

AGENDA ITEM NO. 11

CABINET

Date **15 DECEMBER 2011**

Title **DRAFT MEDIUM TERM FINANCIAL STRATEGY AND GENERAL FUND BUDGET 2012/13**

1. PURPOSE

To consider and approve

- the draft Medium Term Financial Strategy, General Fund Budget 2012/13 and Capital Programme 2012 – 2015 for consultation,
- the revised General Fund Budget and Capital Programme for 2011/12.

2. KEY ISSUES

- The outcome of the Local Government Finance Settlement has reduced the Council's Government Grant by £1.155m in 2012/13 (-14.2%), a cumulative reduction of 29.6% over two years.
- Significant savings of £1.179m are required over the next two years. Of this, the required amount for 2012/13 of £1.082m has been identified.
- For the period 2012/13 – 2015/16 savings of around £1.914m will be required, subject to the outcome of the Local Government Resource Review.
- The Local Government Resource Review will have a significant impact on the Council's future resources, from 2013/14 onwards. Consequently, forecasts for these years should be treated with caution.
- Revised estimates for 2011/12 are projecting a reduction of £100,000 in the use of balances (£200,000 originally estimated).
- An updated Capital Programme for 2011/12 and for the medium term 2012-15 is proposed.
- Given the scale of the challenges faced by the Council, the financial forecasts represent a considerable achievement and demonstrates the focus from Officers throughout the Council in delivering the required savings.
- The Council continues to focus on delivering quality services and to minimise the impact on front-line services.

3. RECOMMENDATIONS

It is recommended that :-

- (i) the draft budget proposals for 2012/13 outlined in this report be approved for Consultation;
- (ii) Cabinet consider the strategy for the Council Tax increase for 2012/13;
- (ii) the revised estimates for 2011/12 be approved;
- (iii) the revised capital programme be approved.

Wards Affected	All
Forward Plan Reference No. (if applicable)	
Portfolio Holder(s)	Cllr Alan Melton, Leader and Portfolio Holder, Policy and Resources Cllr John Clark, Portfolio Holder, Quality Organisation
Report Originator	Rob Bridge, Corporate Director and Chief Finance Officer Mark Saunders, Chief Accountant
Contact Officer(s)	Paul Medd, Chief Executive Rob Bridge, Corporate Director and Chief Finance Officer Mark Saunders, Chief Accountant
Background Paper(s)	Provisional grant settlement – Department for Communities and Local Government (DCLG). Medium Term Financial Forecasts working papers. Government announcements since February 2011.

1. INTRODUCTION

- 1.1 This report sets out the financial implications of the council's priorities described in the draft Corporate Plan 2012 – 2015. Revenue estimates are draft at this stage and along with the draft Corporate Plan will be subject to public and stakeholder consultation prior to final budget and council tax levels for 2012/13 being set in February 2012.
- 1.2 Much of the financial information provided is necessarily based on a number of assumptions which are wholly or partly influenced by external factors. Some of these factors, such as the final level of external grant support and the level of Government set fees, will not be known until later in the process and any amendments will be reported to Cabinet and Council at the February 2012 budget meeting.
- 1.3 In addition, the Comprehensive Spending Review 2010 (CSR10), the Local Government Finance Settlement for 2012/13, the Local Government Resource Review, the Autumn Statement 2011 and continuing economic climate means the Council needs to produce a robust strategy for the future to meet these challenges.
- 1.4 Members were presented with an update on the current financial position at their meeting on 29 September 2011. This report updates the assumptions and implications to this Council over the next few years with the latest information available.

2. GOVERNMENT ANNOUNCEMENTS SINCE FEBRUARY 2011

- 2.1 Since the 2011/12 budget was set in February 2011, the Coalition Government has announced numerous measures which will have a significant impact on the Council's finances over the next four years.
- 2.2 These are summarised as follows:
 - **Council Tax Freeze Grant for 2012/13.** The government will fund the equivalent of a 2.5% increase in council tax in 2012/13 (£187,000 for FDC). This is a one-off grant and will not be continued into future years. If the Council decides not to increase its council tax in 2012/13, this revenue will be lost from its base council tax income. This would have a cumulative effect of a loss of £607,000 of resources over the medium term period 2013/14 – 2015/16.
 - **Localising Support for Council Tax.** Council Tax Benefit (CTB) is off-set against Council Tax liability, reducing the amount vulnerable groups have to pay. The Government is proposing that CTB be localised from April 2013. This means that Councils would devise their own CTB scheme and apply it locally. At the same time, the Government is suggesting that the amount spent on CTB nationally would be reduced by 10% (a net reduction of around £800,000 per annum for Fenland) whilst at the same time Pensioners would be protected from any reductions and continue to receive it at existing levels.

- **Business Rates Retention.** Currently, NNDR is collected by the Council and paid into a national rate pool, which is then redistributed by the Government using a formula based on service needs and deprivation.

The key elements of the proposals are:

- An end to the annual grant settlement, the last being for 2012/13;
- No power for authorities to vary any aspect of the present arrangements as far as they affect businesses; in particular local authorities will have no power to vary the business rate poundage;
- A business rates target for every authority from 2013/14;
- Authorities collecting more in rates than they presently receive in Formula Grant (2012/13 grant less the CSR reductions for 2013/14 will be the starting point) will be required to pay a tariff to the Government;
- Authorities collecting less in rates than they presently receive in Formula Grant will receive a top-up grant from the Government;
- Authorities exceeding the business rates target in any year will keep some of the excess, the rest being levied to provide a safety net and for other purposes;
- Authorities failing to meet the business rates target will see a reduction in overall resources, which might be partly off-set by funding from the levy;
- Voluntary pooling arrangements to allow neighbouring authorities to smooth out volatility;
- Continuation of the 'central list'; exemptions from this scheme;
- Continuation of the existing set of reliefs and authority reimbursements for reliefs;
- A complete 'reset' every few years, possibly after ten years.

Part of the proposals relates to the future funding of the New Homes Bonus (NHB). This is partly funded by an increasing top-slicing of the Formula Grant settlement from 2012/13. Rather than make a fresh adjustment each year, the Government plans to top-slice enough from the business rates to cover the NHB immediately and return any spare funds to local government.

The end of Formula Grant from 2013/14 will mean that once the baseline figure for the Council has been set, there will be no consideration in the future of the deprivation factors which are part of the current grant system.

- **The Autumn Statement 2011.** On 29 November 2011, the government updated its spending forecasts over the original SR2010 period (to 2014/15) and announced indicative figures to 2016/17. Government finances have continued to deteriorate since the SR2010 announcement in October 2010 and they are now anticipating further significant reductions in spending in 2015/16 and 2016/17 in line with the reductions over the SR2010 period. Although it is unclear how these proposals interact with the Business Rates Retention scheme detailed above, there is a significant risk that government grant to local authorities could continue to reduce after the SR2010 period.

2.3 It is clear that the issues detailed above will have a significant impact on the medium term forecasts, particularly from 2013/14 onwards. These forecasts will be updated over the coming months, as and when relevant information becomes available. Cabinet will be kept fully informed of the potential impact on the Council as we progress through the budget setting process for 2012/13.

3. REVISED ESTIMATES 2011/12

- 3.1 As part of the budget setting process for 2011/12, approved by Council in February 2011, £1.753m of savings were required in order to achieve a balanced budget. Council agreed the use of £200,000 from the General Fund Reserve which required savings of £1.553 to be implemented during 2011/12.
- 3.2 As a result of the significant organisational changes carried out during the first half of this year, combined with the efficiency changes implemented in Leisure Services, Customer Access and Refuse Collection, it is anticipated that these required savings will be met. Given the size of savings required, this is a considerable achievement and demonstrates the focus from Cabinet and Officers in delivering a balanced budget. The savings identified to date have not significantly affected front-line services as the Council is determined to maintain the quality of these services during these difficult and challenging times.
- 3.3 In addition, as detailed in the report to Cabinet on 17 November 2011, the Council has received £100,000 from the residual LPSA grant administered by Cambridgeshire County Council, which off-sets part of the cost incurred by this Council in 2010/11.
- 3.4 The latest revised estimates for 2011/12 are set out at Appendix A for approval. The current estimate for net expenditure is £15.434m. This is £100,000 lower than originally estimated, and would result in there being a reduction in the use of balances in this year of £100,000. At the present time, Corporate Management Team, Senior Managers and the Accountancy Team are managing and monitoring the position carefully and will continue to review spending levels to minimise the actual use of balances at the year end..
- 3.5 Although income levels overall are projected to achieve what was estimated, there are variations between services. Employee costs are also projected to be lower than estimated.
- 3.6 The areas of income which are below the estimate, and expected to be at the year end are:-
- **Building Control Fees** – applications have shown little change over the last year
 - **Port – Commercial Shipping Income** – shipping levels are not achieving the modest increase forecast by the Port operators. However, the Marina continues to achieve target income. In addition, income from vessels engaged in the wind farm project has exceeded target and partly off-sets the reduction in commercial shipping income. Although this has had a positive effect for 2011/12, activity levels and hence income, relating to the wind farm will be less in future years.
 - **Leisure Centre Income** – income levels are forecast to be lower than estimated.
- 3.7 Although it is projected that there will be a reduction in use balances this year, the actual use will not be determined until the year end and the final position for 2011/12 is established. The General Fund Balance currently stands at £2.709m and is forecast to be £2.609m at the year end.

4. DRAFT BUDGET 2012/13 and MEDIUM TERM STRATEGY

Comprehensive Spending Review 2010 (CSR10)

4.1 CSR10 was announced on 20 October 2010 and detailed in broad terms the government's spending plans for the 4 year period 2011/12 – 2014/15. The spending review set out real term reductions of 28% in local authority formula grant funding over the four years. This compared with overall reductions of 8.3% across all departmental budgets. Local authority formula grant funding from CLG falls from £28.0bn in 2010/11 to:

- £25.0bn in 2011/12 (-10.7%)
- £23.4bn in 2012/13 (-6.4%)
- £23.2bn in 2013/14 (-0.8%)
- £21.9bn in 2014/15 (-5.6%)

4.2 Local government has had some of the biggest reductions in the public sector. The grant reduction is more than 7% per annum in real terms, and significantly front-loaded. In addition certain service areas which are seen as a priority for government eg. Education and Social Services have not been subject to the same large reductions. Therefore lower-tier authorities (district councils) have suffered proportionally larger reductions in formula grant than upper-tier authorities (counties and unitaries)

Provisional Government Grant 2012/13

4.3 The provisional Local Government Finance Settlement was announced by the government on 8 December 2011. Figures for 2013/14 and 2014/15 will be subject to the outcome of the Local Government Resource Review.

4.4 The Council's provisional grant settlement is set out below in Table 1.

Table 1 - Provisional Grant Settlement

	Actual 2010/11 £000	Adjusted 2010/11 £000	Actual 2011/12 £000	2011/12 % Reduction	Provisional 2012/13 £000	2012/13 % Reduction
Government Grant	9,622	9,622				
Concessionary Fares & Other Adjustments		-340				
Total Formula Grant	9,622	9,282	7,964	-14.2%	6,960	-12.2%
Area Based Grant	642	606	0			
Transition Grant	0	0	151			
Total Government Grant	10,264	9,888	8,115	-17.9%	6,960	-14.2%

The cumulative reduction in government grant over the next two years of 29.6% is greater than anticipated for the whole spending review period (2011/12 – 2014/15) and far exceeds the implied reductions in the CSR10 announcements. This implied a cumulative reduction of 16.4% over the next two years and 21.8% over the spending review period.

- 4.5 The provisional 2012/13 grant settlement has, as in previous years incorporated a ‘floor damping’ mechanism which limits an authority’s grant reduction. Authorities above the floor have their grant “scaled back” to pay for the “floor” in the grant settlement. The ‘floor damping’ methodology has for the first time divided District Councils into four bands according to the extent to which they rely on formula grant to finance their budget requirement in 2010/11. A different floor has been set for each band as follows:

Band 1 (Authorities most dependent on formula grant)	-11.2%
Band 2	-12.2%
Band 3	-13.2%
Band 4 (Authorities least dependent on formula grant)	-14.2%

This Council is in Band 2. 106 district councils have had their grant scaled back to pay for authorities on the “floor” for grant. There are 95 district councils at the “floor” including Fenland. For Fenland District Council this amounted to £446,100 added to our grant in 2011/12. For 2012/13 this amounts to £192,515.

- 4.6 The reductions and the amounts that the Government has “added back” to our grant are shown in Table 2.

Table 2 – Provisional Grant Settlement over 2 year Period

Revenue Government Grant Support	£000	% Reduction	Floor Increase £
2011/12	7,964	-14.2	446,100
2012/13	6,960	-12.2	192,515

The figure for 2012/13 will be confirmed in January 2012 prior to the final budget report but is not expected to change.

- 4.7 The figures detailed in the above tables are different from the headline announcements by the government. For 2011/12 and 2012/13, the government has introduced the concept of ‘Revenue Spending Power’ in an attempt to soften the reality of the significant reductions in government grant to local authorities. According to the government, no Council will see their Revenue Spending Power reduce by more than 8.8% in both years.

- 4.8 Revenue Spending Power is defined by the government as the aggregate of Formula Grant, other Specific Government Grants (eg. Transitional Grant, Homelessness etc) and Council Tax Requirement (FDC's and Parish Precepts). For 2012/13 this has been estimated by the government as £15.771m compared to £14.652m in 2011/12 (adjusted to allow a like-for-like comparison). Although this is a 7.1% reduction, the methodology does not show significant reductions in government grant as detailed above (para 4.4).

Medium Term Financial Strategy

- 4.9 The Council's Medium Term Financial Strategy (MTFS) ensures that the commitments made in the Corporate Plan are funded not only in the year for which the formal approval of the budget is required (2012/13) but for forecast years as well, within a reasonable level of tolerance.
- 4.10 Table 3 sets out the provisional forecast resources of the Council over the medium term. A decision regarding the final Council Tax level for 2012/13 does not need to be taken until February 2012 when further information regarding the uptake by Authorities of the one year freeze grant for 2012/13 can be assessed in conjunction with the proposed Council Tax referendum increase limit of 3.5% (see paras 4.22-4.24 below). In addition, forecast income and expenditure levels will also be updated.
- 4.11 For the purposes of this report, Council Tax resources for 2012/13 have been increased by the equivalent of a 2.5% increase which could either result from an increase in Council Tax or the take-up of the forecast one year freeze grant. An indicative increase of 2.5% from that point onwards has also been included.

Table 3 – Medium Term Forecast

Item	Draft 2012/13 £000	Subject to Resource Review		
		Forecast 2013/14 £000	Forecast 2014/15 £000	Forecast 2015/16 £000
Resources (Income)				
Government Grant	6,960	6,901	6,514	6,514
Council Tax (provisional)	7,650	7,756	8,069	8,395
Council Tax freeze Grant (2011/12 – 2014/15)	186	186	186	0
Total Resources	14,796	14,843	14,769	14,909
Forecast Net Expenditure	15,878	16,022	16,373	16,823
Savings identified 2012/13	-1,082	-1,082	-1,082	-1,082
Funding Gap – In Year	0	97	425	311
Cumulative Funding Gap		97	522	832
Forecast General Fund Balance	2,609	2,609	2,609	2,609

- 4.12 The level of net expenditure for 2012/13 is currently estimated to be £15,877,900 before any additional savings are included. This includes the assumptions detailed at para. 4.19 below.

- 4.13 Clearly the forecasts show a substantial gap and identify the need for significant savings to be identified to achieve a balanced budget, including a robust strategy on the use of balances. Over the next four years it is forecast that £1.914m of savings are required for a balanced budget without any further use of balances. To date, all of the £1.082m savings required for 2012/13 has been identified. It is proposed that the remaining savings required in each year be identified prior to the start of the relevant financial year.
- 4.14 The current strategy is not to use the general fund balance to fund the projected deficits in future years. This will ensure the balance is kept above the target minimum level of £2m. However, due to the uncertainties relating to future resource and expenditure forecasts, this strategy will be reviewed as we progress through the budget setting process.
- 4.15 Taking into account the proposals in Table 3, the estimated level of expenditure in 2012/13 is detailed in Appendix A. The level of forecast resources available to the Council and the estimated levels of expenditure over the medium term are set out in detail in Appendix B.
- 4.16 The forecasts for the years 2013/14 – 2015/16 are particularly volatile and should be treated with extreme caution. No provisional announcements regarding government grant for these years have been made and therefore, the figures could be better or worse than forecast. The outcome of the Local Government Resource Review will determine government funding for these years, together with the implications of the Autumn Statement 2011.
- 4.17 At this stage, CMT are progressing with several savings initiatives and Cabinet have begun their priority setting process, both of which will generate savings in the next financial year. So far, proposals have been identified to achieve all of the required £1.082m of savings.
- 4.18 The draft Corporate Plan for 2012 – 15 continues the Council's successful improvement programme for all services. The funding for the majority of the priorities is included by rolling forward costs in this year's budget without the requirement for any specific "growth" to be identified.

Assumptions built into Budget and Medium Term Forecasts

- 4.19 Within the forecasts are a number of assumptions which are necessary to produce the overall budget strategy. However, there is an element of risk associated with this process although we aim to mitigate these risks as detailed in para 4.20. The main assumptions are as follows:
- Council Tax increase for 2012/13 to be determined with a provisional 2.5% increase thereafter;
 - 0.8% increase in Council Tax base in 2012/13 and 1% thereafter;
 - 0% pay award for 2012/13 and 1% per annum thereafter, in line with the proposals detailed in the Autumn Statement 2011;
 - 0% general inflation for the period of the Medium Term Forecasts;
 - Specific allowance for inflation for business rates, external contracts, energy and water, drainage board levies;
 - Allowance for pay increments;

- No increase in Employer's Pension Contributions until the next triennial valuation of the Cambridgeshire Pension Fund in 2013. 1.8% increase in contributions per annum assumed for 2014/15 and 2015/16;
- Investment interest rates to continue at current rates until third quarter of 2013 when rates are forecast to begin rising slowly;
- Continuing impact of 2011/12 in year income pressures;
- Assumptions regarding forecast income levels from fees and charges have been included. These are a combination of fee increases (where applicable) and review of activity levels. This is pending the review of fees and charges by Overview & Scrutiny Panel in January 2012;
- The New Homes Bonus of £290,000 for 2011/12 will be received by the Council for six years. The estimated NHB for 2012/13 of £323,000 has been included, making a total of £613,000 for 2012/13. Future years NHB have been included at this level to reflect a corresponding reduction in Formula Grant. This is a result of the government limiting the amount of additional funding being made available for NHB to £250m per annum. Any shortfall in funding will be taken from Formula Grant. Consequently, a total estimated NHB of £613,000 has been included in 2012/13 and future years.

Risk Assessment

4.20 There is an element of risk inherent in any process that looks into the future to make forecasts, particularly in the current economic climate. The Council has a strong track record in good financial management as recognised in the recent Annual Audit Letter. This risk is further minimised by adopting the following methodology when preparing the draft estimates:-

- Service managers and the Accountancy Team working together to define likely service income/expenditure patterns matched with service delivery plans
- Maintaining "earmarked" reserves for potentially unbudgeted expenditure,
- Adopting clear guidelines and control systems (revenue monitoring procedures, Financial Regulations etc.) to alert service managers, and members should variances become significant,
- Using professional and expert advice and economic forecasts where these are available, e.g. treasury management, interest rates
- Maintaining a rolling review of forecast estimates beyond the current year

4.21 There are a number of factors which limit the overall "risk" leading to potential differences between the Council's draft budget and the 2012/13 outturn. These include the relatively limited areas of volatile expenditure and income, and robust and effective in-year budget monitoring systems.

Council Tax Referendum

- 4.22 In previous years, the government had the power to 'cap' council tax rises. If Ministers thought that local authorities were increasing taxes excessively they could stop them doing so.
- 4.23 The Localism Act now gives local communities the power to decide. The Secretary of State will determine a limit for council tax increases which has to be approved by the House of Commons. If an authority proposes to raise taxes above this limit they will have to hold a referendum to get approval for this from local voters who will be asked to approve or to veto the rise. The government's rationale is that local authorities will need to convince local voters, rather than central government of the case for excessive rises in council taxes.
- 4.24 As part of the 2012/13 Local Government Finance Settlement announcement on 8 December 2011, the government are proposing that local authorities will be required to seek the approval of their local electorate in a referendum if they set council tax increases that exceed 3.5% compared to 2011/12.

5. CAPITAL EXPENDITURE AND INCOME

- 5.1 Capital Expenditure and Income plans have been prepared through the Council's service and financial planning cycle. The Council's capital resources are dependent on government funding, external grants or through the ongoing disposal of assets.
- 5.2 A fully updated Capital Programme for 2012-15 is presented at Appendix C for approval. All known and expected levels of capital receipts have been taken into account in the resources statement. These include the net usable receipt from the stock transfer and income from land sales. This includes significant amounts from the future disposal of land at Nene Waterfront. The level of these items can be subject to some potential variability.
- 5.3 The forecast uncommitted capital resources at the end of 2014/15 are £1.493m. However, this is dependent on the realisation of £6.75m of receipts from asset disposals which has associated risks. These receipts may not be realised until 2015/16 and beyond and future updates may require them to be re-profiled.
- 5.4 Should resources from external funding and/or capital receipts not generate the level of receipts forecast, or there is a delay in disposal of assets, then the capital programme will need re-visiting to ensure funding is sufficient to meet proposed expenditure. Monitoring and reviews of the programme and resources available are carried out regularly during the year and Cabinet will be informed of developments.
- 5.5 The programme detailed at Appendix C includes some changes from that reported to Cabinet in July 2011, mainly as result of re-profiling of some schemes. In addition, schemes totalling £140,000 have been allocated from existing contingency items in the programme, thereby not increasing the overall programme. The only new schemes proposed which increases the programme spend, relate to urgent dredging and navigation issues at the Port. £39,000 has been included to remove silt in the Yacht Harbour and £22,000 included for the replacement of two buoys in the Wash. The latter cost, relating to the Council's Statutory Harbour duties, will be taken into account when setting fees and we will seek to make this cost neutral in the medium term.

- 5.6 Members are also reminded of the impact on the revenue account of using uncommitted capital resources. Whilst they remain uncommitted, the resources are invested and generate revenue income to the general fund. Consequently, for every £1m spent the revenue account loses around £15,000 per annum at current interest rates. This figure increases by an additional £10,000 per annum for every 1% increase in interest rates. Based on the average interest rate projected over the Medium Term Financial Strategy (2 -2.5%), this equates to a reduction in investment interest of between £20,000 - £25,000 per annum for every £1m of capital resources spent.

6. REVIEW OF SPECIFIC AND GENERAL RESERVES

- 6.1 An important part of any budget strategy is the review and consideration of reserves. The Council's current forecast uncommitted General Fund Reserve as at 31 March 2012 is £2.609m. The strategy applies a robust but prudent use of these balances to cushion the impact of the economic climate, but maintaining the minimum level of reserves for the Council over the medium term. This strategy may need to be revised if the effects of the economic downturn are greater than anticipated.
- 6.2 The Council also has a number of earmarked reserves set aside for specific purposes. The level of each of these reserves, their purpose and prospective use will be reviewed as part of the budget report in February 2012.

7. FEES AND CHARGES

- 7.1 During this year's budget setting process leisure fees and charges have been considered by the Overview and Scrutiny Panel on 28 November 2011 and their recommendations are detailed in a separate report on the agenda. The Overview and Scrutiny Panel will consider other charges at their meeting on 16 January 2012 and recommend levels to Cabinet at their meeting on 26 January 2012.

FENLAND DISTRICT COUNCIL

GENERAL FUND - Summary of Revenue Estimates

	Approved Estimate 2011/12 £	Revised Estimate 2011/12 £	Draft Estimate 2012/13 £
Service Summary			
Business, Infrastructure & Planning	2,061,580	2,068,330	1,622,450
HR & Training	567,510	569,480	532,050
Environment & Leisure	4,769,780	4,651,180	4,579,090
Finance & Customer Services	5,322,326	5,221,735	5,043,220
Housing, Community & Economic Development	2,094,450	2,126,620	1,776,910
Policy & Communications	913,560	908,320	887,010
Governance & Legal	1,227,640	1,202,129	1,107,850
Capital Charges	2,781,860	2,000,000	2,000,000
NET COST OF GENERAL FUND SERVICES	19,738,706	18,747,794	17,548,580
Corporate Items			
Contributions to/ (from) Earmarked Reserves	-756,850	-396,388	-79,820
RTB/VAT Sharing Income	-414,800	-414,800	-349,800
Capital Charges Reversal	-2,071,450	-1,276,000	-1,302,000
Investment Income	-335,000	-335,000	-270,000
Area Based Grant	0	-265,000	0
New Homes Bonus	-290,150	-290,150	-613,460
Transition Grant	-150,901	-150,901	0
Council Tax Freeze Grant	-185,830	-185,830	-185,830
Corporate Adjustments	-4,204,981	-3,314,069	-2,800,910
Net Expenditure before Savings	15,533,725	15,433,725	14,747,670
Savings target 2012/13			-1,082,000
<i>Savings identified to date (included above)</i>			944,460
<i>Savings identified (not yet included above)</i>			-137,540
Net Expenditure after Savings	15,533,725	15,433,725	14,610,130
Approved Contribution to/(from) Balances	-200,000	-100,000	0
BUDGET REQUIREMENT	15,333,725	15,333,725	14,610,130
Forecast General Fund Balance - 31st March	2,509,000	2,609,000	2,609,000

GENERAL FUND MEDIUM TERM FINANCIAL FORECAST

RESOURCES STATEMENT	Original Estimate 2011/12 £000	Projected Outturn 2011/12 £000	Forecast Estimate 2012/13 £000	Subject to Resource Review		
				Forecast Estimate 2013/14 £000	Forecast Estimate 2014/15 £000	Forecast Estimate 2015/16 £000
A Resources						
(i) Central Government						
Revenue Support grant	1,880	1,880				
Re-distributed Business Rates	6,084	6,084				
	7,964	7,964	6,960	6,901	6,514	6,514
(ii) Council Tax						
Council Tax Payers	7,433	7,433	7,679	7,756	8,069	8,395
Collection Fund Deficit(-)	-63	-63	-29	0	0	0
Use of Balances						
(iii) General Fund	200	100	0	0	0	0
Total Use of Resources	15,534	15,434	14,610	14,657	14,583	14,909
B Spending Levels						
(i) Budget	15,871	15,771	15,878	16,022	16,373	16,823
Transition Grant	-151	-151	0	0	0	0
Council Tax Freeze Grant	-186	-186	-186	-186	-186	0
Savings Identified 2012/13			-1,082	-1,082	-1,082	-1,082
Budget after efficiency savings	15,534	15,434	14,610	14,754	15,105	15,741
Funding Gap - In Year			0	97	425	311
Total Cumulative Funding Gap				97	522	832
C Provisional Council Tax Increase			TBC	2.5%	2.5%	2.5%
D Forecast Balances						
(i) General Fund	2,509	2,609	2,609	2,609	2,609	2,609

Assumptions

- 1 Council Tax base increase 2012/13 0.8%, 2012/13 onwards 1%
- 2 Government Grant - 2 Year Settlement figures 2011/12 - 2012/13
CSR Reductions 2013/14 onwards

CAPITAL PROGRAMME AND FUNDING 2011/2015

		Forecast			
		2011/12	2012/13	2013/14	2014/15
		£000	£000	£000	£000
TOTAL FORECAST EXPENDITURE		7,368	4,427	2,683	3,720
RESOURCES AVAILABLE					
General Fund Resources					
Revenue Contributions		20	0	0	0
Reserves used to fund Capital		9	50	0	0
Capital Grants		1,730	580	320	320
Section 106 Contributions		149	0	0	0
		1,908	630	320	320
General Resources					
Usable Capital Receipts		950	2,000	1,600	2,200
Total Resources		2,858	2,630	1,920	2,520
Balance B/fwd 1.4.2011	(9,763)	0	0	0	0
In Year Deficit / (Resources Available)	(0)	4,510	1,797	763	1,200
Uncommitted Resources	(0)	(5,253)	(3,456)	(2,693)	(1,493)

CAPITAL PROGRAMME SUMMARY 2011 - 2015

	Forecast				Total Cost £000	FDC Funding £000	External Funding £000	External Funders
	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000				
Leisure Centres								
1 Hudson Leisure Centre, Wisbech - disability access	8				8		8	Cambs County Council
2 Manor Leisure Centre, Whittlesey - improvements	407				407	407		
3 Manor Leisure Centre, Whittlesey - kitchen improvements	50				50	50		
4 Manor Leisure Centre, Whittlesey - disability access	15				15		15	Cambs County Council
5 Community Sports and Leisure Facilities - contingency			395	450	845	845		
6 Chatteris Leisure Facilities - Gym and Exercise Studio	300	300			600	600		
7 Chatteris Leisure Facilities - contingency				900	900	900		
Leisure Miscellaneous								
8 Gorefield Sports and Amenity Centre		50			50	50		
Regeneration Programmes								
9 Fenland Renaissance and Place Shaping	80	30	30	30	170	170		
Car Parks								
10 Car Parks		105	30	30	165	165		
Cemeteries								
11 Eastwood Cemetery, March - Extension	151				151	151		
12 Garden of Rest March - Interment of ashes	20				20	20		
13 Cemeteries Improvements	110	25	25	25	185	185		
Parks and Open Spaces								
14 Wisbech Park Phase 1		136			136	136		
15 Tyllerie Park, Wisbech - Footway Reconstruction, Fencing	13				13	13		
16 West End Park Improvements	90				90	90		
17 Eastrea Play Area Enhancements	41				41	41		
18 Coates Play Area Enhancements	48				48	48		
19 Daglass Way, March Enhancements	30				30		30	Section 106
20 Station Road, Whittlesey Enhancements	40				40	1	39	Section 106
21 Southwell Close, March Enhancements	37				37		37	Section 106
22 Willey Terrace, Chatteris	10				10		10	Section 106
23 Leverington Play Area, Enhancements	33				33		33	Section 106
24 Wisbech Park, Enhancements	15				15	15		
25 Land Adjacent to Octavia Hill Museum, Wisbech		55			55	55		
26 Parks and Open Spaces Improvements	56	25	25	25	131	131		
Sub -Total	1,554	726	505	1,460				

CAPITAL PROGRAMME SUMMARY 2011 - 2015

	Forecast				Total Cost £000	FDC Funding £000	External Funding £000	External Funders
	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000				
B/FWD	1,554	726	505	1,460				
Street Furniture								
27 Street Light Improvements	35	85			120	120		
28 Safety Lighting		47			47	47		
29 Street Name Plates/District Facilities Signage	10	44			54	54		
30 Bus Shelter Improvements	21				21	14	7	
Job Stimulation								
31 Land Assembly/Business & Workforce Stimulation		500	500	500	1,500	1,500		
32 South Fens Business Centre - Phase 2	560				560	347	213	EEDA £13K / CCC £200k
33 South Fens Business Centre - Phase 3	680				680	350	330	CCC £250K / HGF £80K
34 Boleness Road, Wisbech - Phase 6 Remedials		27			27	27		
Wisbech Port								
35 Nene Waterfront - Phase 2	140				140	71	69	CCC £69k
36 Nene Waterfront - Land		105			105	105		
37 Yacht Harbour - Replace & Upgrade Walkway	15				15	15		
38 Yacht Harbour - Replace buoyancy floats to pontoon		42			42	42		
39 Yacht Harbour - Dredging	39				39	39		
40 Fenland Tug Modifications	17				17	17		
41 Pilot Boat Wisbech Port - Improvements	70				70	70		
42 Replacement of Navigation Buoys		22			22	22		
Town Management								
43 Horsefair Taxi Relocation	71				71	71		
44 Wisbech Market Place	25				25	25		
Vehicles and Plant								
45 Vehicles	100	200	198	270	768	768		
Office Refurbishment								
46 Fenland Hall - External Works	15				15	15		
47 Fenland Hall - Internal works	48				48	48		
ICT System Replacement Programme & Infrastructure Upgrades								
48 Replacement & Upgrade Programme	448	300	200	200	1,148	1,148		
Sub -Total	3,848	2,098	1,403	2,430				

CAPITAL PROGRAMME SUMMARY 2011 - 2015

	Forecast				Total Cost £000	FDC Funding £000	External Funding £000	External Funders
	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000				
B/FWD	3,848	2,098	1,403	2,430				
Improvement of Assets								
49 Improvement of Assets - contingency			30	100	130	130		
50 Sewage Treatment Works Refurbishment	50	350	100	100	600	600		
51 Water Course Birch Fen Chatteris - Drainage Improvement	30				30	30		
52 Mini-Factories Refurbishment	78	104	60		242	242		
Homelessness								
53 Hostel Improvements		15			15	15		
Public Conveniences								
54 Modernisation of 4 facilities		500			500	500		
Community Fund								
55 March Athletics Club	10				10	10		
56 March Town Bowls Club	10				10	10		
57 Community Fund		40			40	40		
58 Rural Community Fund	150	250	200	200	800	800		
Community Safety								
59 Wenny Road, CCTV	25				25	25		
60 Wisbech Park, CCTV Upgrade	11				11	11		
Private Sector Housing Support								
61 Private Sector Renewal Grants	150	40	40	40	270	270		
62 Disabled Facilities Grants	650	600	600	600	2,450	1,102	1,348	Govt Grant £320k per annum
63 External Solid Wall Insulation	500	255			755		755	Govt Grant £755k
64 Public/Private Sector Regeneration Programme	160				160		160	Govt Grant £160k
Social Housing - Support for New Affordable Housing								
65 Contingency		175	250	250	675	675		
Travellers Site								
66 Fenland Way, Chatteris - Refurbishment	10				10	10		
Community Development								
67 Thomas Clarkson Community	300				300	300		
68 King Edward Centre, Chatteris	15				15	15		
69 College of West Anglia	1,341				1,341	1,341		
70 Lattersey Nature Reserve, Whittlesey - Recap landfill	30				30	30		
GRAND TOTAL	7,368	4,427	2,683	3,720	18,198	15,144	3,054	