

28<sup>th</sup> November 2013

## REPORT OF THE LEADER OF THE COUNCIL

## DRAFT BASE BUDGET FORECASTS 2014/15 to 2018/19

**Purpose**

To inform Members of the re-priced base budget for 2014/15, base budget forecasts for the period 2014/15 to 2018/19 (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 2014/15 & indicative budgets to 2018/19 be approved (as attached at Appendix B, C, D, E, F & G);**
- 2. consideration be given to the proposed policy changes, as detailed within the report;**
- 3. 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 2014/15 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 2013/14 – 2017/18 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 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 MTFS – it may have to be a 3 or 4 year MTFS.

Currently projections identify:

1. a General Fund (GF) shortfall of £2.8m over 3 years followed by an ongoing annual deficit of over £3m p.a. (£8.9m over the next 5 years), including the minimum approved level of £0.5m (the central forecast);
2. a Housing Revenue Account (HRA) shortfall of £0.9m over 3 years followed by an ongoing annual deficit of c.£1m p.a. (£2.9m over the next 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) the impact from the proposed changes to future New Homes bonus levels contained within the *New Homes Bonus and the Local Growth Fund Technical consultation* (the Council responded to the consultation by the deadline on 19/09/13) – 2 options were outlined within the consultation and the Government's response to the representations is awaited;
- b) Future Revenue Support Grant levels following indications as part of the 2013 Comprehensive Spending Review and subsequent *Local Government Finance Settlement 2014-15 and 2015-16 Technical Consultation* issued by the DCLG in July 2013 (which indicated a grant reduction of 15.4% in 2015/16 - the Council responded to the consultation by the deadline on 2/10/13) – the provisional grant proposals are expected in December 2013 following the Chancellor's Autumn Statement;
- c) The impact of Business Rate Reform from 1<sup>st</sup> April 2013 and the associated forecast business rates receivable in 2013/14 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, subject to approval of regulations which may allow the cost to be spread over 5 years;
- 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 2% p.a. for the next 3 years have been included;
- 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, 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) 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 (including agile working) have not been included at this stage – which will be reported as policy changes in the next phase of the budget process;
- l) 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 (GF) shortfall of £2.8m over 3 years (£8.9m over the next 5 years), including the minimum approved level of £0.5m – assuming annual council tax increases of 2.0% p.a. (in line with the 2% cap set by the Department for Communities & Local Government (DCLG) but below the planned Medium Term Financial Strategy increases of 2.5%). This excludes potential savings arising from the Sustainability Plan workstreams (including agile working) at this stage – which will be reported as policy changes in the next phase of the budget process;
- The current forecast projects a Housing Revenue Account (HRA) shortfall of £0.9m over 3 years (£2.9m over the next 5 years) including the minimum recommended balances of £0.5m. However this includes contributions to capital spend of £7.7m over 3 years (£12.5m over the next 5 years) and the regeneration reserve - resulting in balances of £6.1m over 3 years (£9.8m over 5 years). Following the receipt of the results from the stock condition survey there may be opportunities to reduce capital spend;

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

- a) Impact of Committee decisions on the 2013/14 budget – a GF net cost reduction of £146k;
- b) Budget issues 2013/14:
  - Reduced Treasury Management income due to ongoing low rates – net £63k;
  - ICT under achievement of income following termination of the contract with Bromsgrove & Redditch for provision of help desk facility - £51k.
- c) Base Budget review:
  - Benefits Estimate & Provision for Bad Debts – net additional cost of £112k and reduced administration grant of £48k;
  - Removal of Council tax freeze grant of £87k as now included within Revenue Support Grant (RSG);
  - Joint Waste Arrangement cost increase of £39k;
  - Reduced Civil Parking Enforcement costs – deficit paid by SCC £26k
  - Savings arising from service review ‘quick wins’ of £204k 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 3<sup>rd</sup> December 2013.

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 28<sup>th</sup> January 2014.

Proposed amendments to the 2013/14 base budget, approved by Council on 26<sup>th</sup> February 2013, 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 and localisation of Business Rate income;	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 achievement of substantial savings / efficiencies will be needed to ensure sufficient resources will be available to deliver the Council's objectives through the 3 to 5 year budget.	A robust & critical review of 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, Director of Finance Ext. 242.

Background Papers:-	Budget & Medium Term Financial Strategy 2013/14 – 2015/16, Council 26 <sup>th</sup> February 2013
	Budget and Medium Term Financial Planning Process, Cabinet 12 <sup>th</sup> September 2013
	Budget Consultation Report, Cabinet 24 <sup>th</sup> October 2013

## Base Budget Forecast 2014/15 to 2018/19

Revisions have been made to the 2013/14 base budget in order to produce an adjusted base for 2014/15 and forecast base for 2015/16 onwards.

### General Fund Revenue

*Forecast* – When the budget for 2013/14, and indicative budgets for 2014/15 to 2015/16, were approved by Council in February 2013 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 2013/14*

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

- Treasury Management - £51k. Overspend of Interest Payable to HRA, £53k and MRP £27k due to higher HRA balances, reduced by an over recovery of Interest £28k.
- ICT - £66k expected under achievement of income following termination of the contract with Bromsgrove & Redditch for provision of help desk facility.
- Public Spaces - £50k overspend on salaries.
- Marmion House - £54k; electricity £15k and Franking Machine £35k, budgets reduced resulting in overspends.
- Assembly Rooms - £35k; Bar Sales, £18k and 3<sup>rd</sup> Party Ticket Sales, £18k under recovery.
- Golf Course - £16k under recovery on income.
- Benefits Admin - £24k overspend on salaries due to shortfall in budget for vacancy allowance.

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

- Corporate Finance - £213k; Procurement savings and quick wins, £173k, Discretionary Relief, £17k, budget not expected to be spent, New Homes Bonus Scheme Grant, £17k, additional amount not budgeted. Specific Contingency, £50k, budget not likely to be released. Vacancy Allowance, £50k budget offsetting overspends on service area salaries budgets. Offset by £87k Council Tax Freeze Grant and £12k Audit Fee.
- Benefits - £41k estimated over recovery based on claimant activity recorded in the DWP claim as at end of September.

- Civil Parking Enforcement - £27k to be paid by SCC in respect of the anticipated deficit in year in line with CPE agreement.
- Outside Car Parks - £25k reduction in the amount payable to Henry Boot for Spinning School Lane.
- Council Tax - £25k over recovery of Court Costs Income.
- Environmental Health - £12k under spend on Salaries due to vacant posts.
- Commercial Property Management - £43k over recovery of rents (back dated rent of £35k for one property following rent review).
- Partnership Support & Development - £13k under spend on salaries £3k, vacant post and Stoke & Staffs Partnership £10k as no longer exists.
- Homelessness Strategy - £16k under spend to reflect that salary budgets should be met from grant.
- Homelessness - £10k Homes for Homeless scheme under review.
- Development Control - £56k Planning Applications income is up against profile and there are indications that the trend will continue.
- Castle & Museum - £19k over recovery of income as there has been increased number of visitors.
- Member Services - £14k under spend on Members Attendance Allowance.
- Conveyancing & Right to Buy - £13k Legal Fees over recovery due to increase in council house sales.

### *Issues for the Medium Term*

The central forecast projects a General Fund (GF) shortfall of £2.8m over 3 years (£8.9m over the next 5 years), including the minimum approved level of £0.5m – assuming annual council tax increases of 2.0% p.a. (in line with the 2% cap set by the Department for Communities & Local Government (DCLG) but below the planned Medium Term Financial Strategy increases of 2.5%). This excludes potential savings arising from the Sustainability Plan workstreams (including agile working) at this stage;

### ***Implications & Options***

It is currently estimated that further savings of around £1m per annum will be required over the next 3 years (based on annual 2.0% increases in Council tax - compared to 2.5% contained within the approved 3-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 £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 2013/14, and indicative budgets for 2014/15 to 2017/18, were approved by Council in February 2013 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 2013/14*

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

- Supporting People Grant - £12k funding for Supported Housing to end January 2014.

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

- General Operations - £16k savings on Occupational Therapist post, £10k and Consultant fees, £10k.
- Allocations - £17k savings on Supplies & Services, £6k and Decoration Allowance, £8k.
- Income Management - £40k budget earmarked for impact of Welfare Reform but gradual rollout means full budget won't be required in the current year.
- Tenant Participation - £20k potential under spend on Tenant Consultation.
- Housing Advice - £20k as no spend expected on Sanctuary Scheme this year.
- Interest on Balances - £33k from changes to interest calculation due to HRA reform and higher HRA balances from unspent capital funds.



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

- the future capital investment needs of the housing stock – the stock condition survey results will inform future revenue contributions to capital spend;
- finalisation of the costs / income associated with the potential regeneration / redevelopment proposals – to inform the likely need from the Regeneration reserve.
- 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.

### *Base Budget*

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

- Reduced Income from rents of £203k arising from forecast right to buy sales of 50 in 2013/14 and future years. A significant increase in sales has been experienced during the first half of 2013/14 (23 sales to 30<sup>th</sup> September);
- Increase in provision for bad debts of £297k in anticipation of the impact of the welfare reform changes on income levels.

The current forecast projects a Housing Revenue Account (HRA) shortfall of £0.9m over 3 years (£2.9m over the next 5 years) including the minimum recommended balances of £0.5m. However this includes contributions to capital spend of £7.7m over 3 years (£12.5m over the next 5 years) and the regeneration reserve - resulting in balances of £6.1m over 3 years (£9.8m over 5 years);

## Detailed Considerations

### Base Budget Forecasts 2014/15 to 2018/19

Revisions have been made to the 2013/14 base budget in order to produce an adjusted base for 2014/15 and forecast base for 2015/16 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	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Base Budget B/Fwd	8,961	9,250	9,138	9,524	9,861
Committee Decisions	(146)	(165)	(136)	100	0
Inflation	35	37	44	45	47
Other	136	(75)	(110)	(18)	(135)
Pay Adjustments (Including pay award / reduction of 5% for vacancy allowance)	238	91	588	210	216
Revised charges for non-general fund activities	26	-	-	-	-
Virements	-	-	-	-	-
<b>Total / Revised Base Budget</b>	<b>9,250</b>	<b>9,138</b>	<b>9,524</b>	<b>9,861</b>	<b>9,989</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**.

## **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 from 2013/14, 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.

### ***Summary of changes to the 2014-15 settlement***

The government published the illustrative 2014-15 settlement on 4 February 2013. Since then, two changes have affected the overall quantum of funding:

- An announcement in the 2013 Budget that further reductions would be made to the local government spending control total. This resulted in a reduction of Revenue Support Grant of £218 million, or 1.73%.
- Offsetting this, the Retail Price Index (RPI), used to calculate the local share of aggregate business rates in 2014-15, is now projected to be higher than at the time of the illustrative settlement. Including business rates, the overall reduction in funding (relative to the illustrative settlement) is reduced to £198 million, or 0.83%.

In 2014-15, the government is proposing to increase the amount of Revenue Support Grant that is held back to fund the safety net, by £95 million. This may be offset by a reduction in the amount held back to fund capitalisation by £50 million.

### ***Summary of changes to the 2015-16 settlement***

The 2013 Spending Round set out reductions in Local Government Departmental Expenditure Limits (DEL) of 2.3% in 2015-16. This translates to an annual reduction in Revenue Support Grant of £3.2 billion, or 24.2%. As business rates are projected to increase by 2.8%, this gives an overall reduction in funding of £2.9 billion, or 11.9%. These figures include the funding set aside to fund the New Homes Bonus.

The consultation sets out the proposed reductions that will be applied to each element of the Revenue Support Grant in 2015-16. The consultation also includes proposals for rolling the 2013-14 Council Tax Freeze Grant into the 2015-16 settlement.

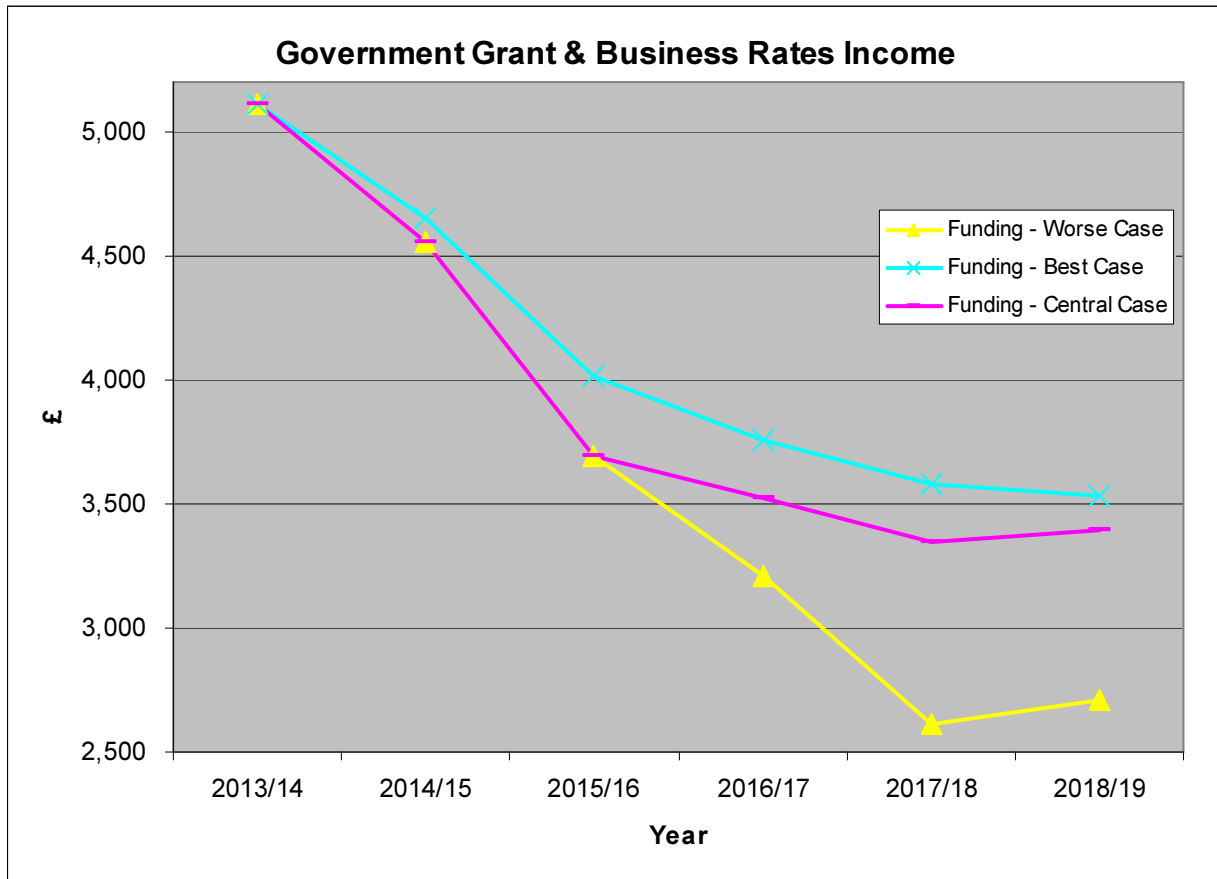
## **Business Rates**

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

The latest position indicates additional business rates receivable in 2013/14 and future years – of which the Council will receive approx. 20% after deduction of the 50% central share, 10% County/Fire and 20% LEP levy. This is mainly due to the additional rates income generated from the **Tamworth 594** Warehouse site at Bitterscote.

A robust check & challenge approach has been taken of any increases on the base figure, including a risk assessed collection level.

The following details a summary of the likely impact on the financing of the Council's net budget:



#### Government Grant / Retained non Domestic Rates

Retained income	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000	£'000
Funding - Best Case	5,114	4,655	4,013	3,758	3,577	3,531
Funding - Central Case	5,114	4,557	3,695	3,524	3,346	3,396
Funding - Worst Case	5,114	4,557	3,696	3,206	2,615	2,710

Percentage change	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000	£'000
Funding - Best Case	-	-8.97%	-13.81%	-6.34%	-4.82%	-1.27%
Funding - Central Case	-	-10.88%	-18.92%	-4.65%	-5.04%	1.49%
Funding - Worst Case	-	-10.88%	-18.91%	-13.24%	-18.44%	3.65%

## Forecast

Using the central case funding forecast and assuming increases in Council Tax of 2.0% per annum for 2014/15 onwards, the five year base budget forecast is as follows:

	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
<b>Estimated Net Cost of Services</b>	<b>9,250</b>	<b>9,138</b>	<b>9,524</b>	<b>9,861</b>	<b>9,989</b>
Proposed Policy Changes / Additional Costs Identified ( <b>Detailed at Appendix B</b> )	-	-	-	-	-
<i>Reduced NHB income impact - Method 2</i>	-	88	(4)	(73)	(66)
<b>Net Expenditure</b>	<b>9,250</b>	<b>9,226</b>	<b>9,520</b>	<b>9,788</b>	<b>9,923</b>
<b>Financing:</b>					
<b>RSG/NNDR</b>	<b>4,557</b>	<b>3,695</b>	<b>3,524</b>	<b>3,346</b>	<b>3,396</b>
C'Tax Support Grant (nil Ctax Increase)	-	-	-	-	-
Collection Fund Surplus	32	-	-	-	-
Council Tax Income	3,171	3,250	3,330	3,412	3,497
<b>Gross Financing</b>	<b>7,760</b>	<b>6,945</b>	<b>6,854</b>	<b>6,758</b>	<b>6,893</b>
<b>Surplus/Deficit (-)</b>	<b>(1,490)</b>	<b>(2,281)</b>	<b>(2,667)</b>	<b>(3,030)</b>	<b>(3,030)</b>
<b>Balances Remaining / Overdrawn (-)</b>	<b>2,648</b>	<b>367</b>	<b>(2,300)</b>	<b>(5,330)</b>	<b>(8,360)</b>
Per Council, 28 <sup>th</sup> February 2013	2,118	500	-	-	-

Indicating a potential shortfall in General fund balances of approx. £2.8m over 3 years (£5.8m over 4 years & £8.9m over the 5 year period) - including the minimum approved level of £0.5m.

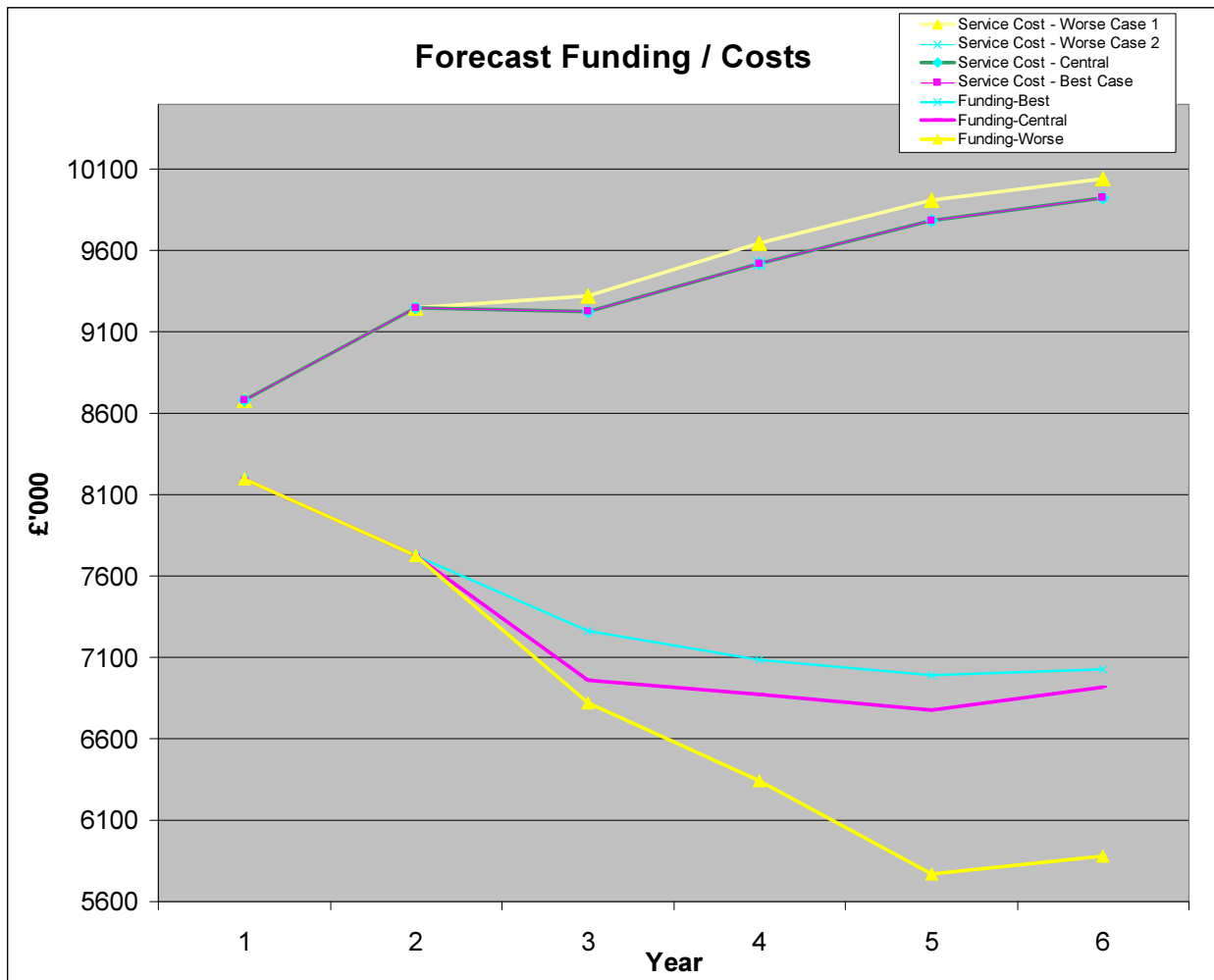
Under the best case, there is a potential shortfall in General fund balances of approx. £2.1m over 3 years (£4.9m over 4 years & £7.8m over the 5 year period) - including the minimum approved level of £0.5m.

Under the worse case, there is a potential shortfall in General fund balances of approx. £3.3m over 3 years (£7.2m over 4 years & £11.1m over the 5 year period) - including the minimum approved level of £0.5m.

Balances are forecast to be £4.14m at 31<sup>st</sup> March 2014.

A detailed summary of the budget for 2014/15 is attached at **Appendix F** with 5 years attached at **Appendix G**.

The following chart highlights how the costs in future years are projected to increase compared to a reducing funding position:



Service cost forecasts reflect the 2 proposed methods for distribution of New Homes Bonus from 2015/16. The Department for Communities and Local Government published the technical consultation “New Homes Bonus and the Local Growth Fund” on 25 July 2013. In Spending Round 2013 (SR 13) the government announced that it intended to take £400m per annum from New Homes Bonus allocations to part-fund the Single Local Growth Fund. This will be an ongoing deduction that is due to start in 2015/16. The £400m will be passed to Local Enterprise Partnerships (LEPs), with the intention that it is used for housing and local growth priorities.

The majority of New Homes Bonus funding (all but the first £250m per annum) is provided by local authorities, through a reduction to RSG. By 2015/16, the National Audit Office estimates that New Homes Bonus will distribute £1,140m in funding, £890m of which will be taken from Revenue Support Grant.

**Proposed methodology (Method 1)**

The proposed methodology applies a flat rate percentage on all New Homes Bonus allocations which would be passed on to authorities' LEPs. The percentage would be based on £400m divided by the national New Homes Bonus allocation each year. For 2015/16, based on the NAO forecast for the scheme of £1,140m, a top slice of 35.09% would be required (£400m / £1,140m).

### ***Variation to the proposed methodology (Method 2)***

A variant to the proposed methodology is also suggested within the paper. This approach is only relevant to authorities in two tier areas (i.e. for single tier authorities, the loss in funding will be the same under both methodologies).

The variation would see upper tier authorities contribute 100% of their New Homes Bonus to the LEP, with lower tier authorities contributing a lower amount, in order to reach the overall top-slice figure. Therefore, for 2015/16, of the 35.1%, upper tier authorities would contribute 20% (i.e. their entire allocation) and lower tier authorities' 15.1% (this equates to 18.9% of their actual allocation).

### ***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 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.). Indications are that a similar scheme will operate for 2014/15 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. Tamworth's Council tax is currently £152.50 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 around 2.0% - following a freeze in 2011/12 & 2012/13 and a 2% increase for 2013/14, the impact of a 2.0% pa increase (Band D) is outlined below:

**Model 1 Impact of 2.0% increase in Council tax in 2014/15 (followed by inflationary increases of 2.0% p.a.)**

Year:	2014/15	2015/16	2016/17	2017/18	2018/19
Forecast:	£'000	£'000	£'000	£'000	£'000
Surplus/(Deficit)	(1,490)	(2,281)	(2,667)	(3,030)	(3,030)
<b>Balances Remaining / (Overdrawn)</b>	<b>2,648</b>	<b>367</b>	<b>(2,300)</b>	<b>(5,330)</b>	<b>(8,360)</b>
£ Increase	3.00	3.10	3.15	3.20	3.25
% Increase	2.0%	2.0%	2.0%	2.0%	2.0%
Note: Resulting Band D Council Tax	155.5	158.60	161.75	164.95	168.20

which indicates a potential shortfall in balances of £8.8million over the 3 year period - further savings of approx. £1.2million 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 2014/15 (followed by increases of 2% p.a.)**

Year:	2014/15	2015/16	2016/17	2017/18	2018/19
Forecast:	£'000	£'000	£'000	£'000	£'000
Increase in Council Tax £	(62)	(63)	(64)	(65)	(66)
Revised Surplus/(Deficit)	(1,552)	(2,344)	(2,731)	(3,095)	(3,096)
<b>Balances Remaining / (Overdrawn)</b>	<b>2,586</b>	<b>242</b>	<b>(2,489)</b>	<b>(5,584)</b>	<b>(8,680)</b>
£ Increase	-	3.05	3.10	3.15	3.20
% Increase	0.0%	2.0%	2.0%	2.0%	2.0%
Note: Resulting Band D Council Tax	152.5	155.55	158.65	161.80	165.00

Less £70k freeze grant - indicates a potential shortfall in balances of £9.1million over the 5 year period - further savings of approx. £1.8million per annum would have to be identified.



### Model 1b Impact of 0% increase in Council tax in 2014/15 (followed by 2.5% p.a.)

Year:	2014/15	2015/16	2016/17	2017/18	2018/19
Forecast:	£'000	£'000	£'000	£'000	£'000
<b>Increase in Council Tax £</b>	(61)	(47)	(32)	(15)	3
Revised Surplus/(Deficit)	(1,552)	(2,328)	(2,699)	(3,045)	(3,027)
<b>Balances Remaining / (Overdrawn)</b>	<b>2,587</b>	<b>259</b>	<b>(2,440)</b>	<b>(5,485)</b>	<b>(8,512)</b>
£ Increase	-	3.80	3.90	4.00	4.10
% Increase	0.0%	2.5%	2.5%	2.5%	2.5%
Note: Resulting Band D Council Tax	152.50	156.30	160.20	164.20	168.30

Less £70k freeze grant - indicates a potential shortfall in balances of £8.9million over the 5 year period - further savings of approx. £1.8million per annum would have to be identified.

However, this may not be feasible in future years due to cap / requirement for referendum for increases greater than 2%.

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:	2014/15	2015/16	2016/17	2017/18	2018/19
Forecast:	£'000	£'000	£'000	£'000	£'000
<b>Increase in Council Tax £</b>	15	31	49	68	89
Revised Surplus/(Deficit)	(1,475)	(2,250)	(2,618)	(2,962)	(2,941)
<b>Balances Remaining / (Overdrawn)</b>	<b>2,663</b>	<b>413</b>	<b>(2,205)</b>	<b>(5,167)</b>	<b>(8,108)</b>
£ Increase	3.80	3.90	4.00	4.10	4.20
% Increase	2.5%	2.5%	2.5%	2.5%	2.5%
Note: Resulting Band D Council Tax	156.30	160.20	164.20	168.30	172.50

which indicates a potential shortfall in balances of £8.6million over the 5 year period - further savings of approx. £1.7million 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
<b>Increase in Council Tax £</b>	(61)	(125)	(190)	(256)	(324)
Revised Surplus/(Deficit)	(1,552)	(2,406)	(2,857)	(3,286)	(3,354)
<b>Balances Remaining / (Overdrawn)</b>	<b>2,587</b>	<b>181</b>	<b>(2,676)</b>	<b>(5,962)</b>	<b>(9,316)</b>
£ Increase	-	-	-	-	-
% Increase	0.0%	0.0%	0.0%	0.0%	0.0%
Note: Resulting Band D Council Tax	152.50	152.50	152.50	152.50	152.50

Less £70k freeze grant - indicates a potential shortfall in balances of £9.7million over the 5 year period - further savings of approx. £1.9million 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
<b>Increase in Council Tax £</b>	(30)	(62)	(95)	(129)	(164)
Revised Surplus/(Deficit)	(1,520)	(2,343)	(2,762)	(3,159)	(3,194)
<b>Balances Remaining / (Overdrawn)</b>	<b>2,618</b>	<b>275</b>	<b>(2,487)</b>	<b>(5,646)</b>	<b>(8,840)</b>
£ Increase	1.52	1.54	1.55	1.57	1.58
% Increase	1.0%	1.0%	1.0%	1.0%	1.0%
Note: Resulting Band D Council Tax	154.02	155.56	157.11	158.68	160.26

which indicates a potential shortfall in balances of £9.3million over the 5 year period - further savings of approx. £1.9million per annum would have to be identified.

## 2) *Potential Savings / additional costs*

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 28<sup>th</sup> January 2014) 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 the potential savings arising from the Sustainability Plan workstreams (including agile working), as detailed below, 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 2014.

The seven work streams supporting 'Planning for a Sustainable Future' as the overarching strategy are:

1. Service Reviews (Achieving greater efficiency)
2. Shared Services/Joint Working (Achieving greater efficiency)
3. Review of Employee Terms & Conditions (Policy Reviews)
4. Regeneration & Growth promotion (Income Generation/Growing our Business)
5. Staffing & Recruitment – Controls (Policy Reviews)
6. Corporate Change Programme (ongoing) (Policy Reviews/Achieving Greater Efficiency)
7. Corporate Procurement & Commissioning (Policy Reviews/Growing our Business)

## Housing Revenue Account – Technical Adjustments Summary

Technical Adjustments	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Base Budget	599	972	2,928	1,161	1,012
Committee Decisions	(10)	1,533	(2,212)	100	0
Inflation	137	133	137	141	145
Other	183	212	138	(454)	(391)
Pay Adjustments	99	78	170	64	63
Revised charges for non-general fund activities	(36)	-	-	-	-
Virements	-	-	-	-	-
Total	972	2,928	1,161	1,012	829

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:

	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2017/18 £'000
<b>Estimated Net Surplus / (Deficit)</b>	<b>(972)</b>	<b>(2,928)</b>	<b>(1,161)</b>	<b>(1,012)</b>	<b>(829)</b>
Proposed Policy Changes / Additional Costs Identified	(55)	(55)	(55)	(55)	(55)
Surplus/(Deficit)	(1,027)	(2,983)	(1,216)	(1,067)	(884)
Balances Remaining / (Overdrawn)	3,765	782	(434)	(1,501)	(2,385)

Per Council, 26 <sup>th</sup> February 2013	3,397	921	526	525	-
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Indicating a Housing Revenue Account (HRA) shortfall of £0.9m over 3 years (£2.9m over the next 5 years) including the minimum recommended balances of £0.5m.

However this includes contributions to capital spend of £7.7m over 3 years (£12.5m over the next 5 years) and the regeneration reserve - resulting in balances of £6.1m over 3 years (£9.8m 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:

- the future capital investment needs of the housing stock – the stock condition survey results will inform future revenue contributions to capital spend;

- finalisation of the costs / income associated with the potential regeneration / redevelopment proposals – to inform the likely need from the Regeneration reserve.
- 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.

Potential revenue policy changes for the HRA are highlighted below:

	2014/15	2015/16	2016/17	2017/18	2018/19
<b>Policy Changes Identified</b>	£	£	£	£	£
Increase the subsidy of the Supported Housing service by £30,000 from 2014/15 onwards to compensate for the loss of Supporting People grant (Cabinet Report approved 24/10/13)	30	30	30	30	30
£10,000 from 2014/15 to meet residual sheltered housing staffing costs. The Council currently holds a contract with SCC for SP funding to deliver the sheltered housing service. Contractually the landlord service is required to provide on site cover. Where staff absence arises this results in a need for temporary cover with budgets often either going overspent or the transfer of money between cost centres to offset this	10	10	10	10	10
To increase the budget for tree works by £15,000 from 2014/15. The portfolio holder is keen to have a more proactive response to tree maintenance and this is being explored by street scene. Currently trees assessed as Diseased, Dead or Dangerous are treated. This additional money will ensure all works can be undertaken and planned in more responsive way rather than reactive. This coupled with works linked to the environmental capital programme will achieve key objectives in the service plan	15	15	15	15	15
<b>Sub Total</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>

## Capital Programme

At this stage the Provisional Capital Programmes for the General Fund and Housing Revenue Account as contained within the 2013/14 – 2017/18 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>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
Inflation Rate - Pay Awards	1.00%	1.00%	2.00%	2.00%	2.00%
National Insurance	7.20%	7.20%	10.60%	10.60%	10.60%
Superannuation	19.60%	21.60%	23.60%	25.60%	25.60%
Inflation Rate (RPI)	2.75%	2.60%	2.60%	2.60%	2.60%
Inflation Rate (CPI)	2.50%	2.00%	2.00%	2.00%	2.00%
Investment Rates	0.75%	1.25%	2.25%	2.75%	3.75%
Base Interest Rates	0.50%	0.75%	1.00%	1.75%	2.50%

1. Pay award – public sector pay will be capped for 2014/15 & 2015/16 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 Comprehensive Spending review and subsequent Technical consultation released in July 2013, the Government proposed cuts of 15.4% to funding streams for 2015/16 – revised annual grant reductions have been included.
7. The Government has indicated its policy regarding council tax bills being frozen for the next year. It has indicated that a grant will be available to authorities that agree to freeze or reduce Council Tax in 2014/15;
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. 2.0% annual year-on-year increases (as above) in pension costs 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

	£	£	£
<b>Chief Executive</b>			
Virements			-
Committee Decisions:			-
Inflation		180	
Other			
2014/15 BWP 005 Car Allowance	(110)		
2014/15 BWP 020 Insurance	130	20	
Pay Adjustments			5,610
Changes in External Recharges			(1,870)
			<b>3,940</b>
<b>Executive Director Corporate Services</b>			
Virements			(4,640)
Committee Decisions:			-
Inflation		1,010	
Other			
2013/14 BWP 015 Benefits Estimates	(22,320)		
2014/15 BWP 004 Benefits Estimates	160,070		
2014/15 BWP 005 Car Allowances	(1,790)		
2014/15 BWP 020 Insurance	570		
2014/15 BWP 026 Bank Charges	40		
QW Reduce Postal Budget	(7,000)	129,570	
Pay Adjustments			19,290
Changes in External Recharges			(1,760)
			<b>143,470</b>
<b>Director of Finance</b>			
Virements			45,600
Committee Decisions:			
2014/15 BWP 050 Contingencies	(266,000)		
2012/13 Policy Change FER1 New Homes Bonus Grant Income	(58,000)		
2012/13 Policy Change FER7 Corporate Change Programme	(50,000)		
2013/14 Policy Change DF3 Revenue Contribution to Capital	(50,000)		
2013/14 Policy Change DF4 Contribution from BRF & DF5 Contribution from R & R fund	309,000		
2013/14 Policy Changes DF1 New Homes Bonus	(57,140)	(172,140)	
Inflation		2,190	
Other			
2011/12 Policy Change Removal Council Tax Freeze Grant	87,130		
2014/15 BWP 005 Car Allowances	(400)		
2014/15 BWP 011 NNDR Cost of Collection Grant	70		

	£	£	£
2014/15 BWP 013 Court Costs Income	(15,000)		
2014/15 BWP 019 Debt Mgt Exps	200		
2014/15 BWP 020 Insurance	(670)		
2014/15 BWP 021 Interest SOCH/HAA	(20)		
2014/15 BWP 023 External Audit Fee	(720)		
2014/15 BWP 024 Superannuation Allowances	(140)		
2014/15 BWP 025 Treasury Management	62,990		
2014/15 BWP 026 Bank Charges	610		
2014/15 BWP 033 Depreciation Charges	(11,760)		
QW Income from Undertaking Advocacy Work for Street Scene	(3,200)		
QW Increase in Council Tax Penalty Income Budgets	(5,000)		
QW Reduce Corporate Subscription Budget	(2,000)		
QW Reduce Discretionary Rate Relief Budget	(5,000)		
QW Reduce External Support Budget	(5,000)		
QW Reduce Salaries Budget	(3,000)		
Reversal 2012/13 Policy Change FER7 Corporate Change Programme	50,000	149,090	
Pay Adjustments			26,840
Changes in External Recharges			(17,920)
			<b>33,660</b>

#### Director of Technology & Corporate Programmes

Virements			(10,000)
Committee Decisions:			-
Inflation		12,590	
Other			
2014/15 BWP 005 Car Allowances	(40)		
2014/15 BWP 006 Corporate Servs Income	51,250		
2014/15 BWP 020 Insurance	(670)		
2014/15 BWP 033 Depreciation Charges	4,290		
QW Reduce Disaster Recovery Budget	(3,500)		
QW Reduce Equipment Leasing Budget	(7,000)		
QW Reduce Hardware Maintenance Budget	(5,000)	39,330	
Pay Adjustments			14,480
Changes in External Recharges			(7,640)
			<b>48,760</b>

#### Solicitor to the Council

Virements			-
Committee Decisions:			-
Inflation		4,540	
Other			
2014/15 BWP 003 Members Allowances	(18,200)		
2014/15 BWP 005 Car Allowances	(50)		
2014/15 BWP 010 Mayoralty Wages	20,370		
2014/15 BWP 012 Conveyancing and Right to Buy	(20,690)		
2014/15 BWP 020 Insurance	130		
2014/15 BWP 022 NNDR Charges TBC Properties	40	(18,400)	



	£	£	£
Pay Adjustments			12,580
Changes in External Recharges			4,820
			<hr/>
			<b>3,540</b>

#### Director of Transformation & Corporate Performance

Virements			48,420
Committee Decisions:			-
Inflation		3,130	
Other			
2014/15 BWP 005 Car Allowances	(20)		
2014/15 BWP 006 Corporate Services Income	8,010		
2014/15 BWP 007 Healthshield	420		
2014/15 BWP 020 Insurance	770		
2014/15 BWP 023 Bank Charges	(680)		
QW Reduce Internal Communications Budget	(2,000)		
QW Reduce Corporate Consultation Budget	(1,000)		
QW Reduce CRB Personnel Checks Budget	(5,000)		
QW Reduce External Communications Budget	(2,000)		
QW Reduce Franking Machine Budget	(34,000)		
QW Reduce Long Service Awards	(1,000)		
QW Reduce Management Development Budget	(2,000)		
QW Reduce Occupational Health Budget	(2,000)		
QW Reduce Purchase of Stock	(1,000)		
QW Reduce Recruitment Expenses	(2,000)		
QW Reduce Refreshments Budget	(2,000)		
QW Reduce Subscriptions Budget	(100)		
QW Reduce Telephony Budgets	(2,000)		
QW Remove Annual Review Budgets	(700)		
QW Remove Conference Budget	(1,000)		
QW Remove Microfilming Budget	(40)		
QW Remove Printing Budgets	(540)		
QW Remove Recycling Budget	(3,000)		
QW Remove Supplies Budget	(860)	(53,740)	
Pay Adjustments			24,290
Changes in External Recharges			27,550
			<hr/>
			<b>49,650</b>

#### Director of Communities, Planning & Partnerships

Virements			9,960
Committee Decisions:			
2014/15 Release funds re Tamworth Golf Course - Cabinet 26 March 2013	116,000		
2009/10 Policy Change PCD14A Wedding Income (Castle)	(4,130)		
2009/10 Policy Change PCD14B Admission Fees (Castle)	(4,110)		
2009/10 Policy Change PCD14C Schools Programme Income (Castle)	(1,760)		
2012/13 Policy Change CPP3 Building Control Shared Service Arrangement	(5,000)		
2012/13 Policy Change CPP6 Removal of CDO Post Locality Working	(37,580)		

	£	£	£
2013/14 Policy Change CPP1 Removal of Contribution to SCC Strategic Partnership Post	(5,000)		
2013/14 Policy Change CPP2 Removal of Regeneration Budget	(30,000)		
2013/14 Policy Change CPP3 Small Grants	1,700		
2013/14 Scheme of Delegation - Creative Business Hub	9,560	39,680	
Inflation		(4,640)	
Other			
2014/15 BWP 002 Peaks Swimming Subsidy	210		
2014/15 BWP 020 Insurance	570		
2014/15 BWP 022 NNDR Charges TBC Properties	1,010		
2014/15 BWP 025 Treasury Management	3,490		
2014/15 BWP 026 Bank Charges	920		
2014/15 BWP 033 Depreciation Charges	1,720		
2014/15 BWP 041 Car Allowances	1,270		
2014/15 BWP 043 Income Targets	(15,640)		
2014/15 BWP 044 Income Targets	(650)		
2014/15 BWP 046 DCPH Hire Van Returned	(3,730)		
2014/15 BWP 047 Castle Income	(17,100)		
QW Reduce Conservation Grants Budget	(10,000)		
QW Reduce Family Support Fund Budget	(10,000)		
QW Reduce Salaries Budget - Job Share & Reduce by Honorarium paid	(7,540)		
QW Reduce Sports Grants Budgets	(5,000)		
QW Remove Annual Contribution to Sport Across Staffordshire Budget	(10,390)		
QW Remove External Funding Opportunities Grant Net Licence Budget	(4,670)	(75,530)	
Pay Adjustments			52,920
Changes in External Recharges			-
			<b>22,390</b>
<b>Director of Housing &amp; Health</b>			
Virements			(500)
Committee Decisions:			
	(13,970)	(13,970)	
Inflation		1,000	
Other			
2014/15 BWP 020 Insurance	(10)		
2014/15 BWP 041 Car Allowances	(1,830)		
QW Reduce Health Promotions Budget	(2,000)		
QW Reduce Homelessness Prevention Grant	(10,000)	(13,840)	
Pay Adjustments			8,520
Changes in External Recharges			11,600
			<b>(7,190)</b>
<b>Director of Assets &amp; Environment</b>			
Virements			(88,840)
Committee Decisions:			-
Inflation		15,200	
Other			

	£	£	£
2013/14 BWP 024 Waste Management	38,500		
2014/15 BWP 002 CCTV Income	20		
2014/15 BWP 017 Environmental Health Income	6,330		
2014/15 BWP 020 Insurance	(1,670)		
2014/15 BWP 022 NNDR Charges TBC Properties	30,190		
2014/15 BWP 026 Bank Charges	(630)		
2014/15 BWP 033 Depreciation Charges	5,750		
2014/15 BWP 034 Commercial and Industrial Rents	(15,000)		
2014/15 BWP 035 Marmion House Rents and Service Charges	15,770		
2014/15 BWP 040 Insurance Recharges Commercial and Industrial Properties	(15,000)		
2014/15 BWP 041 Car Allowances	1,820		
2014/15 BWP 045 Civil Parking Enforcement deficit to be paid by SCC	(26,230)		
2014/15 BWP 048 Election Costs - Charged Directly to Service	480		
2014/15 BWP 049 OAP Grass Cutting Service Recharge to HRA	(8,640)		
2014/15 BWP 051 Market Contract	510		
QW Cost of Legal Work Undertaken by Revenues	3,200		
QW Increase in Court Income	(6,000)		
QW Increase in Fines Income	(2,000)		
QW Reduce Specific Contingency for Waste Service	(25,000)		
QW Reduce Winter Bedding Plant Budgets	(8,000)		
QW Remove Legal Fees Budget	(2,000)		
VR Backfill no longer required	(12,520)	(20,120)	
Pay Adjustments			73,240
Changes in External Recharges			11,250
			<b>(9,270)</b>
<b>Total</b>			<b>288,950</b>

() denotes saving

## Technical Adjustments Analysis – Housing Revenue Account

## APPENDIX C

	£	£	£
<b>Director of Housing and Health</b>			
Virements			169,520
Committee Decisions:			-
Inflation			35,360
Other			
2013/14 BWP 035 Service Charges	(500)		
2014/15 BWP 007 Healthshield	20		
2014/15 BWP 020 Insurance	(2,860)		
2014/15 BWP 022 NNDR Charges	130		
2014/15 BWP 023 External Audit Fee	(730)		
2014/15 BWP 024 Superannuation Allowances	(460)		
2014/15 BWP 026 Bank Charges	760		
2014/15 BWP 029 Supporting People Alarm Call Charges	(8,600)		
2014/15 BWP 042 Car Allowances	140	(12,100)	
Pay Adjustments			93,140
Changes in External Recharges			(33,860)
			<b>252,060</b>
<b>Director of Assets &amp; Environment</b>			
Virements			-
Committee Decisions:			-
Inflation			200
Other			
2014/15 BWP 020 Insurance	120	120	
Pay Adjustments			5,530
Changes in External Recharges			(2,040)
			<b>3,810</b>
<b>Housing Revenue Account Summary</b>			
Virements			(169,520)
Committee Decisions:			
2010/11 Policy Changes HRA06 Repairs Savings	(50,000)		
2010/11 Policy Changes HRA09 Contribution to Capital	186,100		
2012/13 Policy Changes HRA02 Contribution to Capital	(106,940)		
2012/13 Policy Changes HRA2B Rent Increase	(681,400)		
2012/13 Policy Changes HRA2E Increase in Provision for Bad Debts	297,000		
2013/14 Policy Changes HRA8 Rent Income impact of 53 week rent year	345,000	(10,240)	
Inflation			102,200
Other			
2014/15 BWP 019 Debt Management Expenses	460		
2014/15 BWP 021 Interest SOCH/HAA	90		
2014/15 BWP 025 Treasury Management	(4,170)		
2014/15 BWP 027 HRA Garage Rents	(4,370)		
2014/15 BWP 052 Housing Rents	202,790	194,800	
Pay Adjustments			-
Changes in External Recharges			-
			<b>117,240</b>
<b>Total</b>			<b>373,110</b>

## General Fund

	Budget 2013/14 £	Technical Adjustments						Total Adjusted Base 2014/15 £	
		Virements £	Committee Decisions £	Inflation £	Other £	Pay Adjustments £	External Recharge Changes (non-GF Activities) £		Total Adjustments £
<i>figures exclude internal recharges which have no bottom line impact.</i>									
Chief Executive	159,610	-	-	180	20	5,610	(1,870)	3,940	<b>163,550</b>
Executive Director Corporate Services	310,210	(4,640)	-	1,010	129,570	19,290	(1,760)	143,470	<b>453,680</b>
Director of Finance	(482,130)	45,600	(172,140)	2,190	149,090	26,840	(17,920)	33,660	<b>(448,470)</b>
Director of Technology & Corporate Programmes	860,800	(10,000)	-	12,590	39,330	14,480	(7,640)	48,760	<b>909,560</b>
Solicitor to the Council	575,860	-	-	4,540	(18,400)	12,580	4,820	3,540	<b>579,400</b>
Director of Transformation & Corporate Performance	1,001,320	48,420	-	3,130	(53,740)	24,290	27,550	49,650	<b>1,050,970</b>
Director of Communities, Planning & Partnerships	2,411,680	9,960	39,680	(4,640)	(75,530)	52,920	-	22,390	<b>2,434,070</b>
Director of Housing & Health	1,035,460	(500)	(13,970)	1,000	(13,840)	8,520	11,600	(7,190)	<b>1,028,270</b>
Director of Assets & Environment	3,087,970	(88,840)	-	15,200	(20,120)	73,240	11,250	(9,270)	<b>3,078,700</b>
<b>Grand Total</b>	<b>8,960,780</b>	<b>-</b>	<b>(146,430)</b>	<b>35,200</b>	<b>136,380</b>	<b>237,770</b>	<b>26,030</b>	<b>288,950</b>	<b>9,249,730</b>

## Housing Revenue Account

	Budget 2013/14 £	Technical Adjustments						Total Adjusted Base 2014/15 £	
		Virements £	Committee Decisions £	Inflation £	Other £	Pay Adjustments £	External Recharge Changes (non-HRA Activities) £		Total Adjustments £
<i>figures exclude internal recharges which have no bottom line impact.</i>									
<b>Chief Executive's Office</b>									
Director of Housing & Health	3,953,690	169,520	-	35,360	(12,100)	93,140	(33,860)	252,060	<b>4,205,750</b>
Director of Assets & Environment	(10,910)	-	-	200	120	5,530	(2,040)	3,810	<b>(7,100)</b>
HRA Summary	(3,344,160)	(169,520)	(10,240)	102,200	194,800	-	-	117,240	<b>(3,226,920)</b>
<b>Grand Total</b>	<b>598,620</b>	-	<b>(10,240)</b>	<b>137,760</b>	<b>182,820</b>	<b>98,670</b>	<b>(35,900)</b>	<b>373,110</b>	<b>971,730</b>

## General Fund Summary Budgets – 2014/15

<i>figures exclude internal recharges which have no bottom line impact.</i>	<b>Base Budget 2013/14 £</b>	<b>Technical Adjustments £</b>	<b>Policy Changes £</b>	<b>Budget 2014/15 £</b>
Chief Executive	159,610	3,940	-	<b>163,550</b>
Executive Director Corporate Services	310,210	143,470	-	<b>453,680</b>
Director of Finance	<b>(482,130)</b>	33,660	-	<b>(448,470)</b>
Director of Technology & Corporate Programmes	860,800	48,760	-	<b>909,560</b>
Solicitor to the Council	575,860	3,540	-	<b>579,400</b>
Director of Transformation & Corporate Performance	1,001,320	49,650	-	<b>1,050,970</b>
Director of Communities, Planning & Partnerships	2,411,680	22,390	-	<b>2,434,070</b>
Director of Housing & Health	1,035,460	<b>(7,190)</b>	-	<b>1,028,270</b>
Director of Assets & Environment	3,087,970	<b>(9,270)</b>	-	<b>3,078,700</b>
	<b>8,960,780</b>	<b>288,950</b>	-	<b>9,249,730</b>

General Fund Summary Budgets – 2013/14 to 2018/19

<i>Figures exclude internal recharges which have no bottom line impact.</i>	<b>Base Budget 2013/14 £</b>	<b>Budget 2014/15 £</b>	<b>Budget 2015/16 £</b>	<b>Budget 2016/17 £</b>	<b>Budget 2017/18 £</b>	<b>Budget 2018/19 £</b>
Chief Executive	159,610	163,550	169,550	182,280	186,270	190,340
Executive Director Corporate Services	310,210	453,680	472,420	522,660	538,130	553,360
Director of Finance	(482,130)	(448,470)	(559,570)	(705,280)	(652,230)	(746,810)
Director of Technology & Corporate Programmes	860,800	909,570	873,230	918,720	943,570	968,970
Solicitor to the Council	575,860	579,410	594,820	623,530	640,960	657,620
Director of Transformation & Corporate Performance	1,001,320	1,050,980	1,083,890	1,153,360	1,181,270	1,210,390
Director of Communities, Planning & Partnerships	2,411,680	2,434,080	2,400,110	2,435,570	2,469,340	2,508,610
Director of Housing & Health	1,035,460	1,028,280	883,010	898,610	904,890	911,290
Director of Assets & Environment	3,087,970	3,078,710	3,220,990	3,494,910	3,649,180	3,734,850
	<b>8,960,780</b>	<b>9,249,790</b>	<b>9,138,450</b>	<b>9,524,360</b>	<b>9,861,380</b>	<b>9,988,620</b>



## Housing Revenue Account

<i>Figures exclude internal recharges which have no bottom line impact.</i>	<b>Base Budget 2013/14 £</b>	<b>Budget 2014/15 £</b>	<b>Budget 2015/16 £</b>	<b>Budget 2016/17 £</b>	<b>Budget 2017/18 £</b>	<b>Budget 2018/19 £</b>
Director of Housing & Health	3,953,690	4,205,780	4,312,450	4,506,900	4,602,670	4,699,350
Director of Assets & Environment	(10,910)	(7,100)	(2,310)	7,970	12,360	15,760
HRA Summary	(3,344,160)	(3,226,920)	(1,381,860)	(3,353,710)	(3,602,570)	(3,885,900)
<b>Grand Total</b>	<b>598,620</b>	<b>971,760</b>	<b>2,928,280</b>	<b>1,161,160</b>	<b>1,012,460</b>	<b>829,210</b>

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