

Supplementary Papers

Executive

held in the Guildhall, Abingdon
on Friday 11 February 2011 at 3pm

Open to the public including the press

6. Draft budget 2011/12 (Pages 2 - 42)

To consider the draft budget proposals and make a recommendation to the Council.

Executive report



11 February 2010

Report of Head of Finance

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To: EXECUTIVE

DATE: 11 February 2011

Report No. 104/10

Council Budget 2011/12 and Medium Term Financial Plan (MTFP) to 2015/16

Recommendations

1. That executive recommends to council that it:
 - a. sets the revenue budget for 2011/12 at £11,393,150, as set out in appendix 1 to this report
 - b. approves the capital programme for 2011/12 to 2015/16 as set out in appendix 5 to this report, together with the capital growth bids set out in appendix 6 of this report
 - c. sets the council's prudential limits as listed in appendix 7 to this report
 - d. approves the medium term financial plan to 2015/16 as set out in appendix 2 to this report
2. That executive authorises the portfolio holder for finance, in conjunction with the head of finance, to make minor adjustments to this report should they prove necessary prior to its submission to council on 23 February 2011

Purpose of report

1. This report:

- brings together all relevant information to allow executive to recommend to Council the revenue and capital budgets for 2011/12; the indicative Capital Programme to 2014/15 and the Medium Term Financial Plan (MTFP) for the next five years (2011/12 to 2015/16).
- 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 adequacy of the council's financial reserves.

Background

2. The Council is obliged by statute to set a "balanced budget" in which net expenditure is balanced by funding and sensible use of reserve balances in the short-term. The council must maintain a prudent level of reserve balances and this is currently regarded as not being less than 5% of the annual budget requirement.
3. The Executive must recommend the revenue and capital budgets for 2011/12 and the MTFP to 2015/16 to Council (23 February 2011). To allow the Executive to make this recommendation, all relevant issues affecting funding, expenditure and income must be brought to its attention in a timely manner to allow it the opportunity to challenge and consult on the options available. The Executive has been fully involved throughout the budget setting process through regular Executive Briefings and consultation on growth and savings proposals.
4. This report considers revenue and capital income and expenditure and funding options available, paying particular attention to those areas where councillors have significant discretion over the outcomes.
5. The budget proposals have been made available on the Council's website since December to allow public consultation. In addition, the Council has held a 'business breakfast' for local businesses and a public budget forum.

Strategic objectives

6. Setting the budget in accordance with prescribed timetables enables the council to comply with its strategic objective of managing our business effectively.
7. 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. The budgets also identify disinvestment from non-priority services in order to pay for new investment without the whole burden falling on the council tax.

Revenue Budget 2011/12

8. The Council sets a MTFP based on a firm budget recommendation for the next year and indicative budgets for the following four years. This is a projection of the revenue budget up to 31 March 2016. 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. The Council sets its MTFP with due regard to the following aims and objectives:

- To set a balanced revenue budget (prepared in accordance with proper accounting practice), i.e. the estimated income in the year (including that from the council tax) will equal the estimated expenditure.
 - To set a revenue budget requirement that maintains the revenue balances held over the medium term at a prudent level and that these balances should not fall below 5% of the revenue budget requirement.
 - To ensure the council's five year revenue spending plans concur with its strategic objectives.
 - To apply resources to meet council priorities.
 - To continually strive to deliver services in the most efficient, effective and economic manner.
9. The MTFP identifies some significant challenges ahead for the council. It assumes that government grant funding will fall in total by 40 per cent by 2014/15. It also incorporates assumptions on the level of interest earned, and other known pressures on the council, such as inflation and salary increments.
10. To meet these objectives the MTFP (appendix 2) has been set with a firm budget requirement for 2011/12 and indicative budget requirements for the remaining years of the plan (these are confirmed annually to allow flexibility with the changing circumstances of the council). For 2011/12 the budget requirement has been calculated as £11,393,150. This represents the previous year's budget requirement (£12,874,650) adjusted for inflation, growth proposals (appendix 3) and savings proposals (appendix 4). These have been subject to consultation in accordance with the council's constitution.
11. Base budgets. The first stage of budget setting is to formulate the base budget. This is achieved by taking the working budget from the previous year and adjusting it for known changes (eg: inflation, staff costs, full year effect of budget savings/increases). These budgets are then subjected to a challenge process to ensure all excess costs are cut from the base.
12. The base budgets have reduced from a net figure of £16,214,150 in the 2010/11 MTFP to £13,700,320 in the MTFP for 2011/12. The main reasons for this reduction are:
- a. Savings as a result of the shared service restructures at fourth tier (service managers).
 - b. the removal of concessionary fares expenditure from the service budget.
 - c. the impact of the last year's savings proposals.

The effects of the below fourth tier restructuring are not yet shown in the base budget as the full-year effect is still to be confirmed. A block adjustment has been made in the MTFP and this will be reflected in the budgets that commence on 1 April 2011.

13. Growth Proposals (Appendices 3a-c). Each year the budget will change based on new legislative requirements, demographic pressures, contractual obligations and agreed changes in policy. This will create pressures (and some budget reductions) that officers have classified as essential growth. These pressures are listed at appendix 3a and the budget reductions at appendix 3b giving a net essential growth figure of £812,690 (see line 26 of MTFP). There is also an estimated £70,000 growth in the Council's pension liability. There are also other proposals amounting to £89,500 that, although not strictly essential, officers have identified will provide enhanced services to the local tax payer; these have been reviewed by executive and are shown at appendix 3c (line 28 of the MTFP).
14. Savings. In order to meet the requirement for minimum reserve balances (assessed as no less than 5% of annual budget requirement), there is a requirement for the Council to make savings over the MTFP period. This has been a stretching target due to a significant reduction in funding (see para 18 below) and as such there have been a number of rounds of savings proposals. From these officers have identified sufficient proposals to ensure the deficit gap is covered.
15. Concurrent to budget setting, and running across the Council since July, there has been a 'lean' process exercise under phase 2 of the Fit for the Future (FftF) programme that has also identified a level of savings.
16. The savings proposals have been reviewed by portfolio holders, senior management and heads of service and have been subject to public consultation. The impact on the provision of services has been assessed and some proposals have been rejected. A list of savings proposals that have been accepted and that form part of the budget proposal are listed at appendix 4. These savings total £710,450 in 2011/12, rising to £1,290,8200 in 2014/15. There are one-off costs of £383,850 (expected to be incurred in 2011/12) in realising these savings.
17. As well as the saving proposed and listed at appendix 4, there have been other cross-cutting savings initiatives proposed for the later years of the MTFP. These are :
 - Fit for the Future (FftF) – Phase 3. The third phase of the ongoing business improvement systems approach the council is running has resulted in further savings being identified. At present the exact details of these have not been specified, so a prudent estimate of the future benefits has been included in the MTFP. These have been provisionally set at £57,400 in 2011/12 rising to £313,000 by 2014/15.
 - Senior management have reviewed the management structure of the Council going forward and have identified savings of £80,000 in 2011/12, £120,000 in 2012/13 and £160,000 from 2013/14 onwards.
18. Funding. The Council receives funding from a variety of sources:
 - Income from Services. Any income raised where the council charges directly for its services is budgeted for in the service area base budgets and is used to offset the expenditure lines, which gives a net cost of services.

- Investment income. The council also receives income from returns on its property and financial investments. This income is shown below the net cost of services in the MTFP (lines 18 & 19).
- Final government grant settlement. The Government provides funding both as direct grants (these are specific purpose grants and are accounted for as income in the net cost of services) and indirectly which is known as the formula grant and consists of the Revenue Support Grant (RSG), redistributed National Non-Domestic Rates (NNDR). There are other non-ringfenced grants such as Area Based Grant (ABG).

On 31st January 2011 the government announced the final government finance settlement for 2011/12 and the latest provisional figures for 2012/13. As a result of feedback obtained by government during the consultation period, an additional further £10 million has been allocated across the shire district councils for 2011/12 only; this is to further mitigate the impact of the transfer of concessionary fares funding to county councils. This has been further increased by an extra £11.3 million on 7 February 2011. Other inconsistencies and minor errors have also been ironed out.

The changes from the provisional settlement (13 December 2010) are that the formula grant in 2011/12 has increased by £39,608 to £5,598,015 but a reduction in the provisional formula grant in 2012/13 of £4,218 to £4,820,569. This is a net increase over the two years of £35,390.

The impact of the settlement on the council's grant funding is shown in table 1 below:

Local government settlement 2010/11 to 2012/13 (as at 7 February 2011)

	2010/11 actual £	2011/12 final £	2012/13 provisional £
Formula grant before adjustments	7,129,630		
Adjustment to formula grant	(528,197)		
Formula grant after adjustment	6,601,433	5,598,015	4,820,569
Increase/(decrease) year on year		(1,003,418)	(777,446)
Percentage increase/(decrease) year on year		(15.20%)	(13.89%)
Cumulative percentage/(decrease) from revised 2010/11 base		(15.20%)	(26.98%)

- Council tax freeze. Also included in the MTFP (line 23) is £141,558 of s.31 Council tax increase offset grant, which is equivalent to a 2.5% council tax increase in lieu of not increasing council tax in 2011/12 (see council tax sub-para below) – this grant is payable for the next four years.
- New homes bonus. Central Government is still consulting on the New Homes Bonus (NHB) including the level and method of funding. As the amounts are still to be confirmed and it is uncertain as to whether or not it will be funded from new money or existing formula grant, it has been deemed prudent not to include any a NHB in the MTFP at this stage.

- Planning fees – full cost recovery. A further government consultation regards the proposal by government to decentralise responsibility for setting fees to local planning authorities. As the results of the consultation are not yet known, a prudent assumption regarding the level of planning costs recovery has been made in the MTFP (line 102) with regard to planning fee income in the budget.
 - Council Tax. The MTFP (line 50) has assumed no increase in council tax for 2011/12 and then an annual 2.5% increase for the remaining future years of the programme. This is in line with government targets. For not increasing council tax in 2011/12 central government will pay compensatory grant equivalent to a 2.5% increase for the next four years – this has been factored into the government grant figure above. The proposed precepts for the District, County, Police and Parishes are shown at Appendix 8 (nb: the TVPA and County precepts still have to be confirmed).
19. Contributions to Balances. It is proposed that for 2011/12 the balance of £49,780 be budgeted to be transferred to the general fund reserve. This will assist the council in meeting future potential budget shortfalls in the later years of the MTFP.
20. Collection fund surplus. Each year an estimate of any surplus or deficit on the collection fund is required to be calculated as at 15 January each year. The surplus arising on the collection fund that will be used to support the council's budget in 2011/12 is £144,300 (MTFP line 45).
21. Revenue budget proposal. Based on the items detailed above, and as shown in appendix 1 of this report, the budget proposal, including growth, is for a net revenue budget of **£11,393,150**. This revenue budget as proposed would result in no change to current band "D" council tax of £116.69.

Capital programme 2011/12 to 2015/16

22. The capital programme is attached at appendix 5 and is summarised in the table below.

<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>
£4,419,169	£5,176,917	£1,675,009	£2,697,700	£1,591,000	£1,002,200

23. It is the capital programme as set by council in February 2010 adjusted for:
- reprofiling of expenditure on schemes from the 2010/11 financial year to future years where delays to schemes have occurred
 - proposed new schemes for 11/12 and later years (appendix 6)

Monies that can be used to fund capital expenditure only (e.g. capital receipts, developer contributions, government capital grants) are called on first when determining how to finance the capital programme.

24. The Council policy is for capital reserves not to drop below £5 million. Although the programme currently shows that balances do drop below this level in

2011/12, expected receipts in the later years of the programme will mean that balances will return to a level above the minimum.

The prudential code and prudential indicators

25. 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.
26. In setting its revenue and capital budgets for 2011/12, the council must agree prudential indicators in accordance with the prudential code. When recommending its budgets to council, the executive must also recommend the prudential indicators. In order to allow this, officers need to have advanced knowledge of the proposals the executive is going to consider, allowing them to calculate and form an opinion on the indicators.
27. 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.
28. 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. 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
29. Under the code, the strategic director and chief finance officer is responsible for ensuring that the council considers all relevant matters when setting or revising indicators through a report. The strategic director and chief finance officer 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.
30. Appendix 7 contains the recommended prudential indicators, which have been calculated based on the budget proposals. The strategic director and chief finance officer is satisfied that these indicators show that the council's capital investment plans are affordable, prudent and sustainable.

The robustness of the estimates and the adequacy of reserves

31. The Local Government Act 2003 places a duty on the chief finance officer (i.e. the strategic director and chief finance officer) 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.
32. The construction of the budget has been managed by qualified accountants and has been subject to challenge, specifically by the strategic director and chief finance officer, head of finance, other heads of service, management team and the executive members. Informal meetings of the executive have considered the budget, and a report detailing the base budget has gone to the council's scrutiny committee. In view of the process undertaken and his own knowledge of the budget, the strategic director and chief finance officer is satisfied that the budget is both prudent and robust.
33. The council's policy is to ensure that general fund balances do not drop below 5% of the revenue budget requirement. The strategic director and chief finance officer 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.
34. Appendix 9 contains the strategic director and chief finance officer's full report.

Legal Implications

35. The executive 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 23 February 2011 in order to set the budget, and the council tax (including amounts set by Oxfordshire County Council and the Thames Valley Police Authority).
36. The requirement placed on the council by the Local Government Act 2003 to set prudential indicators and for the 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

37. 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.
38. A risk assessment has been carried out to identify the equality impacts of the service implications arising from budget reductions proposed by officers. The executive has considered the results in order to finalise the 2011/12 budget. The proposed service cuts present only minimal equality risks which are acceptable.

Conclusion

39. This report provides details of the revenue base budget for 2011/12, the capital programme 2011/12 to 2015/16, government grants (the settlement), uncommitted reserves and balances, the executive portfolio holder for finance's budget proposals and the resulting prudential indicators.
40. In light of the information provided the executive must make a number of recommendations to council regarding the revenue budget, the capital programme and the prudential indicators.

Appendices

Appendix 1	Executive budget proposal 2011/12
Appendix 2	Medium Term Financial Plan 2011/12 -2015/16
Appendix 3a	Essential Growth
Appendix 3b	Budget reductions
Appendix 3c	Service Growth
Appendix 4	Savings
Appendix 5	Capital programme 2011/12 – 2014/15
Appendix 6	Capital Growth Bids to be included in the capital programme
Appendix 7	Prudential indicators
Appendix 8	Precepts
Appendix 9	Report of the Chief Financial Officer on the robustness of the estimates and the adequacy of reserves and balances

VALE OF WHITE HORSE DISTRICT COUNCIL**Council 23 February 2011****EXECUTIVE BUDGET PROPOSAL 2011/12**

Recommendations:	£
(a) <u>Capital Programme (Appendix 5)</u> Approve the Capital Programme, in particular:	
(i) the revised capital budget for 2010/11,	4,419,169
(ii) the capital budget for 2011/12 for new and continuing schemes,	5,176,917
 (b) <u>Earmarked Reserves funding</u> Approve the movements and levels of Reserves:	
(i) the contributions to revenue funds in 2010/11	80,000
(ii) the use of revenue funds in 2010/11	(597,184)
(iii) the contributions to revenue funds in 2011/12	127,215
(iv) the use of revenue funds in 2011/12	(286,245)
 (c) <u>Gross Expenditure & Income</u> Note the Gross Expenditure and Gross Income used in the calculation of the Budget Requirement 2011/12	
Gross Expenditure (aggregate of the expenditure which the Council estimates for the items set out in section 32(2) of the Local Government Finance Act 1992).	53,376,585
 Gross Income (aggregate of the income which the Council estimates for the items set out in section 32(3) of the Local Government Finance Act 1992)	#####
 Budget Requirement for 2011/12 under section 32(4) of the Local Government Finance Act 1992	14,322,277
	<hr/> <hr/>
 (d) <u>Contribution to General Balance in 2011/12 (Appendix 2)</u> Approve the level of funds to be contributed to General Fund Balances in 2011/12.	(26,300)

(e) Budget Requirement 2010/11 (Appendix 2)

Determine the budget requirement for 2010/11 for district council and parish council purposes under section 32 of the Local Government Finance Act 1992 (i.e. gross expenditure, gross income, etc before taking account of exchequer contributions).

Total cost of services	13,475,600
Plus:	
Contingency funding	224,720
Essential service growth	812,690
Service development plans	89,500
Cost reduction proposals	(1,001,922)
Property & Investment Income	(1,933,150)
Government Grant Income	(141,558)
Net use of Earmarked Funds & Reserves	(159,030)
Contribution to General Fund Balances	26,300
Budget requirement for District Council	11,393,150
Plus Town and Parish Council Precepts	2,929,127
Budget Requirement for 2011/12 for district and parish council	<u><u>14,322,277</u></u>

(g) Council Tax 2011/12 (Appendix 8) - for the District, Parishes & Towns

Determine the basic amount of tax in 2011/12 for district and parish council purposes calculated in accordance with section 33 of the Local Government Finance Act 1992 and the deduction to be made from the basic amount for parish council purposes in accordance with section 34 of the Local Government Finance Act 1992.

Budget Requirement for 2011/12 for district and parish council	14,322,277
less Exchequer contribution (Government funding)	(5,598,015)
less Transfer from Collection Fund	(144,300)
	<u><u>8,579,962</u></u>
Tax Base	48,426
Calculation for Band D equivalent properties:	
Council Tax for District and Parish purposes (2010/11: £176.12)	£177.18
Average Council Tax for Parish purposes (2010/11: £59.43)	£60.49
Council Tax for District purposes (2010/11: £116.69)	£116.69

Medium Term Financial Plan to 2015/16

Appendix 2

	A	B	C	D	E	F	G
1	Exec 11 Feb 11	Original Budget	Base Budget	Indicative	Indicative	Indicative	Indicative
2		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
3	Service Costs						
4	Commercial Services	3,819,210	3,444,060	3,444,060	3,444,060	3,444,060	3,444,060
5	Corporate Strategy	1,271,080	1,127,660	1,127,660	1,127,660	1,127,660	1,127,660
6	Economy, Leisure and Property	2,014,990	1,803,370	1,803,370	1,803,370	1,803,370	1,803,370
7	Finance	2,484,310	1,601,960	1,601,960	1,601,960	1,601,960	1,601,960
8	HR, IT, Customer	2,019,550	1,601,740	1,601,740	1,601,740	1,601,740	1,601,740
9	Housing and Health	1,575,590	1,454,110	1,454,110	1,454,110	1,454,110	1,454,110
10	Legal and Democratic	1,145,190	1,009,850	1,009,850	1,009,850	1,009,850	1,009,850
11	Planning	1,034,630	707,700	707,700	707,700	707,700	707,700
12	Corporate Management	548,440	655,150	655,150	655,150	655,150	655,150
13							
14	Contingency	301,160	224,720	214,720	214,720	214,720	214,720
15	Inflation + Increments	0	70,000	484,070	906,410	1,337,210	1,596,210
16	Previous year agreed growth & savings	0	0	(184,850)	(206,710)	(274,950)	(275,490)
17	Net Cost of Service	16,214,150	13,700,320	13,919,540	14,320,020	14,682,580	14,941,040
18	Investment Income	(489,900)	(371,800)	(669,700)	(993,700)	(1,213,300)	(1,213,300)
19	Property Income	(1,672,400)	(1,561,350)	(1,534,200)	(1,700,340)	(1,651,600)	(1,631,600)
20	Housing & Planning Delivery Grant	(150,000)					
21	Area Based Grant	(36,230)					
22	New Homes Bonus (to be confirmed)		0	0	0	0	
23	s.31 Council Tax Freeze grant		(141,558)	(141,558)	(141,558)	(141,558)	
24	Impact of known costs/savings on general fund balances line104	(671,546)	(242,972)	(519,122)	(440,522)	(294,722)	(114,722)
25	Variations to reserve budgets in direct services		0	(135,000)	100,000	(200,000)	60,000
26	Essential Growth	482,890	812,690	718,910	718,910	718,910	718,910
27	Savings proposals	(687,580)	(710,450)	(1,213,820)	(1,257,820)	(1,290,820)	(1,290,820)
28	Growth proposals	39,000	89,500	54,500	60,000	46,000	46,000
29	Revenue impact of Capital Bids 2011/12		(48,500)	(52,500)	(52,500)	(52,500)	(52,500)
30							
31	Net Expenditure	13,028,384	11,525,880	10,427,050	10,612,490	10,602,990	11,463,008
32							
33	Contribution to Earmarked Reserves						
34	Total Contributions to Earmarked Reserves	80,000	127,215	204,823	105,000	105,000	65,000
35	Total Usage of Earmarked Reserves	(597,184)	(286,245)	(120,000)	(220,000)	(20,000)	(80,000)
36		(517,184)	(159,030)	84,823	(115,000)	85,000	(15,000)
37							
38	Amount to be Financed	12,511,200	11,366,850	10,511,873	10,497,490	10,687,990	11,448,008
39	Contribution to/(from) Balances	363,450	26,300	212,390	(80,210)	(487,200)	(1,062,240)
40	Contribution of carry forwards						
41	Budget Requirement (after use of reserves)	12,874,650	11,393,150	10,724,263	10,417,280	10,200,790	10,385,768
42							
43	Government Grant income	(7,129,630)	(5,598,015)	(4,820,569)	(4,356,604)	(3,960,549)	(3,960,549)
44		(7,129,630)	(5,598,015)	(4,820,569)	(4,356,604)	(3,960,549)	(3,960,549)
45	Collection Fund (surplus)/deficit transfer	(120,672)	(144,300)	(100,000)	(100,000)	(100,000)	(100,000)
46	Gross amount to be met from Council Tax (before use of balances)	5,260,898	5,624,535	5,591,304	6,040,886	6,627,441	7,387,459
47	Net Amount to be met from Council Tax using balances=Tax base x Council Tax	5,624,348	5,650,835	5,803,694	5,960,676	6,140,241	6,325,219
48							
49	Tax Base	48,199	48,426	48,523	48,620	48,863	49,107
50	Council Tax (0% in 11/12; 2.5% p.a. thereafter)	116.69	116.69	119.61	122.60	125.66	128.80
51							
52	Earmarked Revenue Reserves						
53	At start of year - Reserves	(1,319,564)	(802,380)	(643,350)	(728,173)	(613,173)	(698,173)
54							
55	Net reduction of/(Contribution to) Reserves	517,184	159,030	(84,823)	115,000	(85,000)	15,000
56							
57	At end of year - Earmarked Reserves	(802,380)	(643,350)	(728,173)	(613,173)	(698,173)	(683,173)
58							
59	General Fund Balances						
60	At start of year-General Fund Balances	(1,762,050)	(2,125,500)	(2,151,800)	(2,364,190)	(2,283,980)	(1,796,780)
61							
62	Use/(contribution to) general fund balances	(363,450)	(26,300)	(212,390)	80,210	487,200	1,062,240
63							
64	At end of year-General Fund Balances (min 5% budget requirement)	(2,125,500)	(2,151,800)	(2,364,190)	(2,283,980)	(1,796,780)	(734,540)
65							

Medium Term Financial Plan to 2015/16

Appendix 2

	A	B	C	D	E	F	G
83							
84							
		YP Working budgets+C/f's (excl Cap&SuppRech)	Indicative	Indicative	Indicative	Indicative	Indicative
85							
86		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
87	* Impact of known costs/savings						
88							
89	Reduction in costs of council's operational property	(125,000)	(202,280)	(202,280)	(202,280)	(202,280)	(202,280)
90	Service review savings (4th tier)	(247,500)					
91	Service review savings (below 4th tier)		(140,642)	(140,642)	(140,642)	(140,642)	(140,642)
92	Redundancy (4th tier)	317,590					
93	Redundancy (below 4th tier)	493,383					
94	Investment impairment Landsbanki	42,500					
95	Reduction in Car Allowances in 2011/12		(42,000)				
96	LABGI income	(40,000)					
97	Net future unavoidable budget changes			200,000	400,000	600,000	800,000
98	One off discretionary budget reductions	(256,995)					
99	One off costs from savings (line 23)		383,850		30,000	20,000	
100	Capitalisation request	(189,444)					
101	Review of Corporate Management		(80,000)	(120,000)	(160,000)	(160,000)	(160,000)
102	Freedom to increase planning fees		(161,900)	(198,800)	(173,800)	(98,800)	(98,800)
103	FFiF phase III			(57,400)	(193,800)	(313,000)	(313,000)
104	Forecast underspend in 2010/11	(666,080)					
105		(671,546)	(242,972)	(519,122)	(440,522)	(294,722)	(114,722)
106							

Essential Growth

	2011/12 £	2012/13 £	2013/14 £	2014/15 £	2015/16 £
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COMMERCIAL SERVICES

COMUG01	Reduction in Car Park Income	70,000	70,000	70,000	70,000	70,000
COMUG02 <i>Revised 2 Dec</i>	Waste contract – variance in contract numbers since contract letting – assisted collections, numbers of households and number of weekly bulk collections.	196,050	196,050	196,050	196,050	196,050
COMUG03	Harmonisation of Verdant contract staff wages	74,000	74,000	74,000	74,000	74,000
COMUG04	Small shortfall on the budget for the payment of the toilet cleaning contract plus a budget for lights, toilet roll holders, etc.	10,230	10,230	10,230	10,230	10,230
		350,280	350,280	350,280	350,280	350,280

CORPORATE STRATEGY

		0	0	0	0	0
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ECONOMY, LEISURE & PROPERTY

ELPUG01	Potential redundancy costs for GO Active co-ordinator	1,950				
ELPUG02	Testing of fixed wiring	10,000				
ELPUG03 <i>New 15 Nov</i>	Trade waste collection from council properties	14,210	14,210	14,210	14,210	14,210
ELPGB01/0 2/03	Strategic Property Advice/Review	60,000	0	0	0	0
		86,160	14,210	14,210	14,210	14,210

FINANCE

FINUG01	Reduction in Benefits Admin Grant	68,890	120,230	120,230	120,230	120,230
FINUG04	Reduction in mortgage interest and fees	2,260	2,260	2,260	2,260	2,260

Essential Growth

		2011/12 £	2012/13 £	2013/14 £	2014/15 £	2015/16 £
FINUG05	Ending one-year agency arrangement for administration of concessionary fares	0	19,520	19,520	19,520	19,520
		71,150	142,010	142,010	142,010	142,010

HR, IT & CUSTOMER

HICUG01	Connection to GCSx network	14,000	14,000	14,000	14,000	14,000
HICUG02	Reduction in Income - Capita tasks as part of the FMS contract	9,470	9,470	9,470	9,470	9,470
HICGB01	IT investment plan	44,250				
HICGB02	common property system	25,000				
		92,720	23,470	23,470	23,470	23,470

HOUSING AND HEALTH

HHUG02	Deletion of 2009/10 savings proposal CRIEP5		33,900	33,900	33,900	33,900
HHUG03	Deletion of 2010/11 savings proposal no. 41	13,580	13,580	13,580	13,580	13,580
		13,580	47,480	47,480	47,480	47,480

LEGAL & DEMOCRATIC SERVICES

LDSUG01	Loss of income as a result of no longer being able to charge for personal searches	45,000	45,000	45,000	45,000	45,000
		45,000	45,000	45,000	45,000	45,000

PLANNING

PLANUG01	Reduction of planning application fee income	200,000	200,000	200,000	200,000	200,000
		200,000	200,000	200,000	200,000	200,000

CORPORATE MANAGEMENT (formerly STRATEGIC MANAGEMENT)

		0	0	0	0	0
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858,890 822,450 822,450 822,450 822,450

Budget Reductions

		2011/12	2012/13	2013/14	2014/15	2015/16
		£	£	£	£	£
CORPORATE STRATEGY						
CSBR01	CCTV Maintenance Costs	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
		(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
FINANCE						
FINBR01	Reduction in Benefits Admin fees payable to Capita	(4,630)	(55,970)	(55,970)	(55,970)	(55,970)
FINBR02	Addition of officer time to court recovery action	(14,000)	(20,000)	(20,000)	(20,000)	(20,000)
FINBR03	Reduction in budget provision for discretionary rate relief	(12,220)	(12,220)	(12,220)	(12,220)	(12,220)
		(30,850)	(88,190)	(88,190)	(88,190)	(88,190)
HOUSING AND HEALTH						
HHBR01	Provision for possible supported lodgings and homelessness consultation costs	(10,350)	(10,350)	(10,350)	(10,350)	(10,350)
		(10,350)	(10,350)	(10,350)	(10,350)	(10,350)
		(46,200)	(103,540)	(103,540)	(103,540)	(103,540)

Service Growth

2011/12 2012/13 2013/14 2014/15 2015/16
£ £ £ £ £

COMMERCIAL SERVICES

COMGB01	Supporting community flood groups	10,000	10,000	10,000		
		10,000	10,000	10,000	0	0

CORPORATE STRATEGY

	0	0	0	0	0
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ECONOMY, LEISURE & PROPERTY

ELPGB04	Discretionary relief for some non-CASC sports clubs	5,000	5,000	5,000	5,000	5,000
		5,000	5,000	5,000	5,000	5,000

PLANNING

PLANGB01	Staff training – planning qualification eg Oxford Brookes	3,500	3,500	4,000		
PLANGB02	Consultants' Fees	65,000	30,000	35,000	35,000	35,000
		68,500	33,500	39,000	35,000	35,000

CORPORATE MANAGEMENT (formerly STRATEGY)

CMGB01	Funding of Oxfordshire districts' co-ordinator	6,000	6,000	6,000	6,000	6,000
		6,000	6,000	6,000	6,000	6,000

89,500 54,500 60,000 46,000 46,000

Revenue Budget Savings

<u>Savings Reference</u> (do not change)	<u>Saving and details</u>	Savings 2011/12 £	Savings 2012/13 £	Savings 2013/14 £	Savings 2014/15 £	Savings 2015/16 £	One off costs (Revenue) £
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Corporate Management

CM-11/12-1	<u>Audit Commission Fees</u> Reduction in the amount of Audit Commission Fees payable in respect of CAA following the cessation of the Area Assessments	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	
CM-11/12-2	<u>SEEC subscription fee</u>	(1,750)	(1,750)	(1,750)	(1,750)	(1,750)	
CM-11/12-3	<u>Supplies and Services</u> Permanent reduction in supplies and services (following one-off reduction in 2010/11)	(2,720)	(2,720)	(2,720)	(2,720)	(2,720)	
CM-11/12-4	<u>Chair of Council Admin Support</u> Share admin support for chair of council with South.	(13,500)	(13,500)	(13,500)	(13,500)	(13,500)	

Total Corporate Management

(37,970)	(37,970)	(37,970)	(37,970)	(37,970)	(37,970)	0
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Commercial Services

Comm-11/12-1	<u>Oxfordshire Waste Partnership</u> OWP Membership savings	(18,000)	(18,000)	(18,000)	(18,000)	(18,000)	
Comm-11/12-3	<u>Brown Bins</u> Increase charges for brown bins to achieve full cost recovery	(28,000)	(28,000)	(28,000)	(28,000)	(28,000)	
Comm-11/12-4	<u>Car Park Maintenance</u> Reduced car park maintenance and servicing	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	
Comm-11/12-6	<u>Parks and Open Spaces</u> Reduced litter picks in low profile sites		(19,500)	(19,500)	(19,500)	(19,500)	
Comm-11/12-8	<u>Public Conveniences</u> Cease superloo contract with the exception of Millbrook Square, Grove		(40,000)	(40,000)	(40,000)	(40,000)	

Total Commercial savings

(51,000)	(110,500)	(110,500)	(110,500)	(110,500)	(110,500)	0
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<u>Savings Reference</u> (do not change)	<u>Saving and details</u>	Savings 2011/12 £	Savings 2012/13 £	Savings 2013/14 £	Savings 2014/15 £	Savings 2015/16 £	One off costs (Revenue) £
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Corporate Strategy

CS-11/12-1	<u>Climate change & carbon management</u> Reduction in the equipment budget	(780)	(780)	(780)	(780)	(780)	
CS-11/12-2	<u>Climate change & carbon management</u> Reduce subscriptions	(600)	(600)	(600)	(600)	(600)	
CS-11/12-3	<u>Printing</u> Reduction in printing budget	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	
CS-11/12-4	<u>Reduce Books and publications budget</u>	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	
CS-11/12-5	<u>Reduce budget for Conference expenses</u>	(200)	(200)	(200)	(200)	(200)	
CS-11/12-6	<u>Youth forums</u> Fewer youth forums resulting in lower room hire and catering costs	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	
CS-11/12-7	<u>Advertising</u> More focused advertising	(19,000)	(19,000)	(19,000)	(19,000)	(19,000)	
CS-11/12-8	<u>ISO accreditation</u> Do not renew ISO accreditation	(680)	(680)	(680)	(680)	(680)	
CS-11/12-9	<u>Comms</u> Remove council entry from BT phone book	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	
CS-11/12-10	<u>Consultation</u> Reduction in software and licensing to support consultation and planning work.	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	
CS-11/12-11	<u>Canvassing</u> Duplicate budget for annual canvass of electors	(6,500)	(6,500)	(6,500)	(6,500)	(6,500)	
CS-11/12-12	<u>Mediation</u> Mediation to reduce neighbour disputes	(1,600)	(1,600)	(1,600)	(1,600)	(1,600)	
CS-11/12-13	<u>Climate change</u> Continue to reduce the budget for climate change mitigation and adaptation projects.	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	
CS-11/12-14	<u>Community projects</u> End support for community led planning projects	(600)	(600)	(600)	(600)	(600)	
CS-11/12-15	<u>Consultation</u> Reduction in consultation budget	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)	

<u>Savings Reference</u> (do not change)	<u>Saving and details</u>	Savings 2011/12 £	Savings 2012/13 £	Savings 2013/14 £	Savings 2014/15 £	Savings 2015/16 £	One off costs (Revenue) £
CS-11/12-16	<u>Thames Valley Energy</u> Halve funding paid to Thames Valley Energy	(3,570)	(3,570)	(3,570)	(3,570)	(3,570)	
CS-11/12-17	<u>Partnership Grants</u> Reduce partnership revenue grants	(38,800)	(41,800)	(41,800)	(41,800)	(41,800)	
CS-11/12-18	<u>Comms</u> Reduce by one post - saving split 50/50 with £11,670 South one of costs based on worst case scenario		(11,670)	(11,670)	(11,670)	(11,670)	3,200
CS-11/12-19	<u>Advertising</u> We will not spend any money on discretionary advertising		(6,000)	(6,000)	(6,000)	(6,000)	
CS-11/12-20	<u>Community Grants</u> Reduce community revenue grants by £20,000 from 2012/13		(20,000)	(20,000)	(20,000)	(20,000)	
CS-11/12-21	<u>CCTV</u> Reduce the scope of the CCTV technical contract with a £2,348 saving for South	(1,150)	(1,150)	(1,150)	(1,150)	(1,150)	
CS-11/12-22	<u>Climate change</u> Reduce adaptation budget to zero - a budget document is being worked up on climate change mitigation work separately	(11,270)	(11,270)	(11,270)	(11,270)	(11,270)	
CS-11/12-23	<u>"Unvaled"</u> Change the distribution channel for Unvaled. Distribute through Tesco and Libraries etc				(15,000)	(15,000)	
Total Corporate Strategy saving		(109,950)	(150,620)	(150,620)	(165,620)	(165,620)	3,200

<u>Savings Reference</u> (do not change)	<u>Saving and details</u>	Savings 2011/12 £	Savings 2012/13 £	Savings 2013/14 £	Savings 2014/15 £	Savings 2015/16 £	One off costs (Revenue) £
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Economy, Leisure, Property

ELP-11/12-1	<u>Various minor savings</u> There can be minor cuts in economic development budgets e.g. books and publications, catering, telephone allowances	(2,260)	(2,260)	(2,260)	(2,260)	(2,260)	
ELP-11/12-2	<u>Various minor savings</u> There can be minor cuts in facilities budget e.g. books and publications, catering, telephone allowances	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	
ELP-11/12-3	<u>Various minor savings</u> There can be various minor cuts in ELP support budget	(1,410)	(1,410)	(1,410)	(1,410)	(1,410)	
ELP-11/12-5	<u>Materials & Consumables</u> Reduce materials and consumables	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	
ELP-11/12-6	<u>DSO</u> Delete standby for DSO staff	(3,650)	(3,650)	(3,650)	(3,650)	(3,650)	
ELP-11/12-7	<u>Security</u> New structure will not require security company to secure the building	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	
ELP-11/12-8	<u>Reduce budget for standby key holders</u>	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	
ELP-11/12-9	<u>Delete mobile homes room hire budget</u>	(100)	(100)	(100)	(100)	(100)	
ELP-11/12-10	<u>Maintenance</u> Reduce maintenance of equipment (hose reels, emergency phone, etc) to £2,000	(1,750)	(1,750)	(1,750)	(1,750)	(1,750)	
ELP-11/12-11	<u>Purchase of replacement furniture</u>	(3,980)	(3,980)	(3,980)	(3,980)	(3,980)	
ELP-11/12-12	<u>Reduce repairs and maintenance budget for Abbey House</u>	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	
ELP-11/12-13	<u>Reduce cleaning service</u>	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	
ELP-11/12-14	<u>Reduce frequency of security checks during the night and bank holidays</u>	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	
ELP-11/12-15	<u>Reduce FM contract</u>	(10,000)	(20,000)	(20,000)	(20,000)	(20,000)	

<u>Savings Reference</u> (do not change)	<u>Saving and details</u>	Savings 2011/12 £	Savings 2012/13 £	Savings 2013/14 £	Savings 2014/15 £	Savings 2015/16 £	One off costs (Revenue) £
ELP-11/12-16	<u>Repairs and Maintenance</u> Reduction in R&M budget from £78,630 by £2,000 in 2011/12 and a further £6,630 in 2012/13. Further reductions anticipated in future years following strategic property review.	(2,000)	(8,630)	(8,630)	(8,630)	(8,630)	
ELP-11/12-17	<u>Admin Support</u> Change Vale's new permanent f/t HoS/ED admin post, which is currently vacant, to a temporary shared p/t ED admin post to end Q4 2011/12, and then lose post	(6,490)	(10,820)	(10,820)	(10,820)	(10,820)	
ELP-11/12-18	<u>Mobile Home Parks</u> Increase rents in line with inflation	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	
Total ELP Savings		(71,640)	(92,600)	(92,600)	(92,600)	(92,600)	0

<u>Savings Reference</u> (do not change)	<u>Saving and details</u>	Savings 2011/12 £	Savings 2012/13 £	Savings 2013/14 £	Savings 2014/15 £	Savings 2015/16 £	One off costs (Revenue) £
Finance							
Fin-11/12-1	<u>Revenues and Benefits</u> Restructure the revenues and benefits client team	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	
Fin-11/12-2	<u>Council Tax Leaflet</u> Utilise a new provider for the council tax leaflet		(4,900)	(4,900)	(4,900)	(4,900)	
Fin-11/12-3	<u>Council Tax Discounts</u> Undertake council tax discount reviews biannually (currently annually)	(3,280)	(3,280)	(3,280)	(3,280)	(3,280)	
Fin-11/12-4	<u>Audit</u> Reduce auditors from four to three	(12,000)	(18,000)	(18,000)	(18,000)	(18,000)	
Fin-11/12-5	<u>Audit</u> Audit manager working 4 days a week	(4,600)	(4,600)	(4,600)	(4,600)	(4,600)	
Fin-11/12-6	<u>Reduce the number of principal accountants by 0.5 fte - compulsory redundancy</u> Remove 0.5 fte principal accountants on the assumption that the number of HoS and service areas will fall from 8 to 7.	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	41,380
Fin-11/12-7 (FftF)	<u>Finance FftF Target Savings</u> There is a target for Finance service to make £75,000 from 12/13 onwards (total is £150k joint with South).		(75,000)	(75,000)	(75,000)	(75,000)	
Finance Total Savings		(42,380)	(128,280)	(128,280)	(128,280)	(128,280)	41,380

<u>Savings Reference</u> (do not change)	<u>Saving and details</u>	Savings 2011/12 £	Savings 2012/13 £	Savings 2013/14 £	Savings 2014/15 £	Savings 2015/16 £	One off costs (Revenue) £
Housing & Health							
H&H-11/12-1	<u>Supplies and Services</u> Permanently give up some of the supplies and services budget cut as a one off this year	(3,730)	(3,730)	(3,730)	(3,730)	(3,730)	
H&H-11/12-2	<u>Subsistence</u> Permanently give up some of the subsistence budget cut as a one-off this year	(2,110)	(2,110)	(2,110)	(2,110)	(2,110)	
H&H-11/12-4	<u>Choice Based Lettings</u> Reduce net costs to council	(23,500)	(23,500)	(23,500)	(23,500)	(23,500)	
H&H-11/12-5	<u>Pest Control</u> Cease all pest control activities and remove the budget head, leaving a 5,000 residual budget to pay for extreme cases of hardship	(24,760)	(24,760)	(24,760)	(24,760)	(24,760)	57,000
H&H-11/12-6	<u>Water Supply Charges</u> Implement regime of statutory water supply charges	(2,600)	(2,600)	(2,600)	(2,600)	(2,600)	
H&H-11/12-7	<u>Temporary accommodation</u> Increase the rents for vale owned temporary accommodation to the LHA rates	(49,500)	(49,500)	(49,500)	(49,500)	(49,500)	
H&H-11/12-8 (FftF)	<u>Management</u> Appoint a single shared service manager	(14,500)	(29,000)	(29,000)	(29,000)	(29,000)	
H&H-11/12-9 (FftF)	<u>Joint Lettings Team</u> Process savings from joint lettings team	(7,500)	(11,000)	(11,000)	(11,000)	(11,000)	
H&H-11/12-10 (FftF)	<u>Housing Applications</u> Process savings from introduction of on line applications	(10,000)	(20,000)	(30,000)	(30,000)	(30,000)	
H&H-11/12-11 (FftF)	<u>Housing Advice</u> Process savings from development of on line web based advice service		(11,000)	(22,000)	(22,000)	(22,000)	
Housing and Health Savings		(138,200)	(177,200)	(198,200)	(198,200)	(198,200)	57,000

<u>Savings Reference</u> (do not change)	<u>Saving and details</u>	Savings 2011/12 £	Savings 2012/13 £	Savings 2013/14 £	Savings 2014/15 £	Savings 2015/16 £	One off costs (Revenue) £
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HR, IT and Customer Services

HIC-11/12-1	<u>Recruitment</u> Volume of recruitment is low at present and recruitment advertising is now primarily on line rather than in printed journals	(15,550)	(15,550)	(15,550)	(15,550)	(15,550)	
HIC-11/12-2	<u>Allowances</u> Stop paying relocation allowances, or absorb within service team budgets	(13,450)	(13,450)	(13,450)	(13,450)	(13,450)	
HIC-11/12-3	<u>Use new cash receipting system</u>	(8,900)	(8,900)	(8,900)	(8,900)	(8,900)	
HIC-11/12-4	<u>Cash Collection Service</u> Reduce budget for cash collection service to reflect current costs	(6,500)	(6,500)	(6,500)	(6,500)	(6,500)	
HIC-11/12-5	<u>Mapping Services</u> Ordnance Survey mapping services agreement has come to an end. Should be provided free of charge in the future	(14,000)	(14,000)	(14,000)	(14,000)	(14,000)	
HIC-11/12-6	<u>Out of Hours Service</u> Expected reduced costs to out of hours service from new provider	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	
HIC-11/12-7	<u>Bank Charges</u> Smaller budget required for bank charges now that we are applying a surcharge to credit card transactions	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	
HIC-11/12-8	<u>HR Assistant</u> Delete one HR assistant post from mid way through 2012/13 once harmonisation of HR processes is complete.		(6,000)	(6,000)	(6,000)	(6,000)	
HIC-11/12-10	<u>Delete one IT support role.</u> Once we have harmonised systems I expect savings in IT support to be achievable without severe impact on service.				(13,000)	(13,000)	40,000

<u>Savings Reference</u> (do not change)	<u>Saving and details</u>	Savings 2011/12 £	Savings 2012/13 £	Savings 2013/14 £	Savings 2014/15 £	Savings 2015/16 £	One off costs (Revenue) £
HIC-11/12-11	<u>Implement a shared data management team.</u> At present the two councils have separate teams responsible for maintenance of property data in gazetteers and geographic information systems. Once the systems are harmonised it should be possible to bring the teams together under a single manager.			(23,000)	(23,000)	(23,000)	50,000
HIC-11/12-13	<u>Supplies and Services</u> Reduced expenditure on supplies and services after bringing IT systems together. Should have little impact on service provision.		(30,000)	(30,000)	(30,000)	(30,000)	
HIC-11/12-15 (FftF)	<u>Abingdon LSP</u> Reduce use of CRM	(17,010)	(17,010)	(17,010)	(17,010)	(17,010)	
HIC-11/12-16 (FftF)	<u>Abingdon LSP</u> Reduce management	(23,600)	(47,200)	(47,200)	(47,200)	(47,200)	40,000
HIC-11/12-17 (FftF)	<u>Abingdon LSP</u> Switchboard and benefits	(36,670)	(73,340)	(73,340)	(73,340)	(73,340)	82,270
Total HR/IT Savings		(139,680)	(235,950)	(258,950)	(271,950)	(271,950)	212,270

<u>Savings Reference</u> (do not change)	<u>Saving and details</u>	Savings 2011/12 £	Savings 2012/13 £	Savings 2013/14 £	Savings 2014/15 £	Savings 2015/16 £	One off costs (Revenue) £
Legal and Democratic Services							
LDS-11/12-1	<u>Meetings Allowances</u> Adjustments to catering and meeting allowances budgets reflecting changed circumstances	(2,650)	(2,650)	(2,650)	(2,650)	(2,650)	
LDS-11/12-2	<u>Reduction in postage and consumables costs</u>	(2,800)	(2,800)	(2,800)	(2,800)	(2,800)	
LDS-11/12-3	<u>Maintenance of fax and consumables for members services</u>	(550)	(550)	(550)	(550)	(550)	
LDS-11/12-4	<u>Reduction in subscriptions and publications budgets for legal team</u>	(2,560)	(2,560)	(2,560)	(2,560)	(2,560)	
LDS-11/12-5	<u>Council Meetings</u> Stop providing tea and coffee at council/executive/committee meetings	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	
LDS-11/12-7	<u>Canvassing</u> Reduction in budget for canvassers - ongoing saving	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	0
LDS-11/12-8	<u>Allowances</u> Reduction in travel allowance based on 2009/10 actual spend - ongoing saving	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	0
LDS-11/12-9	<u>Dependent allowance</u> Dependent allowance no longer being claimed - ongoing saving	(2,290)	(2,290)	(2,290)	(2,290)	(2,290)	0
LDS-11/12-10	<u>Executive Members</u> Reduce by one the number of executive members	(8,300)	(8,300)	(8,300)	(8,300)	(8,300)	
LDS-11/12-11 (FftF)	<u>Legal: litigation and enforcement</u> Staff Reductions	(28,000)	(51,000)	(51,000)	(51,000)	(51,000)	
LDS-11/12-12 (FftF)	<u>Legal: litigation and enforcement</u> Reduction in use of consultants	(9,600)	(9,600)	(9,600)	(9,600)	(9,600)	
LDS-11/12-13 (FftF)	<u>Local Land Charges</u> Charging for Official Searches	(27,600)	(27,600)	(27,600)	(27,600)	(27,600)	
Total Legal/Democratic		(92,350)	(115,350)	(115,350)	(115,350)	(115,350)	0

<u>Savings Reference</u> (do not change)	<u>Saving and details</u>	Savings 2011/12 £	Savings 2012/13 £	Savings 2013/14 £	Savings 2014/15 £	Savings 2015/16 £	One off costs (Revenue) £
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Planning

Plan-11/12-1	<u>Pre-application advice</u> Charge customers for pre-application advice (letter) on householder applications		(10,000)	(10,000)	(10,000)	(10,000)	
Plan-11/12-2	<u>On-line planning</u> Discount online planning submissions once IT systems in place, reduced scanning, postage				(5,000)	(5,000)	
Plan-11/12-4	<u>Advertising Costs</u> Advertise stat apps in press 1xfortnight = reduced linage-sml saving	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	
Plan-11/12-5 (FftF)	<u>Development Management</u> Reduce Staffing levels/costs	(18,200)	(146,270)	(146,270)	(146,270)	(146,270)	70,000
Plan-11/12-6 (FftF)	<u>Landscaping</u> Reduce Staffing Levels/Costs	(4,080)	(4,080)	(4,080)	(4,080)	(4,080)	
Total Planning savings		(27,280)	(165,350)	(165,350)	(170,350)	(170,350)	70,000
Total proposed savings		(710,450)	(1,213,820)	(1,257,820)	(1,290,820)	(1,290,820)	383,850

new cost centre	officer resp.		exp. to 31.3.10	original budget 2010/11	revised 2010-11 inc cfwd	actual at end Sept 10	expected spend in 2010/11	proposed 2011/12	proposed 2012/13	proposed 2013/14	proposed 2014/15	proposed 2015/16	estimated total cost currently	proposed estimated total cost	F/Y Rev. cost once complete
	key		£	£	£	£	£	£	£	£	£	£	£	£	£
		specific projects	whole project cost												
YA02	PD	Sewage works	70,523	30,000	30,000			30,000					100,523	100,523	
YA04	KC	Mobile Home Parks - Base replacement	71,955	11,000	12,864	7,658	8,800	15,000	11,000	11,000			117,819	117,755	
YA05	KC	M H P - Junct. box replacement	56,405	11,000	27,000	1,639	6,000	31,000	11,000	11,000			116,405	115,405	
YA07	IRM	Great Coxwell Church Wall	1,732	19,200	19,200			19,200					20,932	20,932	
YA17	WB	Replacement wall in Abbey Grounds	53,240				800						54,000	54,040	
YA18	WB	Development of additional plots at Mobile Home Park	8,920	800,000	800,000			840,000					808,900	848,920	(9,000)
YA19	WB	Replacement hot water boilers in Abbey House	13,851	1,000	1,000		1,000						14,851	14,851	
YA20	PD	Revetment works at rivers Ock and Thames	22,058	53,000	53,000	556	53,000						75,058	75,058	
YA21	WB	Refurbishment of offices Abbey House			15,000		15,000						15,000	15,000	
YC06	AW	Pitches, pathways etc at Mably Way Grove VWH cont.	90,519		12,269		12,269						102,788	102,788	3,500
YC15	AB	Public Arts projects funded by contributions	150,667	100,000	100,000	36,051	100,000						250,667	250,667	
YC17	IRM	Water feature in Manor Park, Wantage.	149,923	3,200	122		122						150,045	150,045	
YC21	CW	Faringdon LC replacement air handling units	67,719		2,281		2,281						70,000	70,000	
YC23	IRM	Purchase bins for new waste contract		2,146,521	2,146,521	2,159,422	2,159,422						2,146,521	2,159,422	(195,955)
YC23	IRM	Additional wheeled bins for new properties		24,400	24,400		11,400	47,200	47,200	47,200	47,200	47,200	247,400	247,400	varies
YC24	KA	Maintain building fabric - property facilities		200,000	185,000		185,000	200,000	200,000				585,000	585,000	50,000
YD05	LB	Interactive forms on website		30,000	30,000		30,000						30,000	30,000	6,000
YD06	LB	Replace existing PCs across council		18,750	37,500		37,500						37,500	37,500	
YD08	WB	Business support unit - industrial printer		13,000	13,000								13,000		
YF04	WJ	Capita computer equipment	501,032	78,278	78,278		78,278	27,397	2,609				609,316	609,316	(104,540)
	BW	IFRS compliant asset accounting software			20,000		20,000						20,000	20,000	4,000
YH01	HN	Support development of Social Housing	793,808	206,190	206,190	115,500	124,500	81,700					1,000,000	1,000,008	
YH12	LH	CCTV capital works	74,537	62,780	75,460	2,625	2,625	72,800					150,000	149,962	
YH14	LS	Enhanced choice-based lettings inc. Oxon wide	10,648		1,480		1,480						12,128	12,128	11,860
YH15	ST	Climate change investment fund	8,829	75,000	141,171		141,171	50,000					200,000	200,000	(16,175)
YP01	GAM	ABITS implementation	74,524	160,880	190,880	20,000	20,000	170,880					265,400	265,404	
YP02	MT	Southern Central Oxfordshire Transport Study	13,600	30,000	30,000		30,000						43,600	43,600	
YP03	SM	Rural Towns Initiatives	123,423	100,000	100,000								223,423	123,423	
YP05	MG	Electronic delivery of planning service	77,582		22,421		22,421						100,000	100,003	
YP06	AW	New paths/cycleways	3,029	71,500	76,500		76,500						79,529	79,529	
YP11	SM	Cont. to Abingdon Museum access and refurbishment		150,000	150,000			150,000	150,000				300,000	300,000	
YP12	RA	Online payment for planning applications		10,000	10,000			10,000					10,000	10,000	
YP13	RA	Electronic consultation on planning applications		8,000	8,000		8,000						8,000	8,000	(1,000)
total specific schemes			2,438,524	4,413,699	4,619,537	2,343,451	3,166,769	1,725,977	421,809	69,200	47,200	47,200	7,977,805	7,916,679	(251,310)
continuous schemes			1 year only				5 years from 2010-11 only								
YA01	PD	Flood Prevention	16,910	313,650	319,140	12,534	180,000	142,340	105,000				469,140	427,340	
YC03	IRM	New & upgraded parks facilities	77,771	15,000	34,400		34,400	15,000	15,000	15,000	15,000	15,000	94,400	94,400	
YH05	PH	Renovation/Disabled Grants, mandatory	890,009	850,000	850,000	502,249	850,000	850,000	850,000	850,000	850,000	850,000	4,250,000	4,250,000	
YH06-09	PH	Renovation/Disabled Grants, discretionary	60,737	90,000	188,163	16,418	188,000	90,000	90,000	90,000	90,000	90,000	548,000	548,000	
total continuous schemes			1,045,427	1,268,650	1,391,703	531,201	1,252,400	1,097,340	1,060,000	955,000	955,000	955,000	5,361,540	5,319,740	

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new cost centre	officer resp.		exp. to 31.3.10	original budget 2010/11	revised 2010-11 inc cfwd	actual at end Sept 10	expected spend in 2010/11	proposed 2011/12	proposed 2012/13	proposed 2013/14	proposed 2014/15	proposed 2015/16	estimated total cost currently	proposed estimated total cost	F/Y Rev. cost once complete
	key		£	£	£	£	£	£	£	£	£	£	£	£	£
		Proposed schemes													
		Specific Capital bids 2010-11 per schedule						628,600	193,200	673,500	88,800			1,584,100	
		ATC re Guildhall						1,200,000						1,200,000	
		WTC re Wantage Manor Park						525,000						525,000	
		West Way shopping centre refurbishment								1,000,000	500,000			1,500,000	
		proposed new schemes from 2010-11						2,353,600	193,200	1,673,500	588,800			4,809,100	
TOTAL CAPITAL PROGRAMME			3,483,951	5,682,349	6,011,240	2,874,652	4,419,169	5,176,917	1,675,009	2,697,700	1,591,000	1,002,200	13,339,345	18,045,519	(251,310)
		Proposed funding													
YA01	PD	Flood prevention, Environment Agency grant	(10,650)	(151,800)	(155,650)	(4,988)	(114,500)		(60,000)				(226,300)	(226,300)	
YC03	IRM	Upgraded parks - contributions	(70,880)		(1,250)		(1,250)						(50,000)	(72,130)	
YC06	AW	Pitches, pathways at Mably Way Grove grant rec'd	(20,781)		(12,269)		(12,269)						(33,050)	(33,050)	
YC15	AB	Public Arts projects funded by contributions	(150,667)	(100,000)	(100,000)	(36,050)	(100,000)						(250,000)	(250,667)	
YH05	PH	Gov't subsidy to Disabled Facilities Grant, existing	(533,550)	(510,000)	(510,000)	(502,249)	(510,000)	(510,000)	(510,000)	(510,000)	(510,000)	(510,000)	(2,573,550)	(2,573,550)	
YP05	MG	Electronic delivery of planning service PDG	(77,582)		(22,421)		(22,421)						(100,000)	(100,003)	
YP06	AW	Cyclepath Willow walk. Contribution from developer	(2,000)	(43,000)	(48,000)		(48,000)						(50,000)	(50,000)	
		Balance from capital receipts	(2,617,841)	(4,877,549)	(5,161,650)	(2,331,365)	(3,610,729)	(4,666,917)	(1,105,009)	(2,187,700)	(1,081,000)	(492,200)	(10,056,445)	(14,739,819)	
		Capital receipt b/f from previous year		9,446,500	9,776,491	9,776,491	9,776,491	8,199,262	4,532,345	8,577,336	7,389,636	8,008,636			
		projected increase in capital receipts in year		2,825,000	2,825,000	2,033,500	2,033,500	1,000,000	5,150,000	1,000,000	1,700,000				
		Capital receipt balance to c/f		7,393,951	7,439,841	9,478,626	8,199,262	4,532,345	8,577,336	7,389,636	8,008,636	7,516,436			

Capital Bids - 2011/12 to 2014/15

			2011/12	2012/13	2013/14	2014/15	total
			£	£	£	£	£
New proposals for February 2011							
ECONOMY, LEISURE & PROPERTY							
ELP1	Grant to Wantage Town Council towards market place refurbishment	Wantage Town Council has a £1m scheme to refurbish market place and change layout. Have asked for £250k.	250,000				250,000
ELP2	Grant to Vale & Downland Museum for capital works	Existing archive store, library, kitchen and disabled access in adjoining leased building will be lost and needs replacing urgently.	90,000				90,000
HEALTH and HOUSING							
HH1	IT for mobile working for EH	4 handheld units for EP and Food Safety staff investigating complaints or inspecting.	12,000				12,000
HH2	Online housing applications	Joint project to install software to handle online applications for housing register	20,000				20,000
HH3	2 noise nuisance recorders	2 noise nuisance recorders to replace current obsolete equipment	8,600				8,600
HH4	Growth bid for disabled facilities grants	To meet increasing demand until steps taken to reduce kick in. Also use £40k of disc grant budget	110,000	110,000	110,000		330,000
HR, IT and CUSTOMER							
HIC1	IT infrastructure investment	Capital elements relating to infrastructure identified in joint IT strategy for Vale	65,000	40,000	145,000	70,000	320,000
HIC2	IT applications investment	Capital elements relating to applications identified in joint IT strategy for Vale	5,000	25,000			30,000
PLANNING							
P2	Planning workflow software	Purchase enterprise software for workflow monitoring	10,000				10,000
P3	Computerising property planning history	Creating electronic database and mapping from historical planning records	18,000	18,200	18,500	18,800	73,500
P4	Computerising planning and enforcement history	Convert planning and enforcement history records in various forms so available electronically	30,000				30,000
P5	Capture planning constraints data	Capture and convert planning constraints data held in various forms so available electronically.	10,000				10,000
The following is flagging up a future bid.							
ECONOMY, LEISURE & PROPERTY							
ELP3	Leisure facilities essential refurbishment - link to YC24	To maintain the building fabric of the property portfolio. (Additional to current programme of £200k in each of 2010-11, 2011-12 and 2012-13)			400,000		400,000

Prudential Indicators for Capital

- 1 This appendix sets out the capital prudential indicators which should be considered by the Council when setting its budget. The Council also has to set indicators in relation to Treasury Management and these are included in the Treasury Management Strategy which is on the agenda under references from the Executive.

Capital expenditure plans

- 2 The Council is required to estimate the capital expenditure that it plans to incur in 2011/12 and the following two financial years. It should also approve the actual expenditure in 2009-10 and revised expenditure in 2010-11. The forecast figures are taken from the proposed capital programme for 2010-11 included at Appendix A(ii) or the 2009/10 Statement of Accounts for the actuals.
- 3 In considering its programme for capital investment, the Council is required within the Prudential Code to have regard to:
- Affordability, e.g. implications for Council Tax
 - 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 authority
 - Practicality, e.g. achievability of the proposed programme

Capital programme

all amounts £'000	actual 2009/10	revised 2010/11	proposed 2011/12	proposed 2012/13	proposed 2013/14
agreed/proposed capital programme (limit)	2,192	4,419	5,177	1,675	2,698
Funded from:					
gov't and other grants	636	647	510	570	510
contributions	142	161			
capital receipts	1,414	3,611	4,667	1,105	2,188

Ratio of financing costs to net revenue stream.

- 4 The code defines financing cost as the net result of interest paid and received and is intended to show how much of the revenue expenditure is servicing debt. In this authority it will amount to interest received and will be negative. The figure shown as "net revenue stream" is the budget requirement as in the MTFP (Appendix 2). The higher the ratio, the greater the contribution of interest to the net cost of services. This figure is not very meaningful in isolation and does not allow for the fact that an interest producing asset (cash) may have been swapped for a non-interest producing asset (property) which produces income as rents received.

all amounts £'000	actual 2009/10	original budget 2010/11	proposed 2011/12	proposed 2012/13	proposed 2013/14
financing costs	(347)	(372)	(670)	(994)	(1,213)
net revenue stream	12,461	11,393	10,724	10,417	10,201
ratio of financing costs to net revenue stream	(2.8%)	(3.3%)	(6.2%)	(9.5%)	(11.9%)

Capital Financing Requirement (the council's borrowing requirement)

- 5 This is designed to measure the authority's underlying need to borrow, or finance by other long-term liabilities, capital expenditure. It is not a straightforward concept especially in a debt-free authority since it is designed to show that medium term net borrowing will only be for a capital purpose. Borrowing may not necessarily take place externally but the authority may be, in effect, lending to itself. Net borrowing should not, except in the short term, exceed the total of the preceding year's capital financing requirement plus the estimate of any additional capital requirement. Any increased cost of borrowing would fall on the council tax.
- 6 This authority does not intend to borrow to fund its capital programme. There are operational and authorised limits for borrowing in the Treasury Management Strategy for approval but these are for use in the very short term to cover a temporary cash shortage should one arise.
- 7 At the end of March 2010 the council's CFR was (£23,000). This is as expected – a need to borrow would be a positive figure. This is not expected to change.

The use of the Council's resources and the investment position

- 8 The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or support the revenue budget will have an impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year-end balances for each resource and anticipated cash flow balances.

Year End Resources All amounts £'000	2010/11 original	2010/11 revised	2011/12 estimate	2012/13 estimate	2013/14 estimate
Capital receipts	7,394	8,199	4,520	8,550	7,360
Funds and reserves	1,162	2,928	2,840	3,120	2,920
Total Core Funds	8,556	11,127	7,360	11,670	10,280
Working Capital*	7,049	1,668	2,560	2,900	3,690
Expected Investments	15,605	12,795	9,920	14,570	13,970

*Working capital balances are estimated at year end and will be higher during the year.

Effect on council tax

- 9 Estimates of the incremental impact of the capital expenditure proposed in this report compared to the council's existing approved commitments and current plans are:
addition (reduction) to band D council tax

Amounts £.p	2011/12	2012/13	2013/14
loss of interest on funds held	0.43	1.27	2.08
estimated revenue consequences of new schemes in each year.	0	0.03	0.03
net effect of new schemes	0.43	1.30	2.11

These figures reflect the predicted net loss of interest on the funds used for new capital expenditure and the revenue costs or savings that would result directly from the schemes.

VALE OF WHITE HORSE DISTRICT COUNCIL

Appendix 8

Formal Resolution under Section 30 of the Local Government Finance Act 1992 - Setting of Council Tax 2011/2012

1. That, having at its meeting on 23rd February 2011 calculated the basic amounts of tax for district council, town council and parish council purposes in accordance with Sections 33 and 34 of the Local Government Finance Act 1992, the Council notes that the following precepts have been issued to this authority in accordance with Section 40 of the Local Government Finance Act 1992

	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
Oxfordshire County Council	774.47	903.55	1,032.63	1,161.71	1,419.87	1,678.03	1,936.18	2,323.42
Thames Valley Police Authority	102.87	120.01	137.16	154.30	188.59	222.88	257.17	308.60
Vale of White Horse District	77.79	90.76	103.72	116.69	142.62	168.55	194.48	233.38
Total	955.13	1,114.32	1,273.51	1,432.70	1,751.08	2,069.46	2,387.83	2,865.40

and hereby sets the following amounts of Council Tax for the year 2011/2012 for each of the categories of dwellings shown below:

PARISH NAME	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
Abingdon	1,025.80	1,196.77	1,367.74	1,538.71	1,880.65	2,222.59	2,564.51	3,077.42
Appleford on Thames	983.64	1,147.59	1,311.53	1,475.47	1,803.35	2,131.24	2,459.11	2,950.94
Appleton with Eaton	979.26	1,142.47	1,305.68	1,468.89	1,795.31	2,121.73	2,448.15	2,937.78
Ardington and Lockinge	974.08	1,136.43	1,298.78	1,461.13	1,785.83	2,110.53	2,435.21	2,922.26
Ashbury	964.32	1,125.04	1,285.76	1,446.48	1,767.92	2,089.36	2,410.80	2,892.96
Baulking	956.58	1,116.01	1,275.44	1,434.87	1,753.73	2,072.59	2,391.45	2,869.74
Besselsleigh	958.64	1,118.41	1,278.19	1,437.96	1,757.51	2,077.06	2,396.60	2,875.92
Blewbury	993.01	1,158.51	1,324.02	1,489.52	1,820.53	2,151.53	2,482.53	2,979.04
Bourton	969.87	1,131.52	1,293.16	1,454.81	1,778.10	2,101.40	2,424.68	2,909.62
Buckland	970.38	1,132.12	1,293.85	1,455.58	1,779.04	2,102.51	2,425.96	2,911.16
Buscot	967.45	1,128.69	1,289.94	1,451.18	1,773.67	2,096.15	2,418.63	2,902.36
Charney Bassett	972.72	1,134.85	1,296.97	1,459.09	1,783.33	2,107.58	2,431.81	2,918.18
Childrey	987.52	1,152.10	1,316.69	1,481.28	1,810.46	2,139.63	2,468.80	2,962.56
Chilton	976.94	1,139.77	1,302.59	1,465.42	1,791.07	2,116.72	2,442.36	2,930.84
Coleshill	962.79	1,123.26	1,283.72	1,444.19	1,765.12	2,086.06	2,406.98	2,888.38
Compton Beauchamp	955.13	1,114.32	1,273.51	1,432.70	1,751.08	2,069.46	2,387.83	2,865.40
Cumnor	976.01	1,138.68	1,301.35	1,464.02	1,789.36	2,114.70	2,440.03	2,928.04
Denchworth	955.13	1,114.32	1,273.51	1,432.70	1,751.08	2,069.46	2,387.83	2,865.40
Drayton	977.64	1,140.58	1,303.52	1,466.46	1,792.34	2,118.22	2,444.10	2,932.92
East Challow	1,003.40	1,170.64	1,337.87	1,505.11	1,839.58	2,174.05	2,508.51	3,010.22
East Hanney	955.13	1,114.32	1,273.51	1,432.70	1,751.08	2,069.46	2,387.83	2,865.40
East Hendred	987.12	1,151.64	1,316.16	1,480.68	1,809.72	2,138.76	2,467.80	2,961.36
Eaton Hastings	955.13	1,114.32	1,273.51	1,432.70	1,751.08	2,069.46	2,387.83	2,865.40
Faringdon	1,022.99	1,193.49	1,363.99	1,534.49	1,875.49	2,216.49	2,557.48	3,068.98
Fernham	969.38	1,130.94	1,292.51	1,454.07	1,777.20	2,100.33	2,423.45	2,908.14
Fritford	983.38	1,147.27	1,311.17	1,475.07	1,802.87	2,130.66	2,458.45	2,950.14
Fyfield & Tubney	956.51	1,115.93	1,275.35	1,434.77	1,753.61	2,072.45	2,391.28	2,869.54
Garford	977.76	1,140.73	1,303.69	1,466.65	1,792.57	2,118.50	2,444.41	2,933.30
Goosey	955.13	1,114.32	1,273.51	1,432.70	1,751.08	2,069.46	2,387.83	2,865.40
Great Coxwell	968.76	1,130.23	1,291.69	1,453.15	1,776.07	2,099.00	2,421.91	2,906.30
Grove	1,015.38	1,184.62	1,353.85	1,523.08	1,861.54	2,200.01	2,538.46	3,046.16
Harwell	987.32	1,151.87	1,316.43	1,480.98	1,810.09	2,139.20	2,468.30	2,961.96
Hatford	956.22	1,115.59	1,274.96	1,434.33	1,753.07	2,071.81	2,390.55	2,868.66
Hinton Waldrist	965.59	1,126.52	1,287.46	1,448.39	1,770.26	2,092.12	2,413.98	2,896.78
Kennington	985.74	1,150.03	1,314.32	1,478.61	1,807.19	2,135.77	2,464.35	2,957.22
Kingston Bagpuize & Southmoor	969.99	1,131.66	1,293.32	1,454.99	1,778.32	2,101.66	2,424.98	2,909.98
Kingston Lisle	979.37	1,142.60	1,305.83	1,469.06	1,795.52	2,121.98	2,448.43	2,938.12
Letcombe Bassett	959.14	1,119.00	1,278.86	1,438.72	1,758.44	2,078.16	2,397.86	2,877.44
Letcombe Regis	986.00	1,150.33	1,314.67	1,479.00	1,807.67	2,136.34	2,465.00	2,958.00
Little Coxwell	965.55	1,126.48	1,287.40	1,448.33	1,770.18	2,092.04	2,413.88	2,896.66
Littleworth	957.45	1,117.03	1,276.60	1,436.18	1,755.33	2,074.49	2,393.63	2,872.36
Longcot	967.80	1,129.11	1,290.41	1,451.71	1,774.31	2,096.92	2,419.51	2,903.42
Longworth	971.74	1,133.69	1,295.65	1,457.61	1,781.53	2,105.44	2,429.35	2,915.22
Lyford	955.13	1,114.32	1,273.51	1,432.70	1,751.08	2,069.46	2,387.83	2,865.40
Marcham	988.88	1,153.70	1,318.51	1,483.33	1,812.96	2,142.59	2,472.21	2,966.66
Milton	982.36	1,146.08	1,309.81	1,473.54	1,801.00	2,128.45	2,455.90	2,947.08
North Hinksey	979.80	1,143.10	1,306.40	1,469.70	1,796.30	2,122.90	2,449.50	2,939.40
Pusey	956.11	1,115.46	1,274.82	1,434.17	1,752.88	2,071.58	2,390.28	2,868.34
Radley	991.60	1,156.86	1,322.13	1,487.40	1,817.94	2,148.47	2,479.00	2,974.80
Saint Helen Without	969.13	1,130.65	1,292.18	1,453.70	1,776.75	2,099.79	2,422.83	2,907.40
Shellingford	959.35	1,119.24	1,279.14	1,439.03	1,758.82	2,078.60	2,398.38	2,878.06
Shrivenham	988.70	1,153.48	1,318.27	1,483.05	1,812.62	2,142.19	2,471.75	2,966.10
South Hinksey	989.16	1,154.02	1,318.88	1,483.74	1,813.46	2,143.18	2,472.90	2,967.48
Sparsholt	972.82	1,134.95	1,297.09	1,459.23	1,783.51	2,107.78	2,432.05	2,918.46
Stanford in the Vale	970.42	1,132.16	1,293.90	1,455.64	1,779.12	2,102.60	2,426.06	2,911.28
Steventon	978.75	1,141.88	1,305.00	1,468.13	1,794.38	2,120.64	2,446.88	2,936.26
Sunningwell	980.46	1,143.87	1,307.28	1,470.69	1,797.51	2,124.33	2,451.15	2,941.38
Sutton Courtenay	985.70	1,149.99	1,314.27	1,478.56	1,807.13	2,135.70	2,464.26	2,957.12
Uffington	976.50	1,139.26	1,302.01	1,464.76	1,790.26	2,115.77	2,441.26	2,929.52
Upton	978.94	1,142.09	1,305.25	1,468.41	1,794.73	2,121.04	2,447.35	2,936.82
Wantage	980.40	1,143.81	1,307.21	1,470.61	1,797.41	2,124.22	2,451.01	2,941.22
Watchfield	975.53	1,138.12	1,300.71	1,463.30	1,788.48	2,113.66	2,438.83	2,926.60
West Challow	991.08	1,156.27	1,321.45	1,486.63	1,816.99	2,147.36	2,477.71	2,973.26
West Hanney	966.65	1,127.76	1,288.87	1,449.98	1,772.20	2,094.42	2,416.63	2,899.96
West Hendred	978.79	1,141.92	1,305.06	1,468.19	1,794.46	2,120.72	2,446.98	2,936.38
Woolstone	956.52	1,115.94	1,275.36	1,434.78	1,753.62	2,072.46	2,391.30	2,869.56
Wootton	975.66	1,138.27	1,300.88	1,463.49	1,788.71	2,113.93	2,439.15	2,926.98
Wytham	989.32	1,154.20	1,319.09	1,483.98	1,813.76	2,143.53	2,473.30	2,967.96

2. That the Council Tax will be payable by 10 monthly instalments in accordance with regulations made by the Secretary of State and the first instalment will be due on 1st April 2011.

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 (the strategic director and chief finance officer) 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 chief finance officer is mindful of other associated statutory safeguards designed to prevent the authority from over-committing itself financially:
 - 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 chief financial officer has personal responsibility for such administration
 - Section 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 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 chief accountant, the head of finance, and the council's management team.
6. Throughout the budget build process there have been regular meetings with and updates provided to the council's executive, and in particular the executive member for finance.

REVENUE BUDGET

7. The most significant costs within the revenue budget are:
 - staff salaries and related costs
 - payments under contracts for services
 - housing and council tax benefit 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 living increase set under the local pay agreement. 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, but rather than assume a level of expected vacancy savings, the council's policy is to budget at the 100% level in-year. Then, any vacancy savings will be identified during the budget monitoring process and any underspend would contribute to the level of General Fund balances at year end and may be used to support the revenue budgets in later years.
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 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 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 costs of housing and council tax benefits are largely met through government subsidy. The financial risk to the council should these costs increase significantly is small, because a very high percentage of the cost is met by the subsidy. The level of local authority benefit errors has caused a loss in subsidy in recent years which has so far been reimbursed by the financial services contractor. The risk of any cost falling on the council is mitigated by close contract management.
13. 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 bed and breakfast costs). Experience of demand in 2009/10 and so far in 2010/11 has been used to inform the 2011/12 budget.
14. 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.

15. As part of the budget setting process consideration has been given to new income streams to the council proposed by the government. These include:

- Council tax freeze grant;
- New Homes Bonus;
- Planning fees – full cost recovery

Whilst details regarding the council tax freeze grant have been clarified and, as such, funding from this income stream has been included in the budget, the situation on New Homes Bonus and planning fees is less clear as formal guidance has not been forthcoming. As a consequence, whilst it is possible to estimate income from New Homes Bonus, it has been considered prudent not to include this in either the budget for 2011/12 or the MTFP at this time. A prudent assumption has been made regarding additional planning fee income under the proposed freedom to recover costs. This means that there is some exposure to risk to the 2011/12 budget or medium term financial plan viability should the government alter its proposals – however this is considered acceptable in the light of known factors.

16. A number of revenue income streams are sensitive to changes in market conditions and therefore there will always be a risk that budgeted targets are not met. These include planning fees, building control fees, and land charge 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 made significant adjustments to reflect lower income projections due to the economic downturn. Further adjustments have been made for 2011/12 refining budgets in light of actual patterns.

17. 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

18. The council has a substantial investment portfolio which it relies upon to support the revenue cost of services. Therefore the council is extremely sensitive to changes in investment income. The continuing impact of the low interest rates, and the anticipated future slow rise, has been factored in to the MTFP reported as part of the budget setting report.

19. Investments have been diversified in accordance with the treasury management strategy, and the earnings assumptions in the budget are set prudently. This investment income is budgeted for and committed in the year it is earned. There is therefore some level of uncertainty about the amount available when the budgets are set, and consequently a prudent estimate has been made of future earnings.

REVENUE CONTINGENCY SUM & OVERALL REVENUE BUDGET

20. The base budget presented to scrutiny committee in January included a contingency sum of £224,720. This is considered a prudent amount to cover the inevitable uncertainty within the budget.

21. Because of the prudent approach to budgeting outlined above it is considered that the risk of overspending on the revenue budget is small. Should this occur then the council has adequate revenue reserves in the short term to cover such additional costs. Longer term pressures would mean the MTFP would have to be reviewed.
22. The revenue financial projections for future years included in the MTFP that forms part of the report to the executive shows budget pressures emerging across the next five years and beyond. This is as a result of the predicted reduction in central government funding, which has been estimated for 2013/14 – 2015/16 in the absence of anything more than a two year settlement. 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 until the MTFP can be reviewed. Furthermore, fit for the future savings and other invest-to-save schemes will help to combat reduced funding, but the council may still need to temporarily draw on its revenue balances to cover any funding deficit.

CAPITAL PROGRAMME

23. 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
24. For major projects the council engages skilled advisors to assist it. While these measures can reduce and manage risks, by their nature some capital schemes 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.
25. In the capital programme recommended to the executive, 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.
26. In estimating additional capital receipts a view has been taken of the income to be obtained from future asset disposals.
27. The council has a sufficient reserve to meet any potential capital programme overspends, although the programme shows the level of capital reserves temporarily dipping below the £5 million threshold. 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

28. In addition to the 2011/12 budget proposals, we have included a MTFP within the budget report. The plan sets out provisional revenue spending plans and the estimated use of reserves through to 2015/16.

BUDGET MONITORING

29. The council has a budget monitoring process for both its revenue budget and capital programme. System reports are produced monthly and considered by heads of service, the head of finance, management team and the executive member for finance. Formal reports are considered by executive quarterly.
30. The prudential code has also introduced a rigorous system of prudential indicators, which explicitly require 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.

RISK MANAGEMENT & INSURANCE

31. We adopted a risk management strategy in July 2005. Management Team 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 2010/11 and will review their risk management plans before finalising their 2011/12 service plans. In 2006 we worked with Garrison Security to prepare business continuity plans, which are now in place.
32. In addition to the various measures outlined above, certain financial risks are mitigated by the council's insurance arrangements which have just been reviewed as part of re-letting a contract for insurance services from April 2011.

Adequacy of Reserves

33. 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.
34. The council held £1,762,050 in its general fund as at 1 April 2010 and, over the term of the MTFP intends to maintain this at a level that is no less than approximately 5% of the annual budget requirement; 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.
35. Finally the council has unspent capital receipts of £9.78 million at 1 April 2010 which form the capital reserve

Conclusion

- 36. 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.
- 37. Overall, the level of reserves is adequate in relation to the proposed revenue budget and capital programme, the estimates are robust and the budgets are sustainable.

Steve Bishop (Strategic director and chief finance officer)

9 February 2011