.60%	21.10%
Inflation Rate (Headline)	3.40%	3.40%	3.40%	3.20%	3.20%
Base Interest Rates	1.00%	1.50%	2.50%	3.00%	3.00%
Investment income rate	1.50%	2.50%	3.00%	3.50%	4.00%

1. Pay award – public sector pay will be frozen for 2011/12 & 2012/13 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 estimated for rent allowance / rent rebate subsidy levels have been included;
5. Car Parking income has been reduced in line with current income levels for 2011/12, with charges increased in future in line with the previously approved charging strategy;
6. Changes to the level of recharges between funds has been included;
7. Within the Comprehensive Spending review released on the 20<sup>th</sup> October 2010, the Government proposed cuts of 7.25% in real terms to funding streams for each of the next four years – annual grant reductions of 5% have been included.
8. The Government has indicated its policy regarding council tax bills being frozen for the next year. It has indicated that a grant equivalent to a 2.5% increase in the basic 2010/11 Council Tax, will be available to authorities that agree to freeze or reduce Council Tax in 2011/12 – it has been assumed supplementary funding for foregone income as a result of a continued freeze for the next three years. The impact of a 2.5% pa compensatory grant is outlined within the report;
9. The major changes to the previously approved policy changes are included within this forecast – Directors / AD’s were issued with the provisional information in August to review, confirm & resubmit by the end of September;
10. Following the 4 year agreement, 0.5% annual year-on-year increases (as above) in pension costs following SCC triennial review negotiations.
11. Increases in rent levels are restricted by the rent restructuring guidelines & current indications that sales of council houses will be approximately 5 per annum.



## Technical Adjustments Analysis – General Fund

	£	£	£
<b>CHIEF EXECUTIVES OFFICE</b>			
<b>Chief Executive</b>			
Virements		23,540	
Inflation		40	
Other			
Car Allowances	1,740		
Insurance	<u>200</u>	1,940	
Pay Adjustments		1,020	
Changes in Recharges		(26,540)	
			<u>-</u>
<b>Assistant Chief Exec</b>			
Inflation		730	
Other			
Insurance	<u>10</u>	10	
Pay Adjustments		200	
Changes in Recharges		(710)	
			<u>230</u>
<b>Customer Services Manager</b>			
Virements		1,970	
Committee Decisions			
2010-11 Policy Item to remove Staffordshire Connects contribution, plus removal of budget for additional one-off payment	(91,500)		
Removal of budget for one-off grant to MAP re Shopmobility	<u>(9,000)</u>	(100,500)	
Inflation		1,170	
Other			
Insurance	(290)		
Depreciation	(5,470)		
Bank Charges	<u>400</u>	(5,360)	
Pay Adjustments		11,260	
Changes in Recharges		95,120	
			<u>3,660</u>

	£	£	£
<b>Head of Organisational Development</b>			
Virements		1,000	
Committee Decisions			
2009-10 Policy Item Provision of Occupational Health Services	2,000		
2010-11 Policy Item CRB Personnel Checks	3,300		
2011-12 Policy Item to establish External Support budget following staff redundancy	<u>10,000</u>	15,300	
Inflation		1,380	
Other			
Insurance	<u>(870)</u>	(870)	
Pay Adjustments		(43,930)	
Changes in Recharges		27,490	
		<u>370</u>	
<b>Head of Performance &amp; Corporate Relations</b>			
Committee Decisions			
2009-10 Policy Item Per 05 Sector Research	<u>10,000</u>	10,000	
Inflation		220	
Other			
Insurance	<u>(420)</u>	(420)	
Pay Adjustments		(2,470)	
Changes in Recharges		(7,130)	
		<u>200</u>	
<b>Solicitor and Monitoring Officer</b>			
Virements		(200)	
Committee Decisions:			
2011-12 Policy Item re PPE Act 2009 - Software Support Licences	20,000		
2011-12 Policy Item re PPE Act 2009 - Computer Equipment	6,000		
2011-12 Policy Item re PPE Act 2009 - Election Staff	7,000		
2011-12 Policy Item re PPE Act 2009 - Canvassers Fees	6,000		
2011-12 Policy Item to establish External Support budget following staff redundancy	10,000		
2009-10 Policy Item Sol 2 Members Remuneration Panel	<u>(3,000)</u>	46,000	

	£	£	£
Inflation		1,400	
Other			
Car Allowances	150		
Insurance	(940)		
Rates on storage unit	60		
Members Allowances	1,130		
Reduction in Solicitor to Council Fees & Charges income budget	<u>15,000</u>	15,400	
Pay Adjustments		(35,120)	
Changes in Recharges		(65,480)	
		<u>(38,000)</u>	
<b>TOTAL CHIEF EXECUTIVE'S</b>			<u><u>(33,540)</u></u>

	£	£	£
<b><u>CORPORATE DIRECTOR RESOURCES</u></b>			
<b>Corporate Director</b>			
Inflation		10	
Other			
Insurance	<u>(250)</u>	(250)	
Pay Adjustments		(7,570)	
Changes in Recharges		7,850	
			<u><u>40</u></u>
<b>DD Corporate Finance, Exchequer &amp; Revenues</b>			
Virements		(200)	
Committee Decisions			
Removal of Funding for 2012 Olympics Contribution	(1,500)		
Removal of Corporate Finance Specific Contingency	(100,510)		
2011-12 Policy Item Corporate Finance New Homes Bonus Government Grant	(86,000)		
Treasury Management	(990)		
2009-10 Policy Item Ben 01 Pro-print	<u>(3,500)</u>	(192,500)	
Inflation		970	
Other			
Corporate Finance Superannuation Allowances	(520)		
Corporate Finance Audit Fee	(6,050)		
NNDR Discretionary Rate Relief	2,230		
Corporate Finance Provision for Depreciation	680,900		
Treasury Management	(123,670)		
Insurance	(1,370)		
Car Allowances	(440)		
Bank Charges	1,150		
NNDR Cost of Collection Grant	900		
HAA Misc Interest & Dividends	<u>10</u>	553,140	
Pay Adjustments		(1,130)	
Changes in Recharges		(16,450)	
			<u><u>343,830</u></u>
<b>AD Business Processes</b>			
Virements		(200)	
Committee Decisions			
2009-10 Policy Item Ben 01 Pro-print paper saving	<u>(1,500)</u>	(1,500)	

	£	£	£
Inflation		16,860	
Other			
Insurance	(650)		
Provision for Depreciation	(65,910)		
Reprographics Equipment Lease Charges	<u>4,390</u>	(62,170)	
Pay Adjustments		(30,010)	
Changes in Recharges		77,260	
			<u><u>240</u></u>
<b>Head of Benefits</b>			
Committee Decisions			
2009-10 Policy Item Ben 01 Legal Fees	<u>(2,000)</u>	(2,000)	
Inflation		130	
Other			
Benefits Estimates & Provision for Bad Debts	(74,160)		
Salaries Overtime	21,480		
Car Allowances	(2,390)		
Insurance	(1,790)		
Bank Charges	(10)		
Admin Grant	<u>26,920</u>	(29,950)	
Pay Adjustments		(39,890)	
Changes in Recharges		(45,110)	
			<u><u>(116,820)</u></u>
<b>Head of Internal Audit Services</b>			
Inflation		670	
Other			
Car Allowances	(450)		
Insurance	<u>(190)</u>	(640)	
Pay Adjustments		(7,280)	
Changes in Recharges		4,000	
			<u><u>(3,250)</u></u>
<b>TOTAL CORPORATE DIRECTOR RESOURCES</b>			<u><u>224,040</u></u>

	£	£	£
<b><u>CORPORATE DIRECTOR COMMUNITY SERVICES</u></b>			
<b>Corporate Director</b>			
Virements		(23,740)	
Committee Decisions:			0
Inflation			110
Other			
Insurance		(330)	
Pay Adjustments			240
Changes in External Recharges			23,710
			<u>(10)</u>
<b>DD Assets and Environmental Services</b>			
Virements		(1,970)	
Committee Decisions:			
09/10 PC OS 14 Car Park Income - reflect reduction for short stay income	(13,950)		
10/11 PC OS 03 Waste Arrangement - Additional costs from revised arrangements	26,330		
09/10 PC OS 24 New Cemetery Land - increased premises costs following capital programme	2,000		
11/12 AE 3 Savings from Voluntary Redundancy Exercise	(1,710)		
			<u>12,670</u>
Inflation			47,510
Other			
Depreciation Charges	(612,870)		
Rates	17,880		
Insurances	(6,970)		
Bank Charges	720		
Car Allowances	1,660		
CCTV Income	2,410		
Phil Dix Income	1,970		
Public Open Spaces Income	6,260		
Neighbourhood Services Income	1,460		
Marmion House Rents and Services Charge Income	(36,410)		
Animal Welfare Income	(4,020)		
Pollution Control Income	(730)		
Taxi Income	740		
Licencing Income	3,500		
Car Parks Income	152,480		
Landfill Tax Costs	(5,000)		
Recycling Bring Sites	3,000		
CCTV Overtime	3,290		
			<u>(470,630)</u>

	£	£	£
Pay Adjustments		42,130	
Changes in External Recharges		(104,160)	
		<hr/>	<u><u>(474,450)</u></u>
<b>DD Housing and Health</b>			
Virements		0	
Committee Decisions:			
11/12 Policy Change HH1 savings from review of Strategic Housing staffing structure	(110)		
	<hr/>	(110)	
Inflation		1,590	
Other			
Car Allowances	20		
Insurances	20		
	<hr/>	40	
Pay Adjustments		9,860	
Changes in External Recharges		(34,120)	
		<hr/>	<u><u>(22,740)</u></u>
<b>DD Communities, Planning and Partnerships</b>			
Virements		(200)	
Committee Decisions:			
11/12 Savings from VR process Development Control	(28,990)		
10/11AD STR05 Planning Income	(25,000)		
11/12 Savings from VR process Building Control	(3,910)		
11/12 Savings from VR process Strategic Planning	(9,690)		
09/10 PCD14a HLF building works effect on income Castle Weddings	16,540		
09/10 PCD14b HLF building works effect on income Castle admission fees	16,420		
09/10 PCD14c HLF building works effect on income Castle schools programme income	7,040		
11/12 Savings from VR process Tourism & Town Centre	(10,830)		
11/12 Savings from VR process Community Safety	(19,290)		
	<hr/>	(57,710)	
Inflation		9,290	

	£	£	£
Other			
Car Allowances	(2,740)		
Insurances	(610)		
Bank Charges	10		
11/12 Assumes policy change AD STR05 will not be met			
Planning Apps Income	15,000		
Income working paper reduction in Planning Apps Income	10,000		
Fees & Charges Development Control	(100)		
Effect of creating Business Support Unit	230		
BWP 01 Grants to Voluntary Sector	230		
Depreciation	3,350		
Golf Course Contract Income	(25,000)		
Rates	560		
Cash security	(110)		
Income Castle Weddings	(560)		
Income Castle Schools Programme	(870)		
Peaks Swimming Subsidy	5,170		
Peaks interest on investment	(1,080)		
Community Safety contribution from FARS	4,350		
		7,830	
Pay Adjustments		16,940	
Changes in External Recharges		(20,660)	
			<u>(44,510)</u>
<b>TOTAL CORPORATE DIRECTOR COMMUNITY SERVICES</b>			<u><b>(541,710)</b></u>
<b>TOTAL GENERAL FUND</b>			<u><b>(351,210)</b></u>



## Technical Adjustments Analysis – Housing Revenue Account

	£	£	£
<b><u>HOUSING REVENUE ACCOUNT</u></b>			
<b>DD Assets and Environmental Services</b>			
Virements			-
Committee Decisions:			
	-		
	-		-
Inflation			230
Other			
Car Allowances	10		
Insurance	(590)		
			(580)
Pay Adjustments			3,210
Changes in External Recharges			(2,860)
			-
<b>DD Housing and Health</b>			
Virements			-
Committee Decisions:			
10/11 Policy Change HRA07 Implementation of Service Charges	(100,000)		
11/12 Policy Change HRA02 Voluntary Redundancy - salary savings	(25,830)		
			(125,830)
Inflation			30,630
Other			
Provision for Depreciation	14,790		
Insurances	3,690		
Bank Charges	730		
Superannuation Allowances	150		
Car Allowances	100		
Council Tax HRA Properties	50		
Heating recharges	20		
Lighting recharges	(100)		
Hostel Rental Income	(10)		
Alarm Call charges	(430)		
Scheme Manager charges	(2,790)		
Supporting People	(3,170)		

	£	£	£
Audit Fee	<u>(7,390)</u>	5,730	
Pay Adjustments		15,930	
Changes in External Recharges		79,820	
			<u><u>6,280</u></u>
<b>HRA Summary</b>			
Virements		-	
Committee Decisions:			
11/12 Policy Change HRA06 VR One off costs	(106,000)		
10/11 Policy Change HRA06 Repairs, voids, cyclical maintenance costs - ongoing savings released	(50,000)		
11/12 Policy Change HRA05 Revenue Contribution to Capital - financed by reduction in Contingency budgets	(100,000)		
11/12 Policy Change HRA04 Revenue Contribution to Capital - financed by reduction in Contingency budgets	(500,000)		
10/11 Policy Change HRA09 Contribution towards capital expenditure	458,910		
		<u>(297,090)</u>	
Inflation		138,110	
Other			
Item 8 Debit	1,423,060		
Depreciation - Non Dwellings	(103,750)		
Debt Management Expenses	3,080		
Debt Premiums	(30,280)		
Garage rents income	40,720		
Interest Internal Balances	(8,480)		
Interest Reduction - SOCH	270		
Removal of subsidy payment	<u>(3,276,130)</u>	<u>(1,951,510)</u>	
Pay Adjustments		53,900	
Changes in External Recharges		-	
			<u><u>(2,056,590)</u></u>
<b>TOTAL HOUSING REVENUE ACCOUNT</b>			<u><u>(2,050,310)</u></u>

## General Fund

	Budget 2011/12 £	Technical Adjustments						Total Adjusted Base 2012/13 £	
		Virements £	Committee Decisions £	Inflation £	Other £	Pay Adjustments £	External Recharge Changes (non-GF Activities) £		Total Adjustments £
<i>figures exclude internal recharges &amp; capital charges which have no bottom line impact.</i>									
<b>Chief Executive's Office</b>									
Chief Executive	156,130	23,540	-	40	1,940	1,020	-	26,540	182,670
Assistant Chief Executive	108,020	-	-	730	10	200	(3,680)	(2,740)	105,280
Solicitor & Monitoring Officer	647,240	(200)	46,000	1,400	15,400	(35,120)	440	27,920	675,160
Head of Organisational Development	245,880	1,000	15,300	1,380	(870)	(43,930)	5,630	(21,490)	224,390
Head Performance & Corporate Relations	223,600	-	10,000	220	(420)	-2,470	(3,220)	4,110	227,710
Head of Customer Services	375,980	1,970	(100,500)	1,170	110	11,260	42,740	(43,250)	332,730
<b>Subtotal</b>	<b>1,756,850</b>	<b>26,310</b>	<b>(29,200)</b>	<b>4,940</b>	<b>16,170</b>	<b>-69,040</b>	<b>41,910</b>	<b>(8,910)</b>	<b>1,747,940</b>
<b>Corporate Director Community Services</b>									
Corporate Director Community Services	96,830	(23,740)	-	110	(330)	240	7,300	(16,420)	80,410
DD Assets & Environment	2,452,230	(1,970)	12,670	47,510	142,240	42,130	(24,090)	218,490	2,670,720
DD Communities, Planning & Partnerships	2,162,530	(200)	(57,710)	9,290	4,480	16,940	-	(27,200)	2,135,330
DD Housing & Health	854,930	-	(110)	1,590	40	9,860	8,090	19,470	874,400
<b>Subtotal</b>	<b>5,566,520</b>	<b>(25,910)</b>	<b>(45,150)</b>	<b>58,500</b>	<b>146,430</b>	<b>69,170</b>	<b>(8,700)</b>	<b>194,340</b>	<b>5,760,860</b>
<b>Corporate Director Resources</b>									
Corporate Director Resources	101,520	-	-	10	(250)	(7,570)	(2,680)	(10,490)	91,030
Head of Internal Audit Services	110,950	-	-	670	(640)	(7,280)	5,720	(1,530)	109,420
Head of Revenues	157,230	520	(3,500)	220	1,140	(9,040)	2,720	(7,940)	149,290
Head of Benefits	67,440	0	(2,000)	130	(29,950)	(39,890)	-	(71,710)	(4,270)
AD Business Processes	819,640	(200)	(1,500)	16,860	3,740	(30,010)	(74,800)	(85,910)	733,730
DD Corporate Finance	835,480	(720)	(189,000)	750	(128,900)	7,910	(49,100)	(359,060)	476,420
<b>Subtotal</b>	<b>2,092,260</b>	<b>(400)</b>	<b>(196,000)</b>	<b>18,640</b>	<b>(154,860)</b>	<b>(85,880)</b>	<b>(118,140)</b>	<b>(536,640)</b>	<b>1,555,620</b>
<b>Grand Total</b>	<b>9,415,630</b>	<b>-</b>	<b>(270,350)</b>	<b>82,080</b>	<b>7,740</b>	<b>(85,750)</b>	<b>(84,930)</b>	<b>(351,210)</b>	<b>9,064,420</b>

## Housing Revenue Account

	Technical Adjustments								Total Adjusted Base 2012/13
	Budget 2011/12	Virements	Committee Decisions	Inflation	Other	Pay Adjustments	External Recharge Changes (non-GF Activities)	Total Adjustments	
	£	£	£	£	£	£	£	£	
<b>Housing Revenue Account</b>									
DD Assets & Environment	-	-	-	230	(580)	3,210	-2,860	-	-
DD Housing & Health	3,480,040	-	(125,830)	30,630	5,730	15,930	79,820	6,280	3,486,320
HRA Summary	(2,800,860)	-	(297,090)	138,110	(1,951,510)	53,900	-	(2,056,590)	(4,857,450)
Grand Total	679,180	-	(422,920)	168,970	(1,946,360)	73,040	76,960	(2,050,310)	(1,371,130)

## General Fund Summary Budgets – 2012/13

<i>figures exclude internal recharges &amp; capital charges which have no bottom line impact.</i>	<b>Base Budget 2011/12 £</b>	<b>Technical Adjustments £</b>	<b>Policy Changes £</b>	<b>Budget 2012/13 £</b>
<b>Chief Executive's Office</b>				
Chief Executive	156,130	26,540		182,670
Assistant Chief Executive	108,020	(2,740)		105,280
Solicitor & Monitoring Officer	647,240	27,920		675,160
Head of Organisational Development	245,880	(21,490)		224,390
Head Performance & Corporate Relations	223,600	4,110		227,710
Head of Customer Services	375,980	(43,250)		332,730
<b>Subtotal</b>	<b>1,756,850</b>	<b>(8,910)</b>	<b>-</b>	<b>1,747,940</b>
<b>Corporate Director Community Services</b>				
Corporate Director Community Services	96,830	(16,420)		80,410
DD Assets & Environment	2,452,230	218,490		2,670,720
DD Communities, Planning & Partnerships	2,162,530	(27,200)		2,135,330
DD Housing & Health	854,930	19,470		874,400
<b>Subtotal</b>	<b>5,566,520</b>	<b>194,340</b>	<b>-</b>	<b>5,760,860</b>
<b>Corporate Director Resources</b>				
Corporate Director Resources	101,520	(10,490)		91,030
Head of Internal Audit Services	110,950	(1,530)		109,420
Head of Revenues	157,230	(7,940)		149,290
Head of Benefits	67,440	(71,710)		(4,270)
AD Business Processes	819,640	(85,910)		733,730
DD Corporate Finance	835,480	(359,060)		476,420
<b>Subtotal</b>	<b>2,092,260</b>	<b>(536,640)</b>	<b>-</b>	<b>1,555,620</b>
<b>Total Cost of Services</b>	<b>9,415,630</b>	<b>(351,210)</b>	<b>-</b>	<b>9,064,420</b>
Transfer to/ (from) Balances	(699,350)	-	-	(953,286)
<b>Budget Requirement</b>	<b>8,716,280</b>	<b>-</b>	<b>-</b>	<b>8,111,134</b>
<b>Financing</b>				
Revenue Support Grant/Contributions from NNDR Pool	5,213,611	-	-	4,604,958
Collection Fund Surplus	17,560	-	-	10,000
Council Taxpayers	3,485,109	-	-	3,496,176
<b>Total Financing</b>	<b>8,716,280</b>	<b>-</b>	<b>-</b>	<b>8,111,134</b>

## General Fund Summary Budgets – 2012/13 to 2016/17

<i>figures exclude internal recharges &amp; capital charges which have no bottom line impact.</i>	<b>Budget 2012/13 £</b>	<b>Projected Budget 2013/14 £</b>	<b>Projected Budget 2014/15 £</b>	<b>Projected Budget 2015/16 £</b>	<b>Projected Budget 2016/17 £</b>
<b>Chief Executive's Office</b>					
Chief Executive	182,670	186,990	191,400	195,900	200,490
Assistant Chief Executive	105,280	108,140	111,070	114,040	117,070
Solicitor & Monitoring Officer	675,160	667,450	686,580	703,770	721,430
Head of Organisational Development	224,390	227,510	236,020	241,270	246,650
Head Performance & Corporate Relations	227,710	224,840	230,750	235,820	241,020
Head of Customer Services	332,730	350,140	366,930	383,680	400,340
<b>Subtotal</b>	<b>1,747,940</b>	<b>1,765,070</b>	<b>1,822,750</b>	<b>1,874,480</b>	<b>1,927,000</b>
<b>Corporate Director Community Services</b>					
Corporate Director Community Services	80,410	83,070	85,800	88,580	91,430
DD Assets & Environment	2,670,720	2,807,270	2,933,300	3,056,170	3,179,180
DD Communities, Planning & Partnerships	2,135,330	2,187,200	2,197,890	2,219,830	2,266,290
DD Housing & Health	874,400	881,230	888,180	895,230	902,450
<b>Subtotal</b>	<b>5,760,860</b>	<b>5,958,770</b>	<b>6,105,170</b>	<b>6,259,810</b>	<b>6,439,350</b>
<b>Corporate Director Resources</b>					
Corporate Director Resources	91,030	93,450	95,930	98,470	101,070
Head of Internal Audit Services	109,420	113,270	117,080	120,990	125,100
Head of Revenues	149,290	157,320	168,930	180,730	192,710
Head of Benefits	(4,270)	2,940	12,220	21,180	30,330
AD Business Processes	733,730	765,400	797,650	829,870	863,290
DD Corporate Finance	476,420	687,080	663,710	517,620	465,570
<b>Subtotal</b>	<b>1,555,620</b>	<b>1,819,460</b>	<b>1,855,520</b>	<b>1,768,860</b>	<b>1,778,070</b>
<b>Total Cost of Services</b>	<b>9,064,420</b>	<b>9,543,300</b>	<b>9,783,440</b>	<b>9,903,150</b>	<b>10,144,420</b>
Transfer to/ (from) Balances	(953,286)	(1,559,409)	(1,912,179)	(2,130,446)	(2,259,305)
<b>Budget Requirement</b>	<b>8,111,134</b>	<b>7,983,891</b>	<b>7,871,261</b>	<b>7,772,704</b>	<b>7,885,115</b>
<b>Financing</b>					
Revenue Support Grant/Contributions from NNDR Pool	4,604,958	4,374,710	4,155,975	3,948,176	3,948,176
Collection Fund Surplus	10,000	10,000	10,000	10,000	10,000
Council Taxpayers	3,496,176	3,599,181	3,705,286	3,814,528	3,926,939
<b>Total Financing</b>	<b>8,111,134</b>	<b>7,983,891</b>	<b>7,871,261</b>	<b>7,772,704</b>	<b>7,885,115</b>

**Income Budgets - 2010/11 - 2016/17**

**Appendix H**

Narrative	Outturn 2010/11	Budget 2010/11	Predicted Outturn 2011/12	Budget 2011/12	variance to budget 2011/12	Proposed Budget 2012/13	Proposed Budget 2013/14	Proposed Budget 2014/15	Proposed Budget 2015/16	Proposed Budget 2016/17	Comment
Legal Services Fees & Charges	(17,140)	(20,000)	(3,000)	(20,000)	17,000	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	Reduction in demand for chargeable works such as sale leases, etc
Marmion House Rent	(49,650)	(58,650)	(55,150)	(49,650)	(5,500)	(61,120)	(61,120)	(61,120)	(61,120)	(61,120)	Reflects increase usage of the building by SCC
Marmion House Common Services	(44,911)	(50,700)	(58,560)	(51,560)	(7,000)	(76,500)	(79,200)	(81,700)	(84,240)	(86,860)	Reflects increase usage of the building by SCC
Outside Car Parks	(893,501)	(1,065,170)	(798,530)	(938,530)	140,000	(800,000)	(800,000)	(800,000)	(800,000)	(800,000)	Based on outturn for last three years including any price increase
Kennelling & Collection Fees	(5,510)	(9,160)	(3,000)	(1,990)	(1,010)	(5,510)	(5,650)	(5,790)	(5,930)	(6,080)	
Fees & Charges Planning Apps	(104,000)	(150,120)	(130,000)	(130,000)	-	(130,000)	(140,000)	(150,000)	(160,000)	(164,000)	Unlikely that Developers confidence will improve. Budget was due to increase to £140k based on 2011/12 WP. It is unknown at present if there will be an impact from local fee setting.
<b>General Fund</b>	<b>(1,114,712)</b>	<b>(1,353,800)</b>	<b>(1,048,240)</b>	<b>(1,191,730)</b>	<b>143,490</b>	<b>(1,078,130)</b>	<b>(1,090,970)</b>	<b>(1,103,610)</b>	<b>(1,116,290)</b>	<b>(1,123,060)</b>	
Garage Rents	(455,930)	(562,400)	(435,500)	(476,500)	41,000	(446,670)	(457,840)	(469,280)	(481,010)	(493,040)	Void rates have continued to rise while the future of the garage sites has been reviewed. Plans have been proposed to dispose of 28 sites but the actual no. of garages affected is not yet known.
<b>HRA</b>	<b>(455,930)</b>	<b>(562,400)</b>	<b>(435,500)</b>	<b>(476,500)</b>	<b>41,000</b>	<b>(446,670)</b>	<b>(457,840)</b>	<b>(469,280)</b>	<b>(481,010)</b>	<b>(493,040)</b>	