

General Fund Forecast		On-Going Cost?	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	Commentary
			£	£	£	£	£		
Base Budget		Y	10,667,779	10,265,745	10,167,221	9,625,760	9,490,859	9,360,291	
<b>(i) BASE ADJUSTMENTS</b>									
Fees and Charges Policy		Y	(185,620)	(371,320)					
Savings Proposals 2012/13		Y (year 2)	(758,610)	(65,270)	0	0	0	0	
Savings options 2011/12		Y	(285,960)	(29,226)	0	0	0	0	
Savings Proposals 2010/11		Y	8,000	0	0	0	0	0	
Savings Proposals 2009/10		UPDATED Y	0	(79,000)	79,000	0	0	(79,000)	
Growth Bids 2012/13		Y	186,620	(109,420)	(2,000)	(44,200)	(5,000)	0	Includes one off funding from reserves
Growth Bids 2011/12		Y	(89,590)	5,000	(5,000)	5,000	(5,000)	5,000	
Growth Bids 2010/11		Y	0	6,000	(6,000)	0	6,000	(6,000)	
Growth Bids 2008/09		Y	(4,000)	0	0	0	0	0	
Prior year identified pressures		Y (part)	(108,083)	405,633	0	0	0	0	
2010/11 Quarterly monitoring adjustments & Budget Setting		Y	52,500	15,000	15,000	15,000	15,000	0	
Council Tax Freeze Grant 2011/12		Y	135,722	0	0	0	0	0	
2010/11 Supplementary Estimates		Y	0	0	0	0	0	0	
2011/12 Quarterly monitoring adjustments & Budget Setting		Y (part)	(41,771)	(167,413)	(78,869)	(84,507)	(39,158)	0	
2010/11 Closure Adjustments		N	0	0	0	0	0	0	
2011/12 Closure Adjustment		Y	(67,030)	(15,990)	(28,585)	0	35,800	0	
2012/13 Quarterly Monitoring		Y (part)	300,930	56,820	0	0	0	0	
<b>TOTAL PRIOR YEAR BASE ADJUSTMENTS</b>			<b>(856,893)</b>	<b>(349,186)</b>	<b>(26,454)</b>	<b>(108,707)</b>	<b>7,642</b>	<b>(80,000)</b>	
<b>(ii) 2013/14 NEW HEADS OF SERVICE PRESSURES/SAVINGS:</b>									
Increased cost of insurance		N		21,478	21,478				Increased cost of premiums (to be retendered 1 October 2013).
Welfare Reform Pressures		N	0	23,520					Reported November Executive
Policy Officer time limited post		UPDATED Y		0	0	(19,910)	(19,910)		Policy officer post which is 2 year time limited
Transforming Building Control in Hertfordshire				12,000					Each LA in Hertfordshire contributes £12K to investigate shared service
			<b>0</b>	<b>56,998</b>	<b>21,478</b>	<b>(19,910)</b>	<b>(19,910)</b>	<b>0</b>	
<b>(iii) CARRY FORWARDS AND SUPPLEMENTARY ESTIMATES:</b>									
2011/12 into 2012/13 Quarter 3		N	48,000						
2011/12 into 2012/13 Quarter 4		N	220,740						
2012/13 into 2013/14 Quarter 3		N	(163,880)	163,880					
2012/13 into 2013/14 Closure		N	(155,650)	155,650					
			<b>(50,790)</b>	<b>319,530</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>(iv) GOVERNMENT SPENDING CUTS/TAX/INITIATIVES</b>									
Grants Housing & Planning		Y	18,000	0	0	0	0	0	
Housing Benefit Admin Grant		Y	35,670	60,240	30,850	0	0	0	0 Reduction in admin grant estimated for 2012/13-2014/15.
Council Tax Freeze Grant 2012/13		N	(137,076)	0	0	0	0	0	
Council Tax Freeze Grant 2013/14		2 years only		(54,967)	0				Council Tax freeze grant offered for 2 years at 1%, now in Government support base funding on-going
Council Tax Support Grant		N		(22,509)					Transition grant for one year.
Removal of Council Tax benefit expenditure and subsidy		Y		93,470					Budgeted Subsidy exceeds expenditure due to recovery of allowable overpayments
Localisation of Business Rates-removal of discretionary relief and grants now included in scheme				(83,000)					This cost will be included in the total base line funding and split between the government/SBC and HCC
Set up costs for Business Rates Pooling		UPDATED Y		2,400					SBC cost of Business Rates Pooling set up costs
			<b>(83,406)</b>	<b>(4,366)</b>	<b>30,850</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>(v) INFLATION ASSUMPTIONS:</b>									
<b>Inflation assumptions:</b>									
Pay inflation salaries		Y	206,720	228,440	200,872	232,230	241,680	245,424	pay award 1% for 2013/14 onwards
Review of Heads of Service pay		Y-year 2	0	8,420	8,420	0	0	0	
Increase in National Insurance		Y	0	0	112,962	84,889	85,563	85,563	transitional model 1% increase per year
Change to pension regulations		UPDATED Y	0	0	80,100	4,500	4,500	4,500	Pensionable pay moves to earnings which is taxable pay and includes overtime
Single status		Y	450,000	(100,000)	0	75,103	151,203	151,203	Future years pay adjusted for higher incremental drift.
Utility inflation		Y	130,470	(101,760)	73,690	74,000	74,000	74,000	In crease in utilities based on 1 October uplift (Electric 11.2%, gas 6.4%). The estimate was 15% and electricity represents the majority of cost.
General Inflation (contractual )		Y	242,480	160,940	130,948	130,090	130,090	130,090	Inflation updated based on current projections.
Less Inflation charged to other funds		UPDATED Y	(11,000)	(19,920)	(11,468)	(18,940)	(24,020)	(30,040)	
			<b>1,018,670</b>	<b>176,120</b>	<b>595,524</b>	<b>581,872</b>	<b>663,016</b>	<b>660,741</b>	
<b>(vi) BUDGET MONITORING ADJUSTMENTS</b>									
<b>Quarter 4 Adjustments 2012/13</b>									
Under spends identified at year end		N	(166,364)	0	0	0	0	0	
Net Pressure future years		Y	0	91,080	(35,640)	0	0	0	0 Reported pressure at July Executive
Quarter 1 adjustments 2013/14		Y-year 2	0	(40,200)	59,820				
Quarter 2 adjustments 2013/14		Y-year 2		55,240	4,590				Reported November Executive
			<b>(166,364)</b>	<b>106,120</b>	<b>28,770</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>(vii) BORROWING COSTS</b>									
Borrowing costs		UPDATED Y	(60,110)	142,578	292,258	312,615	306,626	252,243	
Changes to investment interest		Y	0	(38,291)	1,067	4,700	8,450	6,450	Interest to the General Fund increases as projected increases in investment income are factored in.
			<b>(60,110)</b>	<b>104,287</b>	<b>293,325</b>	<b>317,315</b>	<b>315,076</b>	<b>258,693</b>	

General Fund Forecast		On-Going Cost?	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	Commentary
			£	£	£	£	£		
<b>(viii) SAVINGS OPTIONS &amp; BUDGET PROPOSALS 2012/13 ONWARDS:</b>									
<b>2013/14 Savings:</b>									
Fees and Charges Policy		Y			(353,480)	(250,000)	(250,000)	(250,000)	Fees and charges based on 3% for 2014/15. Only for services where the charges are recommended.
Working Together		Y		0					
Recharges to the HRA		Y	(201,000)	50,000					HR element of the saving is not projected to be achieved in 2013/14
Heads of Service		Y	37,590	(306,390)	9,420	(500)	(500)		0
Use of New Homes Bonus		Y		(200,000)					
LSPG Savings		Y	(107,180)	9,600					
<b>2014/15 Recommended Savings</b>	UPDATED	Y		12,815	(1,169,570)	(167,752)	(41,090)		These numbers are currently being finalised 0 Implementation costs of £300,000 to be met from capacity building fund). Savings total for 2014/15 <b>reduced by £13,000.</b>
<b>2015/16 Savings</b>					51,510	(487,220)	(161,432)		
<b>2016/17 Savings</b>					0	0	(143,370)		
Future Years Savings							(500,000)	(1,000,000)	
			<b>(270,590)</b>	<b>(433,975)</b>	<b>(1,462,120)</b>	<b>(905,472)</b>	<b>(1,096,392)</b>	<b>(1,250,000)</b>	
<b>(ix) GROWTH BIDS:</b>									
2013/14 Growth Bids		Y		138,780	(76,810)	0	0	0	
Future Forward Bids					0	0	0	0	Future years growth now included within savings options
			<b>0</b>	<b>138,780</b>	<b>(76,810)</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>(x) BUDGET SETTING</b>									
<b>2013/14:</b>									
Increase in Business Rates		Y		66,280					
Reduction in recycling income		Y-year 2	10,000	10,740					Reported February Executive
Increase bad debt for Housing Benefit Overpayments		N	43,000						
Increase in deminimus capital receipts		N	(21,000)						
Increase advertising budget for garages		N		4,500					Budget increased with the agreement of SMB to maintain current level of garages let and potentially reduce the level of voids. Reported February Executive
Increase in Garage Income		N	(15,550)						Reported February Executive
Increase in Highways income		Y		(10,000)					Reported February Executive
Reduction in legal fees		Y		20,000					With the reduction in S106 monies, projected Legal fees recovered are estimated to reduce.
Increase in investment interest		N	(34,930)						Reported February Executive
Vacant posts		N	(31,410)						Reported February Executive
Other		Y	38,980	138,646					Includes increase in insurance costs to the General fund of £13,025. Updated for February Executive
<b>Total 2013/14</b>			<b>(10,910)</b>	<b>230,166</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>2014/15:</b>									
Shared Services Implementation	Updated	N		37,070	0				One off implementation costs agreed by Executive July 2013.
HR structure implementation	Updated	N		72,060	0				One off implementation costs agreed by SMB
New INTRANET	Updated	Y		0	10,600				Additional software costs agreed by SMB
Housing Benefit Admin Grant	Updated	Y		0	(9,620)				Increase in grant over previous 5% reduction estimate
Reduction in recycling income	Updated	Y			14,530				Based on current projected tonnage and prices.
Housing Benefit Net Payments	Updated	Y			50,820				Increase net cost based on increases in rents for 2014/15.
On-going pressure on Revenue and Benefits Partnership from Welfare Reform Changes					100,000				The contract was increased by £100K in prior years as a result of the increase in caseload this money is required on-going.
Maintenance budget for outdoor gyms	Updated	Y			7,970				Revenue impact of new outdoor gyms
Lower Business Rates on Council Properties	Updated	Y			(45,810)				
Time limited posts removed from the budget	Updated	Y			(54,657)				
Other					33,213				
<b>Total 2014/15</b>			<b>0</b>	<b>109,130</b>	<b>107,046</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>TOTAL GENERAL FUND EXPENDITURE</b>			<b>10,187,386</b>	<b>10,719,350</b>	<b>9,678,830</b>	<b>9,490,859</b>	<b>9,360,291</b>	<b>8,949,724</b>	
<b>Government Support</b>									
			(4,933,939)	(4,756,625)	(4,058,773)	(3,294,930)	(3,176,218)	(3,061,067)	Reduction in Government Support for 2013/14 is based on the consultation indicative figures of -15 for 2015/16 and -3% thereafter. <b>Council Tax freeze grant for 2011/12 and 2013/14 have been included permanently in the formula grant following the provisional 2014/15 &amp; 2015/16 settlement.</b>
<b>New Local Council Tax Support grant</b>		Y		(852,039)	(852,039)	(852,039)	(852,039)	(852,039)	Grant based estimated council tax benefit expenditure for 2012/13 and a 10% cut to the scheme
<b>Future Business Rate gains</b>									
<b>Total Government Support</b>			(4,933,939)	(5,608,664)	(4,910,812)	(4,146,969)	(4,028,257)	(3,913,106)	
<b>Government Support reduction year on year:</b>						-15.55%	-2.86%	-2.86%	Assumed reductions in future years
<b>Government Support as a % of Net General Fund Budget</b>			48.43%	52.32%	50.74%	43.69%	43.04%	43.72%	
<b>Use of Balances</b>			(292,776)	450,723	(125,124)	436,171	281,059	(161,795)	
<b>Transfer to/From Collection Fund</b>			(81,442)	(27,393)	(124,616)	0	0	0	
<b>District Precept</b>			5,464,782	4,632,570	4,768,526	4,907,719	5,050,975	5,198,413	The level of precept assumes the 10% cut in grant is recovered through the local scheme and a 1% increase in the tax base per year.
<b>% of Net General Fund Budget</b>			53.64%	43.22%	49.27%	51.71%	53.96%	58.08%	
Average Band D Council Tax			188.52	188.52	192.10	195.75	199.47	203.26	
Average Band C Council Tax			167.57	167.57	170.76	174.00	177.31	180.68	
Council Tax Increase			0.00%	0.00%	1.90%	1.90%	1.90%	1.90%	Reduced to 1.9% based on 2013/14 'capping rules'
Tax Base (1% per year on-going from 2013/14)			28,988	24,573	24,823	25,071	25,322	25,575	
<b>GENERAL FUND RESERVES:</b>									
<b>Revised Balances at 31 March each Year:</b>									
<b>General Fund Balance 1 April</b>			(3,802,033)	(4,094,809)	(3,644,087)	(3,769,210)	(3,333,040)	(3,051,981)	
<b>Use of balances in Year</b>			(292,776)	450,723	(125,124)	436,171	281,059	(161,795)	
<b>General Fund Balance 1 March</b>			<b>(4,094,809)</b>	<b>(3,644,087)</b>	<b>(3,769,210)</b>	<b>(3,333,040)</b>	<b>(3,051,981)</b>	<b>(3,213,776)</b>	
<b>Sensitivity Analysis:</b>									
1% reduction in Council Tax-			0	0	(46,789)	(95,837)	(147,227)	(201,044)	If Council tax decreases 1% below MTFS in 2014/15
1% increase in pay award			0	0	176,930	176,930	176,930	176,930	
1% increase in inflation in			55,000	55,000	55,000	55,000	55,000	55,000	
1% increase in interest rates			0	(20,589)	(17,822)	(21,523)	(28,974)	(34,424)	Adverse variance on General Fund
1% increase in borrowing rates			0	142	55,515	73,264	103,622	120,185	If interest rates 1% higher than estimated in the MTFS
1% increase in Fees and Charges			0	0	(90,000)	(90,000)	(90,000)	(90,000)	
Key () = reduced spend/ income budget/increased income			<b>55,000</b>	<b>34,553</b>	<b>132,834</b>	<b>97,834</b>	<b>69,351</b>	<b>26,647</b>	
September RPI				3.20%					
September CPI				2.70%					