

# **Supplementary Papers**

## **Council**

held in the Civic Hall, Portway, Wantage  
on Wednesday 19 February 2014 at 7.00pm

**Open to the public including the press**

**10. Revenue budget 2014/15 and capital programme to 2018/19**  
(Pages 2 - 56)

The Cabinet, at its meeting on 7 February 2014, considered a report on the council's revenue budget 2014/15, medium term financial plan to 2018/19 and capital programme to 2018/19.

# **Report to: Cabinet Scrutiny Committee Council**

Report of Head of Finance

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To: CABINET

7 February 2014

To: SCRUTINY COMMITTEE

12 February 2014

To: COUNCIL

19 February 2014

## **Revenue Budget 2014/15 and Capital Programme to 2018/19**

### **RECOMMENDATIONS**

1. That cabinet recommends to council that it:
  - a. sets the revenue budget for 2014/15 as set out in appendix A.1 to this report,
  - b. approves the capital programme for 2014/15 to 2018/19 as set out in appendix D.1 to this report, together with the capital growth bids set out in appendix D.2 of this report ,
  - c. sets the council's prudential limits as listed in appendix E to this report,
  - d. approves the medium term financial plan to 2018/19 as set out in appendix F.1 to this report.
2. That cabinet authorises the leader of the council to make minor adjustments to this report and the prudential indicators, in conjunction with the head of finance, should they prove necessary following the publication of the final Local Government settlement and prior to its submission to council on 19 February 2014.

## Purpose of report

### 1. This report:

- brings together all relevant information to allow cabinet to recommend to council a revenue budget for 2014/15 and a capital programme for 2014/15 to 2018/19;
- recommends the prudential indicators to be set by the council in accordance with 'the Prudential Code' introduced as part of the Local Government Act 2003;
- contains the opinion of the council's chief financial officer on the robustness of estimates and adequacy of the council's financial reserves;
- contains the medium term financial plan which provides details of the forward budget model for the next five years.

## Strategic objectives

2. Setting the budget in accordance with prescribed timetables enables the council to comply with its strategic objective of managing our business effectively.
3. The allocation of financial resources within the revenue and capital budgets needs to match the objectives agreed by the council. The objectives identify where investment, including proposed growth, will take place in order to help the council achieve its corporate plan targets.
4. Where officers have made growth proposals (known as growth bids), each bid sets out how it will help achieve the council's objectives. The leader of the council has chosen to include some growth bids in his budget proposals and these are identified in **appendix A2** (revenue) and **appendix D.1** (capital).

## Revenue budget 2014/15

5. **Appendix A.1** summarises the movements in the base budget from £13,412,951 in 2013/14 to £12,157,154 in 2014/15. These movements are detailed below.
6. **Opening budget adjustment reduction £269,922 (appendix A.2)** This includes the removal of one-off growth items relating to 2013/14 and the realisation of the full-year effect of savings proposals identified in previous years.
7. Additions to the base budget:
  - **operational reorganisations £37,112 (appendix A.3)**. These costs reflect the full year impact of a number of Fit for the Future and other reviews of service costs, aimed at improving efficiency and service to customers.
  - **inflation, salary increments and other salary adjustments £302,816 (appendix A.4)** The salary and contract inflation totals £209,588, representing an average increase of 1.76 per cent on the 2013/14 net expenditure budgets. For council employees an overall increase in salary costs of two per cent is budgeted for 2014/15. Increments payable to council employees not at the top of their salary range total £62,984. Other salary adjustments of £30,245, represent other minor amendments to salary budgets.

- **essential growth – one-off £525,017 and ongoing £404,353 (appendix A.5).** These items comprise additional expenditure which is considered unavoidable, and reflect changes that have occurred in the current year or which are known will happen in 2014/15
8. Deductions from the base budget:
- **base budget savings £2,051,624 (appendix A.6).** These base budget savings are reductions in costs identified by officers which may be the result of more efficient working or previously agreed policy decisions, cost reductions outside of the council's control, or correction to budgets. These savings do not affect frontline service delivery.
  - **Office accommodation savings £228,000.** These are the result of the sharing of accommodation at Abbey House with Oxfordshire County Council (OCC) and the move of council staff to the South Oxfordshire DC offices at Crowmarsh Gifford. The saving in 2014/15 includes income from OCC for part of the year only. The future full year saving to the council is expected to be in the region of £362,000.
9. Other changes to corporate base budgets:
- **movement in managed vacancy factor £2,443.** In order to recognise a level of establishment vacancies which occur every year, a managed vacancy factor is used. This reduces the employee budgets across the council from the 100 per cent of the establishment list to 98 per cent. The movement in this factor reflects an increase in salary budgets.
10. A significant change to the way the council budgets for contingency sees **additional revenue contingency** budget of **£215,680** added to the base budget (**appendix A.7**). A review of service budgets identified that, in addition to the central contingency budget, there were also budgets within services that could also be considered contingency budgets. These budgets have now been centralised.
11. The level of the corporate contingency has been assessed based on the likelihood of the individual component budgets being required. The make-up of the corporate contingency budget will be reviewed annually, though for the purposes of medium term financial planning it has been assumed to be at the 2014/15 level throughout the period. It should be noted that this new way of budgeting is not without risk of either under or over spend and future budgets will need to take account of actual demand on the contingency.
12. As these budgets are now held centrally there is a need to ensure that when they are needed by services they can access them easily. This may require a change to the council's financial procedure rules which if needed will be brought forward later in the year.
13. As a result of these changes the council's revised base budget for 2014/15 is **£12,157,154.**

### **Revenue growth proposals**

14. A number of revenue growth proposals have been selected by the leader of the council to be included in the budget for 2014/15. These are detailed in **appendix B** and total **£1,062,038**. The growth proposals have been selected on the basis that they

support the council's key aims as set out in the council's corporate plan and enhance service provision.

15. There is also a saving in the revenue budget of **£7,000** arising from the capital growth proposals shown in **appendix D.2**. These are discussed later in the report.

### **Net property income**

16. Net property income represents the council's income from its investment property portfolio less expenditure, and for 2014/15 is estimated at **£1,090,972**.

### **Gross treasury income**

17. Investment returns for 2014/15 are used to finance expenditure in-year. As interest rates are expected to remain low for the short term, it is currently forecast that **£355,500** will be earned in 2014/15.
18. More details of treasury income can be found in the council's Treasury Management Strategy 2014/15 to 2016/17 report (see Cabinet 7 February 2014, Council 19 February 2014).
19. Including growth, property and treasury income results in a net expenditure budget for the council of **£11,765,720**.

### **Reserves and other funding**

#### **New Homes Bonus (NHB)**

20. The provisional government allocations for NHB payments for 2014/15 are **£2,086,928**. For 2014/15 this will be transferred to reserves, apart from a sum of £100,000 which will be used to fund the NHB area grant. Projections of future NHB earnings and how they will be used are detailed later in this report.

#### **Council Tax Freeze Grant**

21. It is proposed that council tax will remain at the same level as 2013/14 and as a result of this, the council will be due **£54,425** of council tax freeze grant for 2014/15. This will also be receivable for 2015/16 and equates to the funding the council would have generated by increasing council tax by 1 per cent.

#### **Transfers to/ from earmarked reserves**

22. In addition to the transfer to reserves of the NHB payment referred to in paragraph 21 above, there will be a transfer of **£20,000** from the election equalisation reserve to fund the initial costs of the district council elections in 2015.
23. Based on the above use of reserves and other funding, the amount of revenue expenditure to be financed in 2014/15 is **£11,631,296**.

### **Financing**

#### **Final local government settlement**

24. On December 18 2013 the government announced the provisional 2014/15 local government settlement together with illustrative figures for 2015/16. At the time of

writing we have not received the final settlement. Officers consider that any changes to the settlement at this stage would not be material. Table 1 below details the provisional funding outlined for the council for 2014/15 and illustrative settlement for 2015/16.

**Table 1a: settlement funding assessment 2014/15 (provisional)**

	Provisional 2014/15 settlement funding assessment		
	Revenue support grant	Baseline funding level	Total
	£	£	£
Lower tier funding	2,230,126	2,018,617	4,248,743
Council tax freeze compensation:			
• 2011/12	83,103	57,537	140,639
• 2013/14	58,155	0	58,155
Council tax reduction scheme (note 1)	0	0	0
Homelessness prevention funding	49,103	34,614	83,717
Other:			
• Efficiency support for services in sparse areas	1,067	0	1,067
• Returned funding (note 2)	5,565	0	5,565
<b>Total</b>	<b>2,427,119</b>	<b>2,110,768</b>	<b>4,537,887</b>

Note 1: payments to councils in respect of council tax reduction scheme (which also includes an element for town and parish councils) are no longer separately identified.

Note 2: represents funding reserved centrally by government to pay NHB but returned to councils as not required.

**Table 1b: settlement funding assessment 2015/16 (illustrative)**

	Illustrative 2015/16 settlement funding assessment		
	Revenue support grant	Baseline funding level	Total
	£	£	£
Lower tier funding	1,481,292	2,074,333	3,555,625
Council tax freeze compensation:			
• 2011/12	81,467	59,125	140,592
• 2013/14	58,155	0	58,155
Homelessness prevention funding	48,119	35,569	83,688
Other:			
• Efficiency support for services in sparse areas	1,067	0	1,067
<b>Total</b>	<b>1,670,100</b>	<b>2,169,027</b>	<b>3,839,127</b>

25. The provisional settlement for 2014/15 is 12.4 per cent lower than 2013/14. The illustrative settlement for 2015/16 would be a further reduction of 15.4 per cent. Whilst the baseline funding element of the settlement is increasing in line with the increase in national non domestic rates, to achieve the overall reduction in funding the government has significantly reduced the revenue support grant element. It should be noted that these figures exclude NHB funding which for 2014/15, as discussed earlier in the report.

## **Council tax reduction scheme grant – payments to town and parish councils**

26. As agreed by Council on December 11 2013 and supported by parish councils during consultation, the council tax support grant contribution payable to town and parish councils will be **£160,593** for 2014/15. The proposed MTFP shows that this contribution will be gradually phased out by a 20 per cent reduction annually.

## **Business rate retention scheme**

27. The deficit on the NNDR under collection fund is estimated to be **£158,308**. This is due to the projected NNDR receipts being below the government's safety net. Therefore the council will be in a deficit position. This is as a result of the closure of Didcot A and the subsequent loss in business rate income.

28. Although there is potential for some business rates growth next year it is not anticipated that this will take the council above the safety net.

## **Collection fund**

29. The surplus on the collection fund is estimated to be **£242,819**.

## **Use of general fund balance**

30. The difference between expenditure requirement and the funding available is smoothed over the medium term financial plan by transfers to and from earmarked reserves and the general fund balance. The net impact of the leader of the council's proposals detailed in this report is a draw on general fund balances of **£1,732,085** in 2014/15.

## **Leader of the council's revenue budget proposal**

31. Based on the amendments detailed above, and as shown in **appendix A1** of this report, the cabinet member's budget proposal, including growth, is for a budget requirement of **£9,899,211**. This revenue budget proposal includes a freeze of the current band "D" council tax at **£116.69**. **Appendix C** shows the breakdown of the revenue budget.

32. A draft MTFP and proposed growth bids were published on the council's website in December 2013. No comments on the published MTFP and growth bids have been received by officers or by the leader of the council.

## Capital programme 2014/15 to 2018/19

### Current capital programme

33. The latest capital programme (before growth) is attached at **appendix D.1** and is summarised in table 2 below. It is the capital programme as set by council in February 2013 plus:-

- slippage (caused by delays to projects) carried forward from 2012/13
- new schemes approved by council during 2013/14
- re-profiling of expenditure on schemes from the 2013/14 financial year to future years where delays to schemes have occurred
- the deletion of previously agreed schemes that have completed or are no longer to be pursued.

**Table 2: current capital programme (before growth)**

2013/14 latest estimate £000	2014/15 estimate £000	2015/16 estimate £000	2016/17 estimate £000	2017/18 estimate £000	2018/19 estimate £000
3,497	5,081	1,613	1,162	1,147	1,147

### Cabinet capital programme proposals

34. **Appendix D.2** contains a list of new capital schemes that the leader of the council is proposing as part of his budget proposals. Officers will amend the capital programme to include the proposals if approved by cabinet and council.

### Financing the capital programme

35. Where permitted, capital expenditure is funded in the first instance from specific government grants and any other external contributions. The balance of the programme is funded from the council's capital receipts reserve. The council is permitted to borrow to fund the programme, provided any borrowing is prudent, sustainable and affordable.

36. At present there is no requirement to borrow to fund the programme as proposed. Any future borrowing would require a provision to be made in the revenue budget for repayment. As the Science Vale UK Enterprise Zone (SVEZ) falls within the council's district boundary, there may be a future requirement to borrow up to £20 million to finance infrastructure works. This would only be undertaken if certainty of funding from additional business rates generated in the enterprise zone is available to support this borrowing.

### Future pressures on the capital programme

37. **Appendix D.1** also shows the use of capital receipts to fund the capital programme (excluding growth) and the balance of receipts over the five-year programme. Officers advise cabinet not to earmark all available resources in proposing the budget to council, as the prudential code requires local authorities to set sustainable budgets.



By retaining an unallocated balance, cabinet can demonstrate that through a combination of this and future income (that can be expected beyond the period of the budget) it can fund future pressures.

## The prudential code and prudential indicators

38. In setting its revenue and capital budgets for 2014/15, the council must agree prudential indicators in accordance with the prudential code (see below). When recommending its budgets to council, cabinet must also recommend the prudential indicators.
39. From 1 April 2004, government control of local authorities' borrowing was abolished and replaced by a prudential system of self-regulation. Authorities are able to borrow based on need and affordability, which they demonstrate through compliance with the prudential code developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) and given statutory force by government regulation.
40. The key objectives of the prudential code are to ensure that the capital investment plans of the authority are affordable, prudent and sustainable. To demonstrate that authorities have had regard to these objectives, the prudential code sets out a number of indicators that must be considered covering five distinct areas – capital expenditure, affordability, prudence, external debt and treasury management. The council must approve the indicators through the budget process before 1 April each year, but they can be revised during the year if required.
41. The key indicators that will drive the capital budget decision making process will be those concerning affordability, as these measure the impact of capital investment decisions on the overall revenue budget and in particular the precept against the collection fund.
42. In setting or revising the prudential indicators the council is required to have regard to:
  - affordability e.g. implications for the precept;
  - prudence and sustainability e.g. implications for external borrowing;
  - value for money e.g. option appraisal;
  - stewardship of assets e.g. asset management planning;
  - service objectives e.g. strategic planning for the council;
  - practicality e.g. achievability of the forward plan.
43. Under the code, the head of finance as chief finance officer is responsible for ensuring that the council considers all relevant matters when setting or revising indicators through a report. The head of finance is also required to establish procedures to monitor performance against all forward-looking indicators; and report upon any significant deviations from forward forecasts with proposed actions.
44. **Appendix E** contains the recommended prudential indicators, which have been calculated based on the budget proposals. The head of finance is satisfied that these indicators show that the council's capital investment plans are affordable, prudent and sustainable.

## The Medium Term Financial Plan (MTFP)

45. The MTFP provides a forward budget model for the next five years, and highlights the known estimated budget pressures for new responsibilities and changes in legislation, predicted investment and capital receipts.
46. **Appendix F.1** contains the MTFP for 2014/15 to 2018/19. This is a projection of the revenue budget up to 31 March 2019. The projection identifies budget pressures in later years and assumes that council approves all the budget proposals within this report. Officers have made no adjustments for the costs of contracts that will be re-let during this period. These could rise or fall depending on market conditions.
47. The MTFP identifies some significant challenges ahead for the council. It assumes that government grant funding will fall by 38 per cent from 2014/15 to 2018/19. This is only an estimate by officers, and the fall could be greater or less. It also incorporates assumptions on interest income, and other known pressures on the council, such as inflation and salary increments.
48. Estimates of future receipts of new homes bonus are shown in table 3 below, and are also included in the MTFP (detailed in row 39). In total the council is expected to have received in excess of £18.3 million during the MTFP period.
49. The element of the bonus that relates to the new homes bonus premium is ring-fenced to support the provision of additional affordable housing.

**Table 3: New Homes Bonus**

Year earned	Year of receipt				
	2014/15 budget £000	2015/16 indicative £000	2016/17 indicative £000	2017/18 indicative £000	2018/19 indicative £000
2011/12	452	452	452	0	0
2012/13	546	546	546	546	0
2013/14	376	376	376	376	376
2014/15	713	713	713	713	713
2015/16	0	748	748	748	748
2016/17	0	0	1,044	1,044	1,044
2017/18	0	0	0	1,085	1,085
2018/19	0	0	0	0	1,018
<b>Total</b>	<b>2,087</b>	<b>2,835</b>	<b>3,879</b>	<b>4,512</b>	<b>4,984</b>

50. Officers consider that any pressures in the period covered by the MTFP are manageable in light of the level of reserves and balances available to the council, particularly when combined with our ability to vary budgets and redirect funding in the later years of the plan. However, it is expected that further savings may be required to balance the budget in future years, and this represents a significant challenge. Management team are already looking at ways in which the budget requirement in future years can be managed without continual calls upon the council's reserves. A summary of the councils earmarked reserves over the life of the MTFP is attached at **appendix F.2**.

## **The robustness of the estimates and the adequacy of reserves**

51. The Local Government Act 2003 places a duty on the chief finance officer (i.e. the head of finance) to report on the robustness of the estimates and the adequacy of reserves. The council must have regard to this report when making decisions about the setting of the budget.
52. The construction of the budget has been managed by qualified accountants and has been subject to challenge, specifically by strategic management board, , head of finance, other heads of service and cabinet members. Informal meetings of cabinet have considered the budget, and a briefing has been given to the council's scrutiny committee members. In view of the process undertaken and his own knowledge of the budget, the head of finance is satisfied that the budget is both prudent and robust.
53. The head of finance is satisfied that this allows retention of sufficient uncommitted balances at the end of the period to ensure that the overall level of reserves is adequate in relation to the proposed revenue budget and capital programme and that the budgets are sustainable.
54. The head of finance's full report will be available at full council.

## **Legal Implications**

55. The cabinet needs to make recommendations to the council on its spending proposals. Under the Local Government Act 2000 it is the council that must agree the revenue and capital spending plans, and then set the council tax. Council will meet on 19 February 2014 in order to set the budget, and the council tax (including amounts set by Oxfordshire County Council and the Police and Crime Commissioner for Thames Valley).
56. The requirement placed on the council by the Local Government Act 2003 to set prudential indicators and for the head of finance as chief finance officer to make a report to the authority on the robustness of the estimates and the adequacy of reserves are addressed within the body of this report.

## **Other Implications**

57. Agreement of the revenue and capital budgets authorises expenditure in accordance with the council's delegated powers and financial procedure rules. The officer, councillor or councillor body taking those decisions will take into account the human resources, sustainability and equality and diversity implications of individual spending decisions.

## **Conclusion**

58. This report provides details of the revenue base budget for 2014/15, the capital programme 2014/15 to 2018/19, government grants (the settlement), uncommitted reserves and balances, the leader of the council's budget proposals and the resulting prudential indicators.
59. In light of the information provided cabinet must make a number of recommendations to council regarding the revenue budget, the capital programme and the prudential indicators.

## Appendices

Appendix A.1	revenue budget 2014/15
Appendix A.2	opening budget adjustments
Appendix A.3	operational reorganisations
Appendix A.4	inflation, salary increments and other salary adjustments
Appendix A.5	essential growth
Appendix A.6	base budget savings
Appendix A.7	revenue contingency
Appendix B	revenue growth
Appendix C	service budget analysis
Appendix D.1	capital programme before growth
Appendix D.2	capital growth bids
Appendix E	prudential indicators
Appendix F.1	medium term financial plan
Appendix F.2	earmarked reserves 2014/15 to 2018/19

## Background Papers

- Provisional settlement figures (December 2013)
- Council tax base 2014/15 – cabinet 6 December 2013, council 11 December 2013
- Council tax reduction scheme grant for town and parish councils – cabinet 6 December 2013, council 11 December 2013
- Treasury Management Strategy – cabinet 7 February 2013, council 19 February 2014

## Vale of White Horse DC - revenue budget summary 2014/15

	2013/14 Budget	2014/15 Base	Appendix Ref:
<b>Opening base budget</b>			
Base service budgets 2013/14	13,366,746	13,366,746	
Contingency	202,020	202,020	
Managed vacancy factor	(155,815)	(155,815)	
<b>Total opening base budget</b>	<b>13,412,951</b>	<b>13,412,951</b>	
<b>Revisions to base budget</b>			
Opening budget adjustments		(269,922)	Appendix A.2
Additions to the base budget:			
Operational reorganisations		37,112	Appendix A.3
Inflation, salary increments and other salary adjustments		302,816	Appendix A.4
Essential growth - one-off		525,017	Appendix A.5
Essential growth - ongoing		404,353	
Deductions from the base budget:			
Base budget savings		(2,051,624)	Appendix A.6
Office accommodation savings		(228,000)	
Other changes to corporate base budgets:			
Movement in managed vacancy factor		(2,443)	
Additional revenue contingency		215,680	Appendix A.7
Changes in property budgets included in ** below		(188,786)	
<b>Total revised base budget</b>	<b>13,412,951</b>	<b>12,157,154</b>	
<b>Growth, savings and other budget adjustments</b>			
Growth proposals			
Revenue - one-off		848,200	Appendix B
Revenue - ongoing		213,838	
Capital (revenue consequences of)		(7,000)	Appendix D.2
Other budget adjustments			
<b>Net cost of services</b>	<b>13,412,951</b>	<b>13,212,192</b>	
Net property income**	(1,279,758)	(1,090,972)	
Gross treasury income	(355,500)	(355,500)	
<b>Net expenditure</b>	<b>11,777,693</b>	<b>11,765,720</b>	
Funding from reserves			
New homes bonus	(1,373,954)	(2,086,928)	
New homes bonus 2011/12	(451,595)	(451,595)	
New homes bonus 2012/13	(546,050)	(546,050)	
New homes bonus 2013/14	(376,309)	(376,309)	
New homes bonus 2014/15	0	(712,974)	
Council tax freeze grant 2013/14	(53,636)	0	
Council tax freeze grant 2014/15	0	(54,425)	
Efficiency support for services in sparse areas	(20,563)	0	
Transfers to/from earmarked reserves	1,158,954	2,006,928	
Special purposes	105,000	20,000	
Local Development Framework	(200,000)	0	
New homes bonus 2011/12	451,595	451,595	
New homes bonus 2012/13	546,050	546,050	
New homes bonus 2013/14	376,309	376,309	
New homes bonus 2014/15	0	712,974	
NHB - Area grant funding	(100,000)	(100,000)	
Self-Insurance reserve	(20,000)	0	
<b>Budget funding requirement before use of General fund balances</b>	<b>11,488,494</b>	<b>11,631,296</b>	
Contribution to/from general fund balances	(1,148,377)	(1,732,085)	
<b>Budget funding requirement</b>	<b>10,340,117</b>	<b>9,899,211</b>	Appendix C
<b>Funded by:</b>			
Settlement funding assessment	(5,182,595)	(4,537,887)	
Business rates retention scheme	(2,070,455)	(2,110,768)	
RSG	(2,472,762)	(2,427,119)	
Less - Parish share of council tax support grant	200,742	160,593	
+ / - estimated NNDR over/under collection	155,283	158,308	
Collection fund (surplus)/deficit	(149,903)	(237,745)	
Council tax requirement	(5,363,644)	(5,442,480)	
<b>Total Funding</b>	<b>(14,883,334)</b>	<b>(14,437,098)</b>	
<b>Council tax yield required</b>	<b>5,363,644</b>	<b>5,442,480</b>	

## Vale of White Horse DC - 2014/15 budget build changes

## Opening budget adjustments

Year of bid	Summary	Spending profile:				
		2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £
<b>Deletion and adjustments to previously agreed one-off growth</b>						
<b>CORPORATE MANAGEMENT TEAM</b>						
2013/14	Enterprise zone - financial software	(9,000)	(9,000)	(9,000)	(9,000)	(10,800)
		<b>(9,000)</b>	<b>(9,000)</b>	<b>(9,000)</b>	<b>(9,000)</b>	<b>(10,800)</b>
<b>CORPORATE STRATEGY &amp; WASTE</b>						
2013/14	Joint membership of green deal community interest company	(17,500)	(17,500)	(17,500)	(17,500)	(17,500)
2013/14	NHB - area grants	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
2013/14	Reduction in income from recycling credits	50,000	100,000	150,000	200,000	200,000
		<b>(67,500)</b>	<b>(17,500)</b>	<b>32,500</b>	<b>82,500</b>	<b>82,500</b>
<b>ECONOMY LEISURE AND PROPERTY</b>						
2013/14	Go Active project	(11,990)	(36,540)	(36,540)	(36,540)	(36,540)
2013/14	Property consultancy fees	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
2013/14	Scanning of deed packets	(8,000)	(16,000)	(16,000)	(16,000)	(16,000)
2013/14	Student to help with flooding	(6,000)	(13,000)	(13,000)	(13,000)	(13,000)
2013/14	Strategic property technical support	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)
2013/14	Additional leisure staff 5 years	0	0	0	(19,990)	(19,990)
2011/12	Supporting Community Flood Groups	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
2013/14	Civic hall one-off element of ongoing growth	(26,000)	(26,000)	(26,000)	(26,000)	(26,000)
2013/14	Leisure consultancy support	(10,500)	(14,990)	(14,990)	(14,990)	(14,990)
		<b>(106,490)</b>	<b>(150,530)</b>	<b>(150,530)</b>	<b>(170,520)</b>	<b>(170,520)</b>

## Vale of White Horse DC - 2014/15 budget build changes

## Opening budget adjustments

Year of bid	Summary	Spending profile:				
		2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £
<b>HEALTH &amp; HOUSING</b>						
2013/14	Didcot and Science vale	0	0	0	0	(42,540)
2013/14	Implementation of new housing allocations policy	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
2013/14	Extension of fixed term contract, lettings officer	(16,750)	(16,750)	(16,750)	(16,750)	(16,750)
		<b>(18,750)</b>	<b>(18,750)</b>	<b>(18,750)</b>	<b>(18,750)</b>	<b>(61,290)</b>
<b>HR, IT &amp; CUSTOMER SERVICES</b>						
2011/12	Delete one IT support role	27,000	(40,000)	(40,000)	(40,000)	(40,000)
2013/14	Temp resource for Geographic data capture	(27,000)	(27,000)	(27,000)	(27,000)	(27,000)
2013/14	Enabling mobile websites	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
		<b>(10,000)</b>	<b>(77,000)</b>	<b>(77,000)</b>	<b>(77,000)</b>	<b>(77,000)</b>
<b>LEGAL &amp; DEMOCRATIC</b>						
2013/14	Land charges data capture project	(20,460)	(20,460)	(20,460)	(20,460)	(20,460)
2012/13	External legal fees re Leisure management contract	(7,500)	(12,500)	(12,500)	(12,500)	(12,500)
		<b>(27,960)</b>	<b>(32,960)</b>	<b>(32,960)</b>	<b>(32,960)</b>	<b>(32,960)</b>
<b>PLANNING</b>						
2013/14	Up to date aerial photographs	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
2011/12	Staff training (DC11)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)
2013/14	Neighbourhood Planning Officer	(36,000)	(36,000)	(36,000)	(36,000)	(36,000)
2013/14	Increase in major apps income (one-off)	50,000	50,000	50,000	50,000	50,000
		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total one-off growth adjustments</b>		<b>(239,700)</b>	<b>(305,740)</b>	<b>(255,740)</b>	<b>(225,730)</b>	<b>(270,070)</b>

Vale of White Horse DC - 2014/15 budget build changes  
Opening budget adjustments

Year of bid	Summary	Spending profile:				
		2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £
<b>Other changes</b>						
<b>CORPORATE STRATEGY &amp; WASTE</b>						
2013/14	Dog bin increase charges	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)
2013/14	CAA Bi annual	(24,000)	0	(24,000)	0	(24,000)
2014/15	Community right to bid 14/15	(7,855)	0	0	0	0
2014/15	Community right to challenge 14/15	(8,547)	0	0	0	0
		<b>(48,402)</b>	<b>(8,000)</b>	<b>(32,000)</b>	<b>(8,000)</b>	<b>(32,000)</b>
<b>ECONOMY LEISURE AND PROPERTY</b>						
2010/11	Increase in utility variation payable to SOLL	3,180	3,180	3,180	3,180	3,180
		<b>3,180</b>	<b>3,180</b>	<b>3,180</b>	<b>3,180</b>	<b>3,180</b>
<b>FINANCE</b>						
2014/15	Actuarial Fees	15,000	0	0	15,000	0
		<b>15,000</b>	<b>0</b>	<b>0</b>	<b>15,000</b>	<b>0</b>
<b>PLANNING</b>						
2011/12	On-line planning	0	(5,000)	(5,000)	(5,000)	(5,000)
		<b>0</b>	<b>(5,000)</b>	<b>(5,000)</b>	<b>(5,000)</b>	<b>(5,000)</b>
<b>Total other changes</b>		<b>(30,222)</b>	<b>(9,820)</b>	<b>(33,820)</b>	<b>5,180</b>	<b>(33,820)</b>
<b>GRAND TOTAL</b>		<b>(269,922)</b>	<b>(315,560)</b>	<b>(289,560)</b>	<b>(220,550)</b>	<b>(303,890)</b>



## Vale of White Horse DC - 2014/15 budget build changes

## Operational restructures

Item		2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £
<b>ECONOMY, LEISURE AND PROPERTY</b>						
1	Civic Hall in Wantage - increased income resulting from restructure of business	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
		<b>(20,000)</b>	<b>(20,000)</b>	<b>(20,000)</b>	<b>(20,000)</b>	<b>(20,000)</b>
<b>HR, IT &amp; CUSTOMER</b>						
2	Restructure of HR and Projects & Performanace Teams	(135,094)	(135,094)	(135,094)	(135,094)	(135,094)
		<b>(135,094)</b>	<b>(135,094)</b>	<b>(135,094)</b>	<b>(135,094)</b>	<b>(135,094)</b>
<b>PLANNING</b>						
3	Restructure of planning	92,206	92,206	92,206	92,206	92,206
		<b>92,206</b>	<b>92,206</b>	<b>92,206</b>	<b>92,206</b>	<b>92,206</b>
<b>CONTINGENCY</b>						
4	Fit for the future savings budgeted within contingency - released to services as part of the budget build	100,000	100,000	100,000	100,000	100,000
		<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>
<b>Overall total</b>		<b>37,112</b>	<b>37,112</b>	<b>37,112</b>	<b>37,112</b>	<b>37,112</b>

**Vale of White Horse DC - 2014/15 budget build changes**  
**Inflation, salary increments and other salary adjustments**

Detail	Spending profile:				
	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £
<b>ALL SERVICES</b>					
Salary inflation	183,111	369,884	560,392	754,711	952,915
Salary increments	62,984	127,227	192,756	259,595	327,770
Other salary adjustments	30,245	30,245	30,245	30,245	30,245
Other inflation	26,477	143,484	262,831	384,565	508,734
<b>Grand total</b>	<b>302,816</b>	<b>670,840</b>	<b>1,046,224</b>	<b>1,429,115</b>	<b>1,819,664</b>

No	Title of bid	Summary	One-off/ ongoing	Spending profile:					
				2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £	
<b>CORPORATE STRATEGY AND WASTE</b>									
CORRVE1	Waste contract - increase in new properties in 2014/15	Best estimate based on the last three years for big housing developments - 250 properties	Ongoing	13,590	27,180	40,770	54,360	67,950	
				<b>13,590</b>	<b>27,180</b>	<b>40,770</b>	<b>54,360</b>	<b>67,950</b>	
<b>ECONOMY, LEISURE AND PROPERTY</b>									
ELPRVE1	Leisure development officer	Continuation of the leisure development officer post in fulfilment of 18 month initial fixed-term contract. The post holder started in September 2013 and is focussing on the preferred option for the new leisure facility in Wantage/Grove to meet the leisure needs of the area's expanding population. We will review the ongoing need for this shared post and decide on any future role for the post.	One-off	15,785	0	0	0	0	
ELPRVE2	Reduction in rental income from EMCOR House during void period	There will be a reduction in rent income from EMCOR House during the void period after the lease expires in September 2014. It is assumed that a new tenant will be found quickly and a new lease will commence in April 2015 so the void period should only be six months. The actual reduction in rent is £75,000 but the growth bid represents a balancing charge, as the base income was understated.	One-off	13,232	0	0	0	0	
ELPRVE3	Reduction in rental income from investment properties	The Vale Council is in the process of reviewing Napier Court in Abingdon and could sell depending on outcome of some environmental survey work that is being done. Old Abbey House in Abingdon is to be disposed of. This will result in the council receiving no rental income from the date of vacant possession of each property.	Ongoing	193,833	193,833	193,833	193,833	193,833	
ELPRVE4	Excess charges	Reduction in excess charge for payers within ten days of notice from £50 to £40	Ongoing	30,000	30,000	30,000	30,000	30,000	
				<b>252,850</b>	<b>223,833</b>	<b>223,833</b>	<b>223,833</b>	<b>223,833</b>	

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No	Title of bid	Summary	One-off/ ongoing	Spending profile:					
				2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £	
<b>FINANCE</b>									
FINRVE1	<b>Reduction in Benefits Admin grant</b>	Admin grant has reduced in recent years. No certainty over allocations for 2014/15 or beyond but best guess of amounts receivable for next year is £500k (£529,720 in 13/14 OB)	Ongoing	25,690	25,690	25,690	25,690	25,690	
				<b>25,690</b>	<b>25,690</b>	<b>25,690</b>	<b>25,690</b>	<b>25,690</b>	

<b>HR, IT &amp; CUSTOMER SERVICES</b>									
HICRVE1	<b>Pension hidden costs</b>	To meet hidden pensions cost liabilities in accordance with proper accounting practice, the amounts quoted here are required to increase the current year's base budget of £230,000, based on current known liabilities.	One-off	56,000	9,000	0	0	0	
HICRV - 2	<b>New IT Infrastructure</b>	Capital investment in new IT infrastructure is likely to lead to increased revenue costs in order to maintain the systems properly throughout their life. Actual figure is unknown, so I have estimated based on industry standard of approximately 20% of capital purchase price.	Ongoing	90,000	90,000	90,000	90,000	90,000	
				<b>146,000</b>	<b>99,000</b>	<b>90,000</b>	<b>90,000</b>	<b>90,000</b>	

<b>LEGAL AND DEMOCRATIC</b>									
LEGRVE1	<b>2015 district council elections</b>	To cover the district council cost of delivery of parliamentary, district and parish council elections in May 2015 - poll cards, postage and stationery for the 2015 elections. Government funding will cover half of the anticipated £40,000 costs.	One-off	20,000	0	0	0	0	
LEGRVE2	<b>2015 district council elections</b>	To cover the district council cost of delivery of parliamentary, district and parish council elections in May 2015 - staff, room hire, printing, postage. The bid covers the anticipated district council element - government funding and income from parish council recharges will also contribute to the overall costs.	One-off	0	100,000	0	0	0	
LEGRVE3	<b>Legal services budget</b>	External legal services budget for specific areas of expertise	Ongoing	51,240	51,240	51,240	51,240	51,240	
				<b>71,240</b>	<b>151,240</b>	<b>51,240</b>	<b>51,240</b>	<b>51,240</b>	

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No	Title of bid	Summary	One-off/ ongoing	Spending profile:				
				2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £
<b>PLANNING</b>								
PLARVE1	Vale Local Plan Part 1	Includes legals, study updates, payment of inspector and our experts (retail/HNA/FRA etc). £50,000 increase in the next two years to cover increased number of strategic sites to meet objectively assessed SHMA need.	One-off	150,000	50,000	0	0	0
PLARVE2	CIL examination	Includes legals, payment of inspector and our experts (viability) (these costs can be part of 5% administration costs set out in charge schedule)	One-off	20,000	0	0	0	0
PLARVE3	Neighbourhood plan referendums and examinations	Includes adverts, payment of examiner, experts and referendum (£5k) x 2 (Faringdon and Drayton or Longworth?) (this can be part funded from income from Govt). Provisional sum dependant on Government Grants	One-off	35,000	0	0	0	0
PLARVE4	Master Planning & SPD Work for strategic sites	External support required to assist in bringing two large/important strategic sites forward.	One-off	100,000	100,000	0	0	0
PLARVE5	Area Action Planning	Joint AAP for Didcot and land to the west (50% of total cost). Includes Examination costs, Legal support and background studies.	One-off	75,000	50,000	0	0	0
PLARVE6	Section 106	A major project to overhaul the way in which we identify and evidence infrastructure requirements, engage with communities, carry out viability assessments, negotiate with developers, complete s106 agreements, and manage income and expenditure is commencing. We need a range of external expertise for this project, which is estimated at £40k per council	One-off	40,000	0	0	0	0
				<b>420,000</b>	<b>200,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL ESSENTIAL REVENUE GROWTH BIDS</b>				<b>929,370</b>	<b>726,943</b>	<b>431,533</b>	<b>445,123</b>	<b>458,713</b>

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## Vale of White Horse DC - 2014/15 budget build changes

## Base budget savings

Item		One-off / ongoing	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £
<b>CORPORATE MANAGEMENT TEAM</b>							
1	Enterprise zone NNDR calculation software saving	Ongoing	(800)	(800)	(800)	(800)	(800)
			<b>(800)</b>	<b>(800)</b>	<b>(800)</b>	<b>(800)</b>	<b>(800)</b>

<b>CORPORATE STRATEGY</b>							
2	Waste contract budget - release of budget no longer required	Ongoing	(332,348)	(332,348)	(332,348)	(332,348)	(332,348)
3	Increase in recycling income from brown bins and recycling credits	Ongoing	(89,421)	(89,421)	(89,421)	(89,421)	(89,421)
4	Savings on OWP membership	Ongoing	(10,500)	(10,500)	(10,500)	(10,500)	(10,500)
5	Savings on grounds maintenance	Ongoing	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
6	Other budget savings across service	Ongoing	(2,542)	(2,542)	(2,542)	(2,542)	(2,542)
			<b>(444,811)</b>	<b>(444,811)</b>	<b>(444,811)</b>	<b>(444,811)</b>	<b>(444,811)</b>

## Vale of White Horse DC - 2014/15 budget build changes

## Base budget savings

Item		One-off / ongoing	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £
<b>ECONOMY, LEISURE AND PROPERTY</b>							
7	Choose Abingdon partnership budget	Ongoing	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
8	General property rent increase	Ongoing	(26,000)	(26,000)	(26,000)	(26,000)	(26,000)
9	Excess parking charges - increase in issued charges	Ongoing	(48,460)	(48,460)	(48,460)	(48,460)	(48,460)
10	Reduction in costs relating to public conveniences due to capital works	Ongoing	(38,107)	(38,107)	(38,107)	(38,107)	(38,107)
11	Lease of Tilsley park from September 2014	Ongoing	(129,754)	(220,754)	(220,754)	(220,754)	(220,754)
12	Other new leisure contract savings from September 2014	Ongoing	(237,411)	(497,411)	(497,411)	(497,411)	(497,411)
13	NNDR savings across car parks and facilities	Ongoing	(28,134)	(28,134)	(28,134)	(28,134)	(28,134)
14	Other budget savings across service	Ongoing	(23,334)	(23,334)	(23,334)	(23,334)	(23,334)
			<b>(546,200)</b>	<b>(897,200)</b>	<b>(897,200)</b>	<b>(897,200)</b>	<b>(897,200)</b>

## Vale of White Horse DC - 2014/15 budget build changes

### Base budget savings

Item		One-off / ongoing	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £
<b>FINANCE</b>							
15	Reduction in additional administration grant element payable to financial services contractor from 2013/14 base levels	Ongoing	(18,270)	(18,270)	(18,270)	(18,270)	(18,270)
16	Reduction in housing benefit budgets	Ongoing	(179,560)	(179,560)	(179,560)	(179,560)	(179,560)
17	Reduction in main (ie non-grant certification) external audit fees	Ongoing	(24,230)	(24,230)	(24,230)	(24,230)	(24,230)
18	Other budget savings across service	Ongoing	(18,200)	(18,200)	(18,200)	(18,200)	(18,200)
			<b>(240,260)</b>	<b>(240,260)</b>	<b>(240,260)</b>	<b>(240,260)</b>	<b>(240,260)</b>
<b>HEALTH &amp; HOUSING</b>							
19	Increase in income from food safety courses	Ongoing	(8,546)	(8,546)	(8,546)	(8,546)	(8,546)
20	Temporary accommodation rental income, budget adjusted to reflect actual revenue streams	Ongoing	(85,000)	(85,000)	(85,000)	(85,000)	(85,000)
21	Other budget savings across service	Ongoing	(19,239)	(19,239)	(19,239)	(19,239)	(19,239)
			<b>(112,785)</b>	<b>(112,785)</b>	<b>(112,785)</b>	<b>(112,785)</b>	<b>(112,785)</b>



## Vale of White Horse DC - 2014/15 budget build changes

## Base budget savings

Item		One-off / ongoing	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £
<b>HR, IT &amp; CUSTOMER</b>							
22	Redundancy costs no longer required	One-off	(40,000)	0	0	0	0
23	Other budget savings across service	Ongoing	(4,370)	(4,370)	(4,370)	(4,370)	(4,370)
			<b>(44,370)</b>	<b>(4,370)</b>	<b>(4,370)</b>	<b>(4,370)</b>	<b>(4,370)</b>

<b>LEGAL AND DEMOCRATIC</b>							
24	Members allowance and committee costs - release of budgets no longer required	Ongoing	(21,167)	(21,167)	(21,167)	(21,167)	(21,167)
25	Other budget savings across service	Ongoing	(26,221)	(26,221)	(26,221)	(26,221)	(26,221)
			<b>(47,388)</b>	<b>(47,388)</b>	<b>(47,388)</b>	<b>(47,388)</b>	<b>(47,388)</b>

<b>PLANNING</b>							
26	Reduction in budget for postage and computer software maintenance	Ongoing	(5,600)	(5,600)	(5,600)	(5,600)	(5,600)
27	Expected increase in planning income 2014/15	One-off	(544,410)	0	0	0	0
			<b>(550,010)</b>	<b>(5,600)</b>	<b>(5,600)</b>	<b>(5,600)</b>	<b>(5,600)</b>

## Vale of White Horse DC - 2014/15 budget build changes

### Base budget savings

Item		One-off / ongoing	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £
<b>CONTINGENCY</b>							
28	Reduced income from temporary accommodation	Ongoing	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)
29	Benefit cap leading to potential cuts in charges for temporary accommodation	Ongoing	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
			<b>(65,000)</b>	<b>(65,000)</b>	<b>(65,000)</b>	<b>(65,000)</b>	<b>(65,000)</b>
<b>Overall total</b>			<b>(2,051,624)</b>	<b>(1,818,214)</b>	<b>(1,818,214)</b>	<b>(1,818,214)</b>	<b>(1,818,214)</b>

## Vale of White Horse DC - 2014/15 budget build changes

## Contingency

<b>SUMMARY</b>				<b>Provision 2014/15 £</b>	
<b>Revenue contingency 2013/14</b>				<b>202,020</b>	
Movement 2013/14-2014/15					
Unused specific budget release				12,700	
General contingency Bfwd				214,720	
Uplift to contingency provision 2014/15				215,680	
<b>Total revenue contingency budget 2014/15</b>				<b>430,400</b>	
<b>DETAIL</b>			<b>Worst case liability (£)</b>	<b>Probability (%)</b>	<b>Provision 2014/15 £</b>
			<b>£</b>	<b>%</b>	<b>£</b>
<b>ALL SERVICES</b>					
1	General contingency		N/A	100	150,000
2	Office move - staff travel costs		N/A	100	25,000
					<b>175,000</b>
<b>CORPORATE STRATEGY</b>					
2	Waste contract inflation costs		123,000	10	12,300
					<b>12,300</b>
<b>ECONOMY, LEISURE AND PROPERTY</b>					
4	Sport and activity officer		36,000	10	3,600
					<b>3,600</b>
<b>FINANCE</b>					
5	Capita P&P - council tax		18,000	100	18,000
6	Capita P&P - benefits		160,000	100	160,000
					<b>178,000</b>
<b>HEALTH &amp; HOUSING</b>					
8	Homelessness Preventions payments		85,000	25	21,250
9	Environmental Health - Various budgets for consultants and equipment.		27,000	25	6,750
					<b>28,000</b>
<b>LEGAL AND DEMOCRATIC</b>					
10	External legal costs for leisure management contract and Didcot Leisure facility		25,000	50	12,500
13	Other external legal costs		60,000	25	15,000
14	By-elections		14,000	25	3,500
15	Code of conduct investigations		10,000	25	2,500
					<b>33,500</b>
<b>Overall total</b>					<b>430,400</b>

## Vale of White Horse DC - 2014/15 revenue growth bids

No	Title of bid	Summary	Spending profile:				
			2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £
<b>One-off growth bids</b>							
<b>CORPORATE MANAGEMENT TEAM</b>							
CMTRV - 1	Corporate services contract renewal	Corporate Services Contract renewal preliminary advice.	15,000	25,000	10,000	0	0
			<b>15,000</b>	<b>25,000</b>	<b>10,000</b>	<b>0</b>	<b>0</b>
<b>CORPORATE STRATEGY AND WASTE</b>							
CORRV - 1	New homes bonus funding	Continuation of New Homes Bonus funding for revenue grants for a second year	100,000	0	0	0	0
CORRV-2	Thrupp Lake / Abbey Fishponds	This bid is to support the Earth Trust over the next three years as they develop Thrupp Lake. This bid is for additional grant aid support to be available to Earth Trust as a safety net. Supporting Thrupp Lake gives Earth Trust time to develop the visitor centre and for the Vale to find a permanent solution for Abbey Fishponds.	10,000	20,000	15,000	0	0
			<b>110,000</b>	<b>20,000</b>	<b>15,000</b>	<b>0</b>	<b>0</b>
<b>ECONOMY, LEISURE AND PROPERTY</b>							
ELPRV - 1	Strategic property technical assistant	Continuation of the strategic property technical assistant post for two years. The creation of this post is enabling significant improvements to the quality and extent of property data held in the new Techforge asset management system. Also, the postholder deals with all Agresso tasks for the team, which has released resources to undertake a regime of necessary ongoing property inspections, particularly relating to health and safety.	9,200	9,200	0	0	0
ELPRV - 2	Choose Abingdon Partnership	Funding for the Choose Abingdon Partnership.	15,000	0	0	0	0

## Vale of White Horse DC - 2014/15 revenue growth bids

No	Title of bid	Summary	Spending profile:				
			2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £
<b>ECONOMY, LEISURE AND PROPERTY CONTINUED</b>							
ELPRV - 3	<b>Market town support Faringdon and Wantage</b>	Market town support for Faringdon and Wantage. Significant impact has been made in the two towns through the externally received High Street Innovation Funding over the last year and the benefits of having co-ordinators "on the ground" in the towns has been extremely valuable. The bid is for continuation of these posts and project funding - Faringdon: £18,000 (salary) + £2,000 projects and Wantage: £24,000 (salaries) + £2,000 projects. Contributions would also be sought towards costs from the Joint Economic Forums/town councils/business partnerships.	46,000	0	0	0	0
ELPRV - 4	<b>Civil parking enforcement</b>	Civil parking enforcement or 'decriminalised parking' is a project to take on the responsibility from the Police for parking on the street. Initial discussions at South with the town councils has shown a keenness for this to be explored and further meeting for South is planned for early 2014. Town councils in the Vale are also voicing concerns over lack of enforcement in the towns. The county council will need to lead on the application to government to provide the powers to carry out the enforcement. If all agree to take this forward then costs will be incurred to provide more detailed project planning and feasibility studies. From agreement to implementation, the project is likely to take at least 18 months. This is dependant on South and Cherwell District Council agreeing to it.	15,000	0	0	0	0
ELPRV - 5	<b>Wantage - grove leisure centre</b>	The construction of a new build leisure centre for Wantage/ Grove - initial funding for feasibility work in order to determine the anticipated total outturn project costs and associated programme.	150,000				
			<b>235,200</b>	<b>9,200</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Vale of White Horse DC - 2014/15 revenue growth bids

No	Title of bid	Summary	Spending profile:				
			2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £
<b>HR, IT &amp; CUSTOMER SERVICES</b>							
HICR - 1	Training	To deliver training courses highlighted as corporate priorities in addition to our 'business as usual' training. These additional courses include; 1) all employees to receive compulsory 'compliance training' 2) The continuation of Mastering Management for existing managers and for new managers 3) a contribution from the training budget to support the High Performing Teams work. If the growth bid is not approved, either the training budget will almost certainly be overspent by a minimum of 25%, or we will need to make a decision not to deliver all the commitments listed above.	25,000	0	0	0	0
			<b>25,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>LEGAL AND DEMOCRATIC</b>							
LEGRV - 1	Costs of parish community review	Required to cover additional costs arising from parish community governance review to cover external legal support to provide advice and assist with the drafting of the orders and Capita's costs arising from the transfer of properties from one parish to another.	17,000	0	0	0	0
LEGRV - 2	Funding for Community Safety Partnership (CSP)	Police and Crime Commissioner is in process of agreeing three year funding for CSP; we anticipate an approx 10% reduction. Oxfordshire County Council (OCC) have indicated that they will not continue to "top up" the funding to home office level next year. Worst case presented i.e. CSP staff would need to be council funded 100% if the CSP only receives a small PCC grant. It is possible that this funding may not be required until 2015/16.	8,000	0	0	0	0
			<b>25,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Vale of White Horse DC - 2014/15 revenue growth bids

No	Title of bid	Summary	Spending profile:				
			2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £
<b>PLANNING</b>							
PLARV - 1	<b>Community Engagement and Development - working with town and parishes</b>	Additional resource over three years to work with Town & Parish Councils to secure S106 contributions and help deliver infrastructure to accelerate housing growth. (£22,500 potential capacity funding for year 2014/15 subject to Govt agreement). If can't secure government funding, net cost to council will be £22,500 higher in 2014/15. In the short term (two years) additional resource to undertake additional consultation and communication with the local community on neighbourhood planning, policy documents, urban design/master plans and CIL consultations. Capacity not available to maintain existing community engagement with this extra demand.	48,000	70,500	48,000	0	0
PLARV - 2	<b>Section 106 strategic review</b>	A major project to overhaul the way in which we identify and evidence infrastructure requirements, engage with communities, carry out viability assessments, negotiate with developers, complete s106 agreements, and manage income and expenditure is commencing	40,000	0	0	0	0
PLARV - 3	<b>Community Infrastructure Levy /S106</b>	To progress CIL and complete S106 background work required to support CIL. Develop charging schedule. South & Vale progressing CIL at same time no capacity to deliver required work, so temporary post required for 2yrs. (Shared post 20:80 and can recover costs) excess income funded Complete updating of all s106 agreements and obligations, protocols and ensure operational. temporary posts 50:50 (excess income funded).	60,000	38,400	0	0	0
PLARV - 4	<b>Major Applications</b>	Resources to help deal with the volume of major planning applications and pre-apps which is being sustained and likely to create follow-up work through reserved matters, condition discharge and amendments - several years work required hence 3yrs funded post from excess planning fee income	203,000	203,000	203,000	0	0
PLARV - 5	<b>Planning applications and pre-application advice</b>	Resources to support SPIP and increased workload as part of our secretarial role this year, and 2xFTE G3/4 DM to deal with increased planning apps and pre-apps workload. This is likely to be sustained until 2015. Temp for 3years using excess planning fee income.	87,000	58,000	58,000	0	0
			<b>438,000</b>	<b>369,900</b>	<b>309,000</b>	<b>0</b>	<b>0</b>
<b>Total one-off</b>			<b>848,200</b>	<b>424,100</b>	<b>334,000</b>	<b>0</b>	<b>0</b>

## Vale of White Horse DC - 2014/15 revenue growth bids

No	Title of bid	Summary	Spending profile:				
			2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £
<b>Ongoing growth bids</b>							
<b>CORPORATE STRATEGY AND WASTE</b>							
<b>CORRV - 2</b>	<b>Retain garden waste service at current price</b>	The bid is to maintain the service at a cost of £37 rather than increasing it by 3%	22,260	22,260	22,260	22,260	22,260
			<b>22,260</b>	<b>22,260</b>	<b>22,260</b>	<b>22,260</b>	<b>22,260</b>
<b>HEALTH AND HOUSING</b>							
<b>HAHR -1</b>	<b>Housing officer</b>	1 FTE at scale 5 to assist with increasing demand for housing advice/homelessness.	17,183	17,183	17,183	17,183	17,183
			<b>17,183</b>	<b>17,183</b>	<b>17,183</b>	<b>17,183</b>	<b>17,183</b>
<b>LEGAL AND DEMOCRATIC</b>							
<b>EGRV - 3</b>	<b>Additional 0.49 FTE solicitors post</b>	Continuation of additional resource for the property and contracts team. Request that this continues, estimated additional cost £15,000 pa split 75% Vale and 25% South in year one and then 50/50 for future years	11,528	5,105	5,105	5,105	5,105
<b>EGRV - 4</b>	<b>Restructure of democratic and electoral teams</b>	Restructure of democratic and electoral services	62,867	58,830	54,792	54,792	54,792
			<b>74,395</b>	<b>63,935</b>	<b>59,897</b>	<b>59,897</b>	<b>59,897</b>



## Vale of White Horse DC - 2014/15 revenue growth bids

No	Title of bid	Summary	Spending profile:					
			2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £	
<b>PLANNING</b>								
PLARV - 6	Joint planning policy work	Securing a project lead (team leader) with a new team of three staff (some existing staff) as a shared team to focus on cross boundary and key strategic policy development 0.5FTE x G8 (can recruit now with backfill from current recruitment round) 50:50 S&V. This could have capacity funding available 2013/14 and potentially in 2014/15 subject to delivering outcomes including feasibility and option development work required to evidence base the case for significant investment in Didcot rail access from 2018.	85,000	85,000	109,000	109,000	109,000	
PLARV - 7	Planning Enforcement	To respond to increased work (approx 20%) following major developments and the work created by the new permitted development regime, additional resource required.	15,000	15,000	15,000	15,000	15,000	
			<b>100,000</b>	<b>100,000</b>	<b>124,000</b>	<b>124,000</b>	<b>124,000</b>	
	<b>Total ongoing</b>		<b>213,838</b>	<b>203,378</b>	<b>223,340</b>	<b>223,340</b>	<b>223,340</b>	
	<b>GRAND TOTAL</b>		<b>1,062,038</b>	<b>627,478</b>	<b>557,340</b>	<b>223,340</b>	<b>223,340</b>	

**Vale of White Horse DC Service budget analysis 2014/15**

<b>Budget head</b>	<b>Final Budget £</b>
Corporate management team	401,413
Corporate strategy	4,410,251
Economy leisure & property	962,133
Finance	1,986,468
Health & housing	1,219,483
Human resources, IT & customer services	1,694,580
Legal & democratic services	1,055,109
Planning	1,210,614
Contingency	430,400
Managed Vacancy Factor	(158,258)
<b>Net cost of delivering services</b>	<b>13,212,193</b>
Net property income	(1,090,972)
Gross treasury income	(355,500)
<b>Net expenditure</b>	<b>11,765,721</b>
<b>Government grant funding:</b>	
Council tax freeze grant	(54,425)
New Homes Bonus	(2,086,928)
<b>Transfer to reserves</b>	
New Homes Bonus	2,086,928
Election equalisation reserve	40,000
<b>Funding from existing resources:</b>	
Election equalisation reserve	(20,000)
New Homes Bonus - Area grant funding	(100,000)
Contribution to/from General fund balances	(1,732,085)
<b>Budget funding requirement</b>	<b>9,899,211</b>

**VALE OF WHITE HORSE DISTRICT COUNCIL**  
**CAPITAL PROGRAMME TO 31 MARCH 2019 LAST UPDATED 27 JANUARY 2014**

	Spend to 31/03/13 £'000	2013/14 Original Budget £'000	2013/14 Working Budget £'000	2014/15 Proposed £'000	2015/16 Proposed £'000	2016/17 Proposed £'000	2017/18 Proposed £'000	2018/19 Proposed £'000
<b>APPROVED PROGRAMME</b>								
Corporate Management Team	0	100	88	200	200	0	0	0
Corporate Strategy	181	162	296	162	162	162	162	162
Economy, Leisure and Property	732	3,040	1,386	2,571	296	45	45	45
Finance	8	0	4	2	0	0	0	0
HR, IT and Customer Services	179	404	39	451	0	0	0	0
Housing and Health	925	1,750	1,445	1,539	940	940	940	940
Legal and Democratic Services	83	64	24	61	15	15	0	0
Planning	207	111	215	95	0	0	0	0
<b>TOTAL APPROVED PROGRAMME</b>	<b>2,315</b>	<b>5,631</b>	<b>3,497</b>	<b>5,081</b>	<b>1,613</b>	<b>1,162</b>	<b>1,147</b>	<b>1,147</b>
<b>GRAND TOTAL</b>	<b>2,315</b>	<b>5,631</b>	<b>3,497</b>	<b>5,081</b>	<b>1,613</b>	<b>1,162</b>	<b>1,147</b>	<b>1,147</b>
<b>Cumulative Total Budget</b>								<b>13,647</b>
<b>CAPITAL FINANCING</b>								
YA24 Dean Court Social Club insurance claim		190	346					
YC15 Public arts projects funded by developer contributions		88	17	57				
YC31 Wantage Civic Hall Capital Works, funded from developer contribution		55	0	55				
YC33 Wantage Leisure Facilities, funded from developer contribution		46	0	46				
YC34 Chilton Public Art, funded from developer contribution		20	5	78				
YC35 Great Western Park public art, funded from developer contribution		14	3	25				
YC36 Abingdon Heritage Trail (Heritage Lottery, Abingdon Town Council and Choose Abingdon P/ship funded)		0	14					
YC37 Marlborough Gardens Play Area, funded from developer contribution			15					
YH01 Support development of social housing, funded from developer contributions		305	0	305				
YH05 Mandatory Disabled Facilities Grants, government funding		510	515	523	523	523	523	523
YP05 Electronic delivery of planning service PDG			0	22				
YP06 Cyclepath Willow Walk, funded from developer contribution			48					
Balance from capital receipts		4,403	2,534	3,970	1,090	639	624	624
<b>GRAND TOTAL</b>		<b>5,631</b>	<b>3,497</b>	<b>5,081</b>	<b>1,613</b>	<b>1,162</b>	<b>1,147</b>	<b>1,147</b>
B7402 Capital receipts b/f from previous year		6,355	6,355	5,457	5,037	4,372	17,183	16,559
projected increase in capital receipts in year		2,735	1,636	3,550	425	13,450	0	0
capital receipt balance to c/f		4,687	5,457	5,037	4,372	17,183	16,559	15,935

## GENERAL NOTES

- (1) The 2013/14 Working Budget figures include:
- unspent provision slipped from 2012/13;
  - budget provision for schemes approved since the original budget was set;
  - reductions for schemes that are no longer progressing or which overspent in 2012/13 and
  - transfers to 2014/15 where schemes are not expected to complete in 2013/14.
- (2) RP = Rolling Programme
- (3) DC = Developers Contributions



KEY TO PROJECT MANAGERS

AB Abigail Brown  
BW Bob Watson  
CW Chris Webb  
ED Emma Dolman  
GH Graham Hawkins  
HN Helen Novelle  
IRM Ian Matten  
JB John Backley

Jbo Jayne Bolton  
JD Jon Dawson  
JP Jo Patterson  
KC Karen Claridge  
LB Lee Brown  
LH Liz Hayden  
LS Lyn Scaplehorn  
MT Miles Thompson

PD Peter Dela  
PH Paul Holland  
PS Paul Staines  
SB Susan Baker  
SBI Steve Bishop  
SM Suzanne Malcolm  
STr Sally Truman  
STu Simon Turner

TG Trudy Godfrey

**Corporate Management Team**

Scheme	No.	Cost centre	RP DC	Project Mgr	Approved Programme									
					Note	Scheme Total £'000	Spend to 31/03/13 £'000	2013/14 Original Budget £'000	2013/14 Working Budget £'000	2014/15 Proposed £'000	2015/16 Proposed £'000	2016/17 Proposed £'000	2017/18 Proposed £'000	2018/19 Proposed £'000
Capital Contingency		YZ01		SBI	(1)	N/A	N/A	100	88	200	200			
						0	0	100	88	200	200	0	0	0

## Notes

- (1) Capital growth bid approved as part of 2013/14 budget setting process.  
£6,390 vired to YA27 - capital contingency request approved 02/09/13  
£5,750 vired to YL04 - capital contingency request approved 06/11/13

**Corporate Strategy**

Scheme	No.	Cost centre	RP DC	Project Mgr	Approved Programme									
					Note	Scheme Total £'000	Spend to 31/03/13 £'000	2013/14 Original Budget £'000	2013/14 Working Budget £'000	2014/15 Proposed £'000	2015/16 Proposed £'000	2016/17 Proposed £'000	2017/18 Proposed £'000	2018/19 Proposed £'000
New and Upgraded Parks Facilities		YC03	RP	IRM		N/A	N/A	15	15	15	15	15	15	15
Additional Wheeled Bins for New Properties		YC23	RP	IRM		N/A	N/A	47	47	47	47	47	47	47
Community Grants Fund		YC30	RP	Jbo	(1)	N/A	N/A	100	188	100	100	100	100	100
Marlborough Gardens Play Area		YC37	DC	IRM	(2)	15	0	0	15					
Climate Change Investment Fund		YH15		STr	(1)	199	171	0	28					
Econsultation Software		YH20		STr	(1)	13	10	0	3					
						227	181	162	296	162	162	162	162	162

## Notes

- (1) 2013/14 Working Budget allocations reflect budget slipped from 2012/13  
(2) £15,213 added to budget as per Council 15/05/2013. Funded by developer contributions

**Economy, Leisure and Property**

Scheme	No.	Cost ctre	RP DC	Project Mgr	Note	Approved Programme								
						Scheme Total £'000	Spend to 31/03/13 £'000	2013/14 Original Budget £'000	2013/14 Working Budget £'000	2014/15 Proposed £'000	2015/16 Proposed £'000	2016/17 Proposed £'000	2017/18 Proposed £'000	2018/19 Proposed £'000
Flood Prevention		YA01	RP	PD	(1)	N/A	N/A	45	230	45	45	45	45	45
Sewage Works		YA02		PD	(1)	101	71	20	13	17				
MHP - Junct. Box Replacement		YA05		JD		115	94	21	1	20				
Upgrade of Sewage Treatment Works - Challow & Sparsholt		YA14		PD	(1)	50	0	25	0	50				
Development of Additional Plots at MHP		YA18		JD		849	13	836	0	836				
Dean Court Social Club Rebuild		YA24		GH	(1), (3)	380	34	190	346					
Hales Meadow Public Convenience		YA25		JB	(4)	200	0	200	100	100				
Great Coxwell Wall Reinstatement		YA26		GH	(4)	25	0	25	0	25				
C Microphones for Council Chamber		YA27		JB	(4), (6)	36	0	30	36					
Mobile Home Parks Improvement Works		YA28		JD	(4)	65	0	65	47	18				
Essential Refurbishment of Operational Property Assets		YA29		GH	(7)	200	0	400	0	200				
West Way Shopping Centre Refurbishment		YA30		GH		50	0	50	0	50				
Public Art Projects (funded by contributions)		YC15	DC	AB		276	202	74	17	57				
Replacement Pitches at Tilsley Park Abingdon		YC16		CW	(5)	365	0	350	365					
Maintain Building Fabric - Leisure Facilities		YC24		CW	(1)	585	298	307	174	113				
Wi-fi for Vale Towns		YC27		TG	(1)	19	1	13	16	1	1			
C Wantage Civic Hall Carpets		YC29		JP		23	19	4	4					
Wantage Civic Hall Capital Works		YC31	DC	JP	(4)	55	0	55	0	55				
WHLTC Car Park Extension		YC32		CW	(4), (7)	450	0	250	15	435				
Wantage Leisure Facilities		YC33	DC	CW	(4)	46	0	46	0	46				
Chilton Public Art		YC34	DC	AB	(4)	83	0	20	5	78				
Great Western Park Public Art		YC35	DC	ED	(4)	28	0	14	3	25				
Abingdon Heritage Trail		YC36		SM	(2)	14	0	0	14					
Leisure Centre Essential Works 2014/15		TBC		CW	(4)	250	0	0	0	250				
Refurbishment of Emcor House, Hatfield		TBC		GH		150	0	0	0	150				
Leisure Centre Essential Works 2015/16		TBC		CW		250	0	0	0		250			
						0		0	0					
						4,665	732	3,040	1,386	2,571	296	45	45	45

Notes

- (1) 2013/14 Working Budget allocations reflect budget slipped from 2012/13
- (2) £14,200 added to capital programme as per Council 20.02.13. Scheme is externally funded.
- (3) £380,000 added to capital programme per Council 24.10.12. Rebuild of Dean Court Social Club. Insurance claim credited to useable capital receipts upon receipt.
- (4) Capital growth bid approved as part of 2013/14 budget setting process.
- (5) £14,600 added to 2013/14 Working Budget to reflect receipt from Abingdon School towards AFP enhanced specifications.
- (6) £6,390 vired from capital contingency - per capital contingency request 02/09/13.
- (7) £200,000 budget transferred from YA29 to YC32 - agreed with Accountancy Manager Jan 2014

**Finance**

Scheme	No.	Cost ctre	RP DC	Project Mgr	Approved Programme									
					Note	Scheme Total £'000	Spend to 31/03/13 £'000	2013/14 Original Budget £'000	2013/14 Working Budget £'000	2014/15 Proposed £'000	2015/16 Proposed £'000	2016/17 Proposed £'000	2017/18 Proposed £'000	2018/19 Proposed £'000
Fixed Asset System		YF04		BW	(1)	14	8	0	4	2				
						14	8	0	4	2	0	0	0	0

Notes

(1) 2013/14 Working Budget allocations reflect budget slipped from 2012/13

**HR, IT and Customer Services**

Scheme	No.	Cost ctre	RP DC	Project Mgr	Approved Programme									
					Note	Scheme Total £'000	Spend to 31/03/13 £'000	2013/14 Original Budget £'000	2013/14 Working Budget £'000	2014/15 Proposed £'000	2015/16 Proposed £'000	2016/17 Proposed £'000	2017/18 Proposed £'000	2018/19 Proposed £'000
Interactive Forms on Website		YD05		LB	(3)	27	27	3	0					
Replace existing PCs		YD06		STu	(3)	41	35	3	6					
IT Infrastructure Investment		YD09		STu	(1)	320	102	153	31	187				
IT Applications Investment		YD10		LB	(1)	31	15	30	2	14				
IT Infrastructure (improvements identified under FfF)		YD11		STu	(2)	250	0	215	0	250				
						669	179	404	39	451	0	0	0	0

Notes

- (1) 2013/14 Working Budget allocations reflect budget slipped from 2012/13
- (2) Capital growth bid approved as part of 2013/14 budget setting process.
- (3) £3,000 vired from YD05 to YD06 - as approved by Chief Finance Officer Jan 2014



**Health and Housing**

Scheme	No.	Cost ctre	RP DC	Project Mgr	Note	Approved Programme								
						Scheme Total £	Spend to 31/03/13 £	2013/14 Original Budget £	2013/14 Working Budget £	2014/15 Proposed £	2015/16 Proposed £	2016/17 Proposed £	2017/18 Proposed £	2018/19 Proposed £
Support Development of Social Housing		YH01	DC	PS		1,305	918	387	0	387				
Disabled Facilities Grants		YH05	RP	PH	(1)	N/A	N/A	1,000	1,294	850	850	850	850	850
Home Repairs Target		YH06	RP	PH		N/A	N/A	50	50	90	90	90	90	90
IT for Mobile Working in EH		YH16		PH		12	0	12	0	12				
Online Housing Applications		YH17		LS		20	7	13	13					
Open Market Homebuy Scheme		YH21		HN		250	0	250	50	200				
Implementation of Online Housing Advice		YH22		LS		25	0	25	25					
Housing Allocations		YH23		HN	(2)	13	0	13	13					
						1,625	925	1,750	1,445	1,539	940	940	940	940

Notes

- (1) 2013/14 Working Budget allocations reflect budget slipped from 2012/13
- (2) Capital growth bid approved as part of 2013/14 budget setting process.

**Legal and Democratic Services**

Scheme	No.	Cost ctre	RP DC	Project Mgr	Note	Approved Programme								
						Scheme Total £	Spend to 31/03/13 £	2013/14 Original Budget £	2013/14 Working Budget £	2014/15 Proposed £	2015/16 Proposed £	2016/17 Proposed £	2017/18 Proposed £	2018/19 Proposed £
CCTV Capital Works		YH12		LH		150	83	22	0	37	15	15		
Community Safety Partnership Grants		YH19		LH		24	0	24	0	24				
Legal Case Management System		YL02		LH		8	0	8	8					
Fireproof Storage Cabinets		YL03		SB		10	0	10	10					
Licensing software project		YL04		LH	(1)	6	0	0	6					
						198	83	64	24	61	15	15	0	0

Notes

- (1) £5,750 vired from capital contingency - per capital contingency request 06/11/13.

**Planning**

Scheme	No.	Cost ctre	RP DC	Project Mgr	Approved Programme									
					Note	Scheme Total £	Spend to 31/03/13 £	2013/14 Original Budget £	2013/14 Working Budget £	2014/15 Proposed £	2015/16 Proposed £	2016/17 Proposed £	2017/18 Proposed £	2018/19 Proposed £
C ABITS Implementation Wantage & Grove Integrated Transport Study Electronic Delivery of Planning Service New Paths/Cycleways Computerising Property Planning Software Capture Planning Constraints		YP01		MT	(1)	210	95		115					
		YP02		MT		44	14		0	30				
		YP05		KC	(1)	100	78		0	22				
		YP06	DC	MT		80	3	77	77					
		YP15		KC	(1)	73	17	34	23	33				
		YP17		KC	(1)	10	0	0	0	10				
							517	207	111	215	95	0	0	0

Notes

(1) 2013/14 Working Budget allocations reflect budget slipped from 2012/13

Vale of White Horse DC - 2014/15 capital growth bids

No	Title of bid	Summary	One-off or rolling	CAPITAL SPEND					REVENUE CONSEQUENCES					
				Spending profile:					Spending profile:					
				2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £	
<b>Funded from internal resources</b>														
<b>CORPORATE MANAGEMENT TEAM</b>														
CMTCV - 1	Capital contingency	This contingency budget will be called upon when capital project ideas occur outside the normal budget build period. Calls upon this will be subject to the normal constitutional authorisation process.	One-off	2,000,000	0	0	0	0	0	0	0	0	0	
				<b>2,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>CORPORATE STRATEGY &amp; WASTE</b>														
CORRC-1	Energy reduction plan	The five year energy reduction plan has now been completed. This growth bid will support a further energy saving plan with the associated projects	One-off	25,000	25,000									
				<b>25,000</b>	<b>25,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>ECONOMY LEISURE AND PROPERTY</b>														
ELPCV - 1	Essential works - leisure centres	Essential capital works at the leisure centres for 2016/17 - rolling programme already agreed to 2015/16	Rolling	0	0	250,000	0	0	0	0	0	0	0	
ELPCV - 2	Woodlands watercourse	Essential improvements to a watercourse that runs through Woodlands Mobile Home Park, Radley. The bank is starting to collapse and there is a risk that this will cause blockage of the watercourse and flooding to nearby homes.	One-off	30,000	0	0	0	0	0	0	0	0	0	
ELPCV - 3	Lighting improvements	Carry out improvements to the lighting in the Vale public car parks, following receipt of consultant's report and need to address health and safety, sustainability and efficiency issues. This includes replacement of lights in six car parks costing some £105,000 plus improvements in efficiency to lighting in the other six car parks costing some £21,000, total £126,000. This does not include the Charter. Spend can be spread out over four years and prioritised.	One-off	36,000	30,000	30,000	30,000	0	0	0	0	0	0	
ELPCV - 4	Changes to Rye Farm car park, Abingdon	This is in preparation for a loss of car parking spaces in Abingdon when the Charter car park is developed. The Rye Farm lorry park will be adapted to accommodate normal vehicles only.	One-off	5,000	40,000	0	0	0	0	0	0	0	0	
ELPCV - 5	Abingdon Riverbank repairs	Carry out repairs to the river bank in two locations in Abingdon following receipt of consultant's report on their condition and estimated cost of repairs - the major issue being health and safety of those using this popular riverside walk. Profiling includes £10,000 for further feasibility work and drafting documentation, with the main contract cost and fees occurring in 2015/16	One-off	10,000	590,000	0	0	0	0	0	0	0	0	
				<b>81,000</b>	<b>660,000</b>	<b>280,000</b>	<b>30,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>HEALTH AND HOUSING</b>														
HAHCV-1	Housing	The cost of refurbishing 1 and 3 New Street and 73 Vineyard Abingdon. There will be no increase in rent charged as a result of this expenditure. Rental income increases from increased occupancy rates	One-off	0	252,000	0	0	0	0	0	10,000	(20,400)	(20,400)	(20,400)
HAHCV-2	Housing Wantage	The cost of self containing/refurbishing Tiverton House Wantage. Increased rents and occupancy rates will broadly offset the loss of a unit so cost neutral in revenue terms.	One-off	200,000	0	0	0	0	0	0	0	0	0	0
HAHCV-3	Housing Abingdon	The estimated cost of 4 two bed houses in Abingdon.	One-off	920,000	0	0	0	0	(7,000)	(14,000)	(14,000)	(14,000)	(14,000)	
				<b>1,120,000</b>	<b>252,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(7,000)</b>	<b>(4,000)</b>	<b>(34,400)</b>	<b>(34,400)</b>	<b>(34,400)</b>	
<b>GRAND TOTAL</b>				<b>3,226,000</b>	<b>937,000</b>	<b>280,000</b>	<b>30,000</b>	<b>0</b>	<b>(7,000)</b>	<b>(4,000)</b>	<b>(34,400)</b>	<b>(34,400)</b>	<b>(34,400)</b>	

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Vale of White Horse DC - 2014/15 Authority to spend fully funded capital bids

No	Title of bid	Summary	One-off or rolling	CAPITAL SPEND					REVENUE CONSEQUENCES				
				Spending profile:					Spending profile:				
				2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £
<b>Funded from developers contributions received (Section 106 agreements)</b>													
<b>ECONOMY LEISURE AND PROPERTY</b>													
ELPCVF - 1	Public Art	Public art at Great Western Park- funded by S106	One-off	128,000	0	0	0	0	0	0	0	0	0
				<b>128,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL</b>				<b>128,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Prudential indicators

### 1 Affordability

#### 1.1 Ratio of financing costs to net revenue stream

These indicators compare the net interest payable less investment income receivable to the overall net revenue spending of the council. Because the council has a high level of investment income and no long term borrowing this indicator is negative.

<b>Indicator A-1</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
<b>Ratio of financing costs to net revenue stream</b>	<b>estimate</b>	<b>estimate</b>	<b>estimate</b>	<b>estimate</b>	<b>estimate</b>
Non – HRA	(2.4%)	(3.9%)	(4.8%)	(5.8%)	(6.8%)

Even though this indicator is negative it is still important for the council as it shows a slight increase over the period. This is due to the expected slow rise in interest rates, which will impact on the investment income earned by the council, and the expected fall in the council's net revenue spending as government grant income falls.

The key point to note for this authority is that in the Medium Term Financial Plan (MTFP) the council will be using the projected returns from investment income to help mitigate the effects of the reduction in government grant income over this period.

#### 1.2 Estimated incremental impact of capital investment decisions on the council tax

This indicator estimates the incremental impact of capital investment decisions on the council tax by comparing the likely council tax based on the current capital programme and the likely council tax based on the proposed capital programme.

<b>Indicator A-2</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
<b>Incremental impact of capital investment decisions on council tax</b>	<b>estimate</b>	<b>estimate</b>	<b>estimate</b>	<b>estimate</b>	<b>estimate</b>
	£	£	£	£	£
Band D council tax	1.04	0.40	0.13	0.02	0.00

This demonstrates the potential increase in band D council tax if this was viewed in isolation. However the MTFP shows that the capital expenditure proposals, when viewed alongside the revenue proposals, are sustainable over the medium term, in accordance with the assumptions included in the MTFP.

### 2 Prudence

#### 2.1 Net borrowing and the capital financing requirement

It is prudent to ensure that borrowing is only used to fund capital (as opposed to revenue) expenditure. The indicator to measure whether this is achieved is to demonstrate that net external borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. For this council this means that the value of investments should be equal to or higher than the capital financing requirement.

<i>Indicator P-1</i>	2014/15 estimate £000	2015/16 estimate £000	2016/17 estimate £000	2017/18 estimate £000	2018/19 estimate £000
<b>Capital financing requirement</b>	(0)	(0)	(0)	(0)	(0)
<b>Average level of investments</b>	23,735	27,984	27,984	27,984	27,984

In this instance the capital financing requirement is shown as negative; this reflects the on-going debt-free status of the council.

The head of finance reports that the authority had no difficulty meeting this requirement in 2013/14, nor are there any difficulties envisaged for the current or future years. This view takes into account current commitments, existing plans, and the proposals in the 2014/15 budget.

### **3 Capital expenditure**

#### **3.1 Capital expenditure**

The first indicator shows the total capital expenditure plans of the council's existing programme not including the capital growth proposals put forward.

<i>Indicator C-1</i>	2014/15 estimate £000	2015/16 estimate £000	2016/17 estimate £000	2017/18 estimate £000	2018/19 estimate £000
<b>Estimates of capital expenditure</b>	<b>5,081</b>	<b>1,613</b>	<b>1,162</b>	<b>1,147</b>	<b>1,147</b>

The second indicator records actual capital expenditure for the previous financial year.

<i>Indicator C-2</i>	2012/13 estimate £000	2012/13 actual £000
<b>Actual capital expenditure</b>	<b>2,562</b>	<b>1,316</b>

#### **3.2 Borrowing need**

This indicator reflects the authority's underlying need to borrow for a capital purpose, its Capital Financing Requirement (CFR). This borrowing may not need to take place externally, and the council may judge it prudent to make use of cash that it has already invested for long term purposes.

<i>Indicator C-3</i>	31/3/2014 estimate £000	31/3/2015 estimate £000	31/3/2016 estimate £000	31/3/2017 estimate £000	31/3/2018 estimate £000
<b>Estimate of capital financing requirement</b>					
Non-HRA	0	0	0	0	0
<b>Estimate of movement in year</b>					
Non-HRA	0	0	0	0	0

The capital financing requirement as at 31 March each year is derived from specific balances within the balance sheet, and adjustments are made for capital expenditure, and the resources applied to finance the expenditure. As all the authority's capital expenditure is resourced immediately from capital receipts, reserves, grants, contributions and directly from revenue, the CFR remains constant throughout.

The actual CFR for 31 March 2013 is shown below.

	<b>31/3/2013</b>
<b><i>Indicator C-4</i></b>	<b>actual</b>
	<b>£000</b>
<b>Actual capital financing requirement</b>	
Non-HRA	0
<b>Actual movement in year</b>	
Non-HRA	0

	A	H	I	J	K	L
1	<b>Vale of White Horse District Council</b>	<b>Budget</b>	<b>Indicative</b>	<b>Indicative</b>	<b>Indicative</b>	<b>Indicative</b>
2		<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
3		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
4	<b>Base budget</b>					
5	Corporate management	438	438	438	438	438
6	Corporate strategy	4,759	4,759	4,759	4,759	4,759
7	Economy, leisure and property	1,343	1,343	1,343	1,343	1,343
8	Finance	1,977	1,977	1,977	1,977	1,977
9	Housing and health	1,317	1,317	1,317	1,317	1,317
10	HR, IT, customer	1,740	1,740	1,740	1,740	1,740
11	Legal and democratic	940	940	940	940	940
12	Planning	664	664	664	664	664
13	Managed vacancy factor	(156)	(156)	(156)	(156)	(156)
14	Contingency	202	202	202	202	202
15	<b>Total base budget</b>	<b>13,224</b>	<b>13,224</b>	<b>13,224</b>	<b>13,224</b>	<b>13,224</b>
16	<b>Revisions to base budget</b>					
17	Opening budget adjustments	(270)	(316)	(290)	(221)	(304)
18	Operational reorganisations	37	37	37	37	37
19	Inflation, salary increments and adjustments	303	671	1,046	1,429	1,820
20	Essential growth - one-off	525	309	0	0	0
21	Essential growth - ongoing	404	418	432	445	459
22	Base budget savings	(2,052)	(1,818)	(1,818)	(1,818)	(1,818)
23	Office accommodation savings	(228)	(362)	(362)	(362)	(362)
24	Movement in managed vacancy factor	(2)	(2)	(2)	(2)	(2)
25	Additional revenue contingency	216	216	216	216	216
26	<b>Total revised base budget</b>	<b>12,157</b>	<b>12,377</b>	<b>12,482</b>	<b>12,948</b>	<b>13,269</b>
27	<b>Growth, savings and other budget adjustments</b>					
29	<b>Growth proposals</b>					
30	Revenue - one-off	848	424	334	0	0
31	Revenue - ongoing	214	203	223	223	223
32	Capital (revenue consequences of)	(7)	(4)	(34)	(34)	(34)
33	Other budget adjustments	0	100	200	300	400
35	<b>Net cost of services</b>	<b>13,212</b>	<b>13,100</b>	<b>13,205</b>	<b>13,437</b>	<b>13,858</b>
36	Net property income	(1,091)	(1,091)	(1,091)	(1,091)	(1,091)
37	Gross treasury income	(356)	(560)	(630)	(700)	(700)
38	<b>Net expenditure</b>	<b>11,766</b>	<b>11,449</b>	<b>11,484</b>	<b>11,646</b>	<b>12,067</b>
39	New Homes Bonus	(2,087)	(2,835)	(3,880)	(4,513)	(4,985)
40	CT freeze grant 2014/15 tranche	(54)	(54)	0	0	0
41	Transfers to / (from) earmarked reserves	2,007	2,735	2,532	1,844	1,800
42	<b>Amount to be financed</b>	<b>11,631</b>	<b>11,295</b>	<b>10,137</b>	<b>8,977</b>	<b>8,882</b>
43	<b>Financing</b>					
44	Revenue support grant	(2,427)	(1,670)	(1,243)	(853)	(497)
45	Business rates retention scheme	(2,111)	(2,169)	(2,212)	(2,257)	(2,302)
46	<b>Total settlement funding allocation</b>	<b>(4,538)</b>	<b>(3,839)</b>	<b>(3,455)</b>	<b>(3,110)</b>	<b>(2,799)</b>
47	Less - Parish share of council tax support grant	161	120	80	40	0
48	+ / - estimated NNDR over/under collection	158	163	166	169	173
49	Collection fund (surplus)/deficit	(238)	(200)	(200)	(200)	(200)
	<b>Council tax requirement before use of reserves</b>	<b>7,175</b>	<b>7,539</b>	<b>6,728</b>	<b>5,877</b>	<b>6,056</b>
50						
51	Use of general fund balance	(1,732)	(2,038)	(1,034)	16	42
52	<b>Council tax requirement after use of reserves</b>	<b>5,442</b>	<b>5,501</b>	<b>5,694</b>	<b>5,893</b>	<b>6,098</b>
53	Tax base	46,640.5	47,140.5	47,840.5	48,540.5	49,240.5
54	Band D Council tax (£)	116.69	116.69	119.02	121.40	123.83
55	Council tax increase from previous year	0.0%	0.0%	2.0%	2.0%	2.0%
57	<b>Reserves at year end</b>					
59	General fund balance	(4,220)	(2,182)	(1,148)	(1,165)	(1,207)
60	Earmarked revenue reserves	(5,340)	(8,075)	(10,607)	(12,451)	(14,251)



<b>Earmarked revenue reserves</b>	<b>Budgeted Balance 31.3.13</b>	<b>Budgeted Contrib to funds</b>	<b>Budgeted Use of Funds</b>	<b>Budgeted Balance 31.3.14</b>	<b>Budgeted Contrib to funds</b>	<b>Budgeted Use of Funds</b>	<b>Budgeted Balance 31.3.15</b>	<b>Budgeted Contrib to funds</b>	<b>Budgeted Use of Funds</b>	<b>Budgeted Balance 31.3.16</b>	<b>Budgeted Contrib to funds</b>	<b>Budgeted Use of Funds</b>	<b>Budgeted Balance 31.3.17</b>	<b>Budgeted Contrib to funds</b>	<b>Budgeted Use of Funds</b>	<b>Budgeted Balance 31.3.18</b>	<b>Budgeted Contrib to funds</b>	<b>Budgeted Use of Funds</b>	<b>Budgeted Balance 31.3.19</b>
	£	£	£	£	£	£	£'000	£	£	£'000	£	£	£'000	£	£	£'000	£	£	£'000
Building Regulations Trading	(69,000)			(69,000)			(69,000)			(69,000)			(69,000)			(69,000)			(69,000)
Community Grants Awards	(28,000)			(28,000)			(28,000)			(28,000)			(28,000)			(28,000)			(28,000)
Election Equalisation reserve	(40,000)	(40,000)		(80,000)	(40,000)	20,000	(100,000)		100,000	0	(40,000)		(40,000)	(40,000)		(80,000)	(40,000)		(120,000)
Local Development Framework	(308,000)	(45,000)	200,000	(153,000)			(153,000)			(153,000)			(153,000)			(153,000)			(153,000)
Rent Deposit Guarantee Scheme	(12,000)			(12,000)			(12,000)			(12,000)			(12,000)			(12,000)			(12,000)
Reservoir reserve	(10,000)			(10,000)			(10,000)			(10,000)			(10,000)			(10,000)			(10,000)
Insurance excess reserve	(49,000)	(20,000)	20,000	(49,000)			(49,000)			(49,000)			(49,000)			(49,000)			(49,000)
Cabinet Grant Fund	(50,000)			(50,000)			(50,000)			(50,000)			(50,000)			(50,000)			(50,000)
Besselsleigh Wood management	(1,000)			(1,000)			(1,000)			(1,000)			(1,000)			(1,000)			(1,000)
<b>Total Earmarked Reserves</b>	<b>(567,000)</b>	<b>(105,000)</b>	<b>220,000</b>	<b>(452,000)</b>	<b>(40,000)</b>	<b>20,000</b>	<b>(472,000)</b>	<b>0</b>	<b>100,000</b>	<b>(372,000)</b>	<b>(40,000)</b>	<b>0</b>	<b>(412,000)</b>	<b>(40,000)</b>	<b>0</b>	<b>(452,000)</b>	<b>(40,000)</b>	<b>0</b>	<b>(492,000)</b>
<b>Revenue Government Grant</b>	<b>Balance 31.3.13</b>	<b>Budgeted Contrib to funds</b>	<b>Budgeted Use of Funds</b>	<b>Balance 31.3.14</b>	<b>Budgeted Contrib to funds</b>	<b>Budgeted Use of Funds</b>	<b>Balance 31.3.15</b>	<b>Budgeted Contrib to funds</b>	<b>Budgeted Use of Funds</b>	<b>Balance 31.3.16</b>	<b>Budgeted Contrib to funds</b>	<b>Budgeted Use of Funds</b>	<b>Balance 31.3.17</b>	<b>Budgeted Contrib to funds</b>	<b>Budgeted Use of Funds</b>	<b>Balance 31.3.18</b>	<b>Budgeted Contrib to funds</b>	<b>Budgeted Use of Funds</b>	<b>Balance 31.3.19</b>
	£	£'000	£	£	£'000	£	£	£'000	£	£	£'000	£	£	£'000	£	£	£'000	£	£
Performance reward grant - revenue	(157,677)			(157,677)			(157,677)			(157,677)			(157,677)			(157,677)			(157,677)
<b>New Homes Bonus</b>																			
Service and Infrastructure reserve	(1,380,920)	(1,286,314)	100,000	(2,567,234)	(1,954,207)	100,000	(4,421,441)	(2,673,832)		(7,095,273)	(3,660,772)	1,387,623	(9,368,422)	(4,207,356)	2,708,786	(10,866,992)	(4,661,177)	3,225,179	(12,302,990)
Affordable Homes element	(68,320)	(87,640)		(155,960)	(132,720)		(288,680)	(161,420)		(450,100)	(218,820)		(668,920)	(305,620)		(974,540)	(324,100)		(1,298,640)
<b>Total external contributions</b>	<b>(1,606,917)</b>	<b>(1,373,954)</b>	<b>100,000</b>	<b>(2,880,871)</b>	<b>(2,086,927)</b>	<b>100,000</b>	<b>(4,867,798)</b>	<b>(2,835,252)</b>	<b>0</b>	<b>(7,703,050)</b>	<b>(3,879,592)</b>	<b>1,387,623</b>	<b>(10,195,019)</b>	<b>(4,512,976)</b>	<b>2,708,786</b>	<b>(11,999,209)</b>	<b>(4,985,277)</b>	<b>3,225,179</b>	<b>(13,759,307)</b>
<b>Contributions to/usage of</b>	<b>(2,173,918)</b>	<b>(1,478,954)</b>	<b>320,000</b>	<b>(3,332,872)</b>	<b>(2,126,927)</b>	<b>120,000</b>	<b>(5,339,799)</b>	<b>(2,835,252)</b>	<b>100,000</b>	<b>(8,075,051)</b>	<b>(3,919,592)</b>	<b>1,387,623</b>	<b>(10,607,020)</b>	<b>(4,552,976)</b>	<b>2,708,786</b>	<b>(12,451,210)</b>	<b>(5,025,277)</b>	<b>3,225,179</b>	<b>(14,251,308)</b>

## **Report of the chief financial officer on the robustness of the budget estimates and the adequacy of the reserves.**

1. Section 25 of the Local Government Act 2003 places a duty on the chief finance officer (at this council the head of finance) to make a report to the council on the robustness of the estimates and the adequacy of the reserves. This report fulfils this requirement and provides councillors with assurance that the budgets have been compiled appropriately and that the level of reserves is adequate. It is a statutory requirement that councillors must consider this report when considering and approving a budget.
2. In presenting this report the head of finance is mindful of other associated statutory safeguards designed to prevent the authority from over-committing itself financially, namely:
  - Section 151 of the Local Government Act 1972 which requires the authority to make arrangements for the proper administration of its financial affairs and that the head of finance as the chief financial officer has personal responsibility for such administration;
  - Sections 32, 43 & 93 of the Local Government Finance Act 1992 which requires the authority to set a balanced budget;
  - The Prudential Code introduced as part of the Local Government Act 2003 sets out the framework within which the authority must manage its investments, including adequate planning and budget estimates;
  - the external auditor's duty to assess the adequacy of the authority's proper arrangements to secure economy, efficiency and effectiveness ('value for money').
3. To reinforce these obligations, section 114 of the Local Government Finance Act 1988 requires the head of finance as the chief finance officer to report to all the authority's councillors, in consultation with the monitoring officer, if there is or is likely to be unlawful expenditure or an unbalanced budget.

### **Robustness of the budget estimates**

#### **PREPARATION, REVIEW & SCRUTINY**

4. In accordance with best practice and using accruals accounting, the council provides for realistic estimates of costs and known liabilities.
5. The detailed budget estimates have been prepared jointly by the heads of service and appropriately qualified staff from the council's financial services team. These have been reviewed and challenged by the accountancy manager, the head of finance, the council's strategic management board and cabinet members.
6. The 2014/15 budget briefing session presented to the members on 8 January 2014 provided a detailed explanation of the factors taken into account in determining the base budgets.

REVENUE BUDGET

7. The most significant costs within the revenue budget are:
  - staff salaries and related costs
  - payments under contracts for services
  - housing benefit and council tax support payments.
8. The estimates of staff costs are prepared by calculating the cost of employing each member of staff for the full year. The budget also includes the costs of recruiting to posts that are currently vacant, unless it has been decided that the post will not be filled. The costs include incremental progression and an allowance for the cost of any locally agreed pay award. All of these are known when the budgets are set.
9. The risk of overspending on staff costs is therefore considered negligible. The risk of under-spending on staff costs is high, so SMB have assumed a level of expected vacancy savings and this year, the council has budgeted at 98 per cent of the expected salary level.
10. The costs of the most significant council contracts are linked to increases in the various price indices, usually the Retail Prices Index (RPI). The applicable RPI is known when the budgets are set and the budget reflects any estimated contract inflation. Allowance has also been made within the budget for additional costs arising from demographic growth and increased demand for services (e.g. additional properties leading to increased waste collection costs).
11. The risk of overspending on contract costs is therefore considered small. There remains a financial risk from a contractor failing to deliver services in accordance with the contract. Such risks are managed through the council's contract monitoring and risk management procedures, but cannot be eliminated.
12. The cost of housing benefit is largely met through government subsidy. The financial risk to the council should this cost increase significantly is small, because a very high percentage of the cost is met by the subsidy.
13. The level of local authority errors in the latest grant subsidy claim for 2012/13 is safely below the government's threshold. The risk of any cost falling on the council is therefore low and continues to be mitigated by close contract management.
14. The government has reformed council tax benefit, which became a local 'council tax reduction scheme' (CTRS) from April 2013. This change resulted in immediate extra cost pressures for the council which are factored into the proposed budget. The change also transfers the financial risk (and reward) from central government to the council for any significant changes in the numbers of residents claiming CTRS. We will closely monitor caseloads to assess any significant financial variation.
15. The areas of expenditure where there is a greater level of risk are within the demand led budgets such as the costs of homelessness (including temporary accommodation). Experience of demand in the current and recent years has been used to inform the 2014/15 budget.

16. However, these form a relatively small part of the council's gross revenue expenditure and heads of service manage these risks through monitoring activity and the performance management and budget monitoring processes.
17. As part of the budget setting process consideration has been given to income streams which could change as a result of recent and pending legislation. These include:
- council tax freeze grant. Details regarding the council tax freeze grant for both 2011/12 (four years), 2013/14 (two years) and 2014/15 (two years) (note that 2012/13 was one year only) have been clarified and these have been included in the budget;
  - New Homes Bonus (NHB). The council has had confirmation of the first four tranches of NHB; these figures are provided by the Department of Communities and Local Government (CLG) and they have been included in the budget.. Future year estimates have been provided by council officers. In my opinion the methodology used produces a prudent estimate.
  - The government's Comprehensive Spending Review (CSR) in 2010 indicated that later tranches of NHB would be funded from reductions in formula grant – and consequently (like many other councils) the later years of the MTFP rely heavily on using NHB funds to support the revenue account; There is a risk that a new government from 2015 may decide to change the NHB scheme or even stop it altogether. The MTFP projects the council's usable balances at 31 March 2018 to be £14.2 million. A maximum of £13.3 million would be at risk should the scheme stop soon after a new government is in place. Should the scheme be stopped the council will have to fundamentally review the services and the service levels it provides.
  - planning fees – full cost recovery. Legislation allowing the council to set its own planning fees in order to recover the costs of the planning service (within certain limitations), has been further delayed. It is unlikely that it will be implemented in 2014/15.
18. A number of revenue income streams are sensitive to changes in market conditions and therefore there will always be a risk that budget targets are not met. These include planning fees, building control fees, and land charges fees which all respond directly to the fluctuating characteristics of the housing market. Car parking income can also be volatile and responds to the general economy and retail market. Previous budget-setting exercises have made adjustments to reflect prevailing market conditions. Further adjustments have been made for 2014/15 refining budgets in light of actual patterns.
19. In order to minimise the risk of budgeted income not being achieved, the council takes a prudent approach when calculating the revenue income budgets and debts due and makes appropriate provisions for bad debts.

### INVESTMENT INCOME

20. The returns on the council investment portfolio are relied upon to support the cost of services. The council is very sensitive to changes in investment income. The

continuing impact of the low interest rates, and the predicted slow rise, have been factored in to the MTFP reported as part of the budget setting report.

21. Investments have been diversified in accordance with the treasury management strategy, and the earnings assumptions in the budget are set prudently. Investment income is used in year to support the revenue budget, therefore there could be some uncertainty about the amount available when the budgets are set, but the estimates are considered prudent enough to reduce the risk of this to acceptable levels.

### REVENUE CONTINGENCY SUM & OVERALL REVENUE BUDGET

22. For 2014/15 a significant change to the way the council budgets for contingency has been introduced. Previous years' underspends were in part caused by pessimistic budgeting that assumed and budgeted for worse case scenarios. A review of service budgets identified that, in addition to the central contingency budget, there were also budgets within services that could also be considered contingency budgets. These budgets have now been centralised.
23. There is now the potential for a greater call on the council's contingency budget and so the risk of overspending on this budget and the revenue budget has increased. Should this occur the council has adequate revenue reserves to cover such additional costs.

### FUNDING FROM CENTRAL GOVERNMENT

24. The revenue financial projections for future years included in the MTFP show budget pressures emerging across the next five years and beyond. A major factor in this is the predicted reduction in central government funding. On 18 December 2013, the provisional settlement provided a two-year funding projection for 2014/15 and 2015/16. The 2014/15 settlement was finalised on 5 February 2014 with negligible changes – the 2015/16 settlement remains provisional. Future years have had to be based on prudent estimates for 2016/17 – 2018/19. There is a risk that the assumptions are proven to be under-estimated, in which case the council's revenue reserves are considered adequate to compensate. Furthermore, savings from future savings initiatives will help to combat reduced funding, but the council may still need to draw heavily on its revenue balances (including NHB receipts) to cover any funding deficit.
25. From 2013/14, the government changed the National Non-Domestic Rates (NNDR) system which previously made up the majority of our formula grant when it was redistributed by the government. These changes introduced a complicated system of baselines, top-ups, tariffs, levies and safety nets. The council is projected to be caught by the safety-net due to the closure of Didcot A power station. The budget and MTFP has been set based on this scenario as we believe we will be below the safety net for a number of years. . As such the level of business rate funding in the MTFP is estimated to be at 92.5 per cent of the retention level set by government.
26. There is a risk that the assumptions about government grant reductions are proven to be under-estimated, in which case the council's revenue reserves are considered adequate to compensate until the MTFP can be reviewed.

## **CAPITAL PROGRAMME**

27. Over recent years the council has adopted a more rigorous approach to the preparation of its capital programme. The council has implemented a project management system that is used to manage capital schemes. These measures reduce the risks of both overspends and slippage in the programme.
28. For major projects the council engages skilled advisors to assist it. Whilst these measures can manage and mitigate risk some capital schemes, by their nature, will still contain significant financial risks. This is particularly the case with major redevelopments where the council has chosen to be an active partner, sharing both risks and rewards.
29. In the capital programme recommended to the cabinet, allowance has been made for works considered necessary to the council's land and property assets including, in the case of leisure centres, those needed in order to maintain the facilities and retain customers.
30. In estimating additional capital receipts a view has been taken of the income to be obtained from future asset disposals.
31. The council has a sufficient capital contingency and capital reserves to meet any potential capital programme overspends. The programme shows the level of capital reserves temporarily dipping below the 'self-imposed' £5 million threshold, however capital receipts are due by the end of the MTFP which will restore balances to above this level. While the use of these reserves would reduce the interest income earned, the current low rates available mean the impact would not be significant.

## **MEDIUM TERM FINANCIAL PLAN**

32. An updated MTFP has been included in the budget report. The plan sets out provisional revenue spending plans and the estimated use of reserves through to 2018/19.

## **PRUDENTIAL INDICATORS**

33. The prudential code requires the calculation of a number of prudential indicators, which measure the sustainability of the council's MTFP, explicitly with regard to affordability, prudence, value for money, stewardship, service objectives and practicality. This is backed up by a specific requirement to monitor performance against forward-looking indicators and report and act on significant deviations.

## **BUDGET MONITORING**

34. The council has a budget monitoring process for both its revenue budget and capital programme. System reports are produced monthly for heads of service, and the strategic management board (SMB). Formal reports are issued via the Vale Information Sheet.

## **RISK MANAGEMENT & INSURANCE**

35. We adopted a risk management strategy in July 2005. SMB regularly revises the corporate risk register in light of changing conditions. Service teams have taken

account of the risk management work in their service plans for 2013/14 and will review their risk management plans before finalising their 2014/15 service plans. In 2006 we worked with Garrison Security to prepare business continuity plans, which are now in place.

36. In addition to the various mitigation measures outlined above, certain financial risks are mitigated by the council's insurance arrangements which are reviewed annually.

37. The main risks inherent in the council's MTFP are:

- government grant funding being less than estimated;
- NHB income being less than that shown in the MTFP;
- substantial increases in council tax reduction scheme caseload and costs
- further council tax freezes in the later years of the MTFP;
- macro-economic deterioration, such as slower interest rate rises, higher inflationary pressures and slower housing growth.

Currently, there are sufficient usable revenue balances and New Homes Bonus income to compensate for costs arising over the medium term should the above risks materialise.

### **Adequacy of reserves**

38. The Chartered Institute of Public Finance and Accountancy has issued guidance on local authority reserves and balances in LAAP Bulletin 55. It sets out the three main purposes for which reserves can be held.

- a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – which forms part of general reserves.
- a contingency to cushion the impact of unexpected events or emergencies – also part of general reserves.
- a means of building up funds, often referred to as earmarked reserves, to meet known or predicted liabilities.

39. The council held £5.2 million in its general fund as at 1 April 2013 and, over the term of the MTFP intends to maintain this at a level that is no less than approximately 10 per cent of the annual budget requirement (when the Audit Commission previously recommended at least 5 per cent); this is likely to be sufficient to cover uneven cash flow and all but the most serious emergency. In addition, the recommended revenue budget contains an adequate contingency sum to cover unanticipated costs.

40. Finally the council has unspent capital receipts of £6.36 million at 1 April 2013 which form the capital reserve.

**Conclusion**

41. The budget estimates have been prepared following a properly controlled and professionally supported process. They have been subject to due consideration and the identifiable risks should be capable of management.
42. Overall, the level of reserves is adequate in relation to the proposed revenue budget and capital programme and the budgets are sustainable.
43. The reserves are not reduced other than by the sums already earmarked. The income earned on these reserves is therefore a sustainable source of funds for the council.

**William Jacobs** (Head of finance and chief finance officer)

14 February 2014