



2016/17 Budget
&
Medium Term Financial
Strategy

2017/18

to

2020/21

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1.0 STRATEGIC BUDGET SUMMARY

1.1 Savings and Growth

- **Zero Based Budgeting**

1.1.1 The 2016/17 budget and the Medium Term Financial Strategy have been constructed following a Zero Based Budgeting (ZBB) approach. For the 2016/17 budget, the following services have been subject to a “ZBB Heavy” approach, in that the budgets have been fundamentally rebuilt from the bottom to the top:

- Customer Services
- Development Services
- Operational Services
- One Leisure Active Lifestyle (Health & Leisure)
- Estates (Resources)
- CCTV, Licensing, Projects and Asset Management (Community Services)
- Corporate Services and CMT

1.1.2 The total savings agreed via the ZBB Heavy reviews for each department are summarised in **Table A** below.

Table A - ZBB Tranche 2 & 3 Savings					
Service	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Directors and Corporate Resources	(221)	(323)	(373)	(373)	(373)
Customer Services	(543)	(778)	(918)	(1,075)	(1,075)
Operations	(860)	(1,121)	(1,347)	(1,657)	(1,657)
Development	(314)	(314)	(315)	(315)	(315)
Community	(112)	(169)	(172)	(173)	(173)
Leisure & Health	(102)	(123)	(123)	(123)	(123)
TOTAL	(2,237)	(2,975)	(3,458)	(3,988)	(3,988)

- **ZBB Light Reviews**

1.1.3 Where services have not been subject to a “ZBB Heavy” review they have been reviewed via the “ZBB Light” process, a desktop exercise to review the level of budgets required including further savings required and any growth required on individual budget lines which must be financed from within the overall budget.

- **Capital**

1.1.4 The revenue budget contains any implications from the proposed capital programme for 2016/17 and the MTFs, whether that is savings as a result of investment, additional running costs or the cost of borrowing and minimum revenue provisions.

- **Growth**

1.1.5 In the main, service growth expenditure has not been included; however inflation has been applied in respect of pay and a reflection of the additional costs relating to statutory changes to employers national insurance contributions from 2016/17 and for business rates.

1.1.6 The significant exception to this is in relation to the recycling service. In June 2014 the Council, as part of its involvement in the Cambridgeshire and Peterborough Waste Partnership (RECAP) entered into a joint contract for the processing and sale of recyclable materials. One of the main aims of the contract was to support the Council to deliver its waste minimisation targets. A joint decision by each council in RECAP was taken and endorsed to amend the commercial basis of the contract i.e. taking on increased commercial risk than under the previous contract. This involved the partners electing to take a greater share of the income from the sale of recyclables to reduce other costs paid under the previous contract; this was based on assumptions that the market for recyclables would at least remain constant if not grow. The reality has been the worldwide collapse of the market for recyclables resulting in a reduced income to this Council and all the other partners in RECAP. This income in part meets the costs of the contract and these costs have remained constant because the tonnage of materials for recycling has remained constant. The net effect is additional costs for the Council from a projected monthly cost of £2,500 per month to an estimated cost of £25,000 per month if the recyclables market does not recover to its previous position.

1.1.7 There are items of expenditure where growth is unavoidable and where these have occurred, the ZBB process requires that they are recognised and included. Also within growth are such items as inflation and adjustments to corporate related expenditure (e.g. minimum revenue provision and pension contributions); these are detailed in **Table B** below where such growth exceeds £50,000.

Table B		Corporate Budget Items and the impact on the 2016/17 budget (value > £50,000)					
Item of Unavoidable Growth	2015/16		2016/17			Reason for Growth	
	Forecast	Original Budget	Budget	Growth Against Forecast	Against Updated Budget		
	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's		
Minimum Revenue Provision	1,574	1,574	1,635	61	61	Additional capital spend due to the Council not funding capital expenditure from other sources (grants/capital receipts)	
Pension Contribution	1,136	1,135	1,510	374	375	Actuarial revaluation	

- Summary Impact of all budget changes**

1.1.8 Overall, ZBB, Capital and Growth have resulted in a net reduction in the Council's budget of £1.4m (7%) and £0.9m (5%) when compared to the 2015/16 Forecast Outturn and the Original Budget respectively. A service by service summary is shown in **Table C** below.

Table C	2015/16		2016/17					Variance:	
	Forecast Outturn	Original Budget	ZBB Heavy	ZBB Light/ Other	Capital	Inflation	Base Budget	2016/17 Budget to	
								Forecast Outturn	Updated Budget
Service	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's		£ 000's	%	%
Directors and Corporate	2,348	2,377	(210)	120	0	13	2,300	(2%)	(3%)
Resources	(392)	(445)	(85)	(8)	219	12	(308)	(22%)	(31%)
Customer Services	4,425	4,488	(543)	(1,643)	5	49	2,355	(47%)	(48%)
Operations	4,727	4,593	(860)	167	8	61	3,968	(16%)	(14%)
Development	1,427	1,691	(314)	(34)	0	26	1,370	(4%)	(19%)
Community	1,987	2,130	(123)	(109)	(7)	19	1,911	(4%)	(10%)
Leisure & Health	(53)	58	(102)	(278)	(11)	53	(280)	430%	(583%)
Corporate Finance	4,336	4,374	0	425	0	0	4,799	11%	10%
Shared Service	0	0	0	1,680	0	116	1,796	0%	0%
Net Expenditure	18,804	19,267	(2,237)	320	213	349	17,913		

Forecast Outturn **18,804** —————> **(891)** <————— **17,913** **(5%)**

Updated Budget **19,267** —————> **(1,354)** <————— **17,913** **(7%)**

- 1.1.9 Included in the Community Services tranche 2 proposals was a proposal to implement a bus departure levy in the District, raising an estimated £75,000. Following further discussions on this proposal has been removed from the ZBB savings. This change has been built into the final budget.
- 1.1.10 In addition, the implications of the Commercial Investment Strategy, as reported to Cabinet in December 2015, have been included in the final budget.

1.2 Revenue spending and sources of income

Income

- 1.2.1 The Council generates a considerable proportion of its own funding from the various services it provides; these range from income from One Leisure and Car Parking through to charging for the use of the Document Centre and Licensing and Planning Services. Service specific income is shown later in this report within the service budget pages.
- 1.2.2 In addition the Council also generates income from corporate activity, this mainly centres on Treasury Management; however this is considerably less than in recent years because of the current extremely low interest rate environment.

Government Grant

- 1.2.3 The government provides a fair proportion of the core funding of the Council. Some of this funding is in relation to specific services e.g. Housing Benefit; but some of the funding is in support of general activity:
- New Homes Bonus (NHB), on the 17th December the Government made an announcement in respect of New Homes Bonus that the 2016/17 settlement would be £5.0m. At this time the Council continues to rely on NHB as part of the base budget.
 - Council Tax Freeze Grant (CTFG) is being rolled into the RSG from 2016/17 and is, therefore, no longer identifiable. However, the Government is no longer providing funding for any council tax freezes from 2016/17 onward.
 - On the 17th December the Government announced the Revenue Support Grant (RSG) and Non-Domestic Rates (NDR) baseline 2016/17 provisional settlement for the Council. The relative allocations for RSG and NDR are £2.1m and £4.2m respectively.

Council Tax

- 1.2.4 There is an assumption within the budget 2016/17 and over the term of the MTFS of a Council Tax freeze thus Council Tax would remain at £133.18 from 2016/17 through to 2020/21.

Collection Fund Surplus/Deficit

- 1.2.5 The Collection Fund is the statutory account to account for the Council Tax and Business Rates income and the payments to preceptors of their respective shares. Any surplus or deficit on the Collection Fund at year end is distributed to the preceptors, as per legislation. The Council is required to make an estimate of the projected surplus or deficit of each component of the

Collection Fund at year end in order for the preceptors to bring their share of the surplus or deficit into the budget setting process.

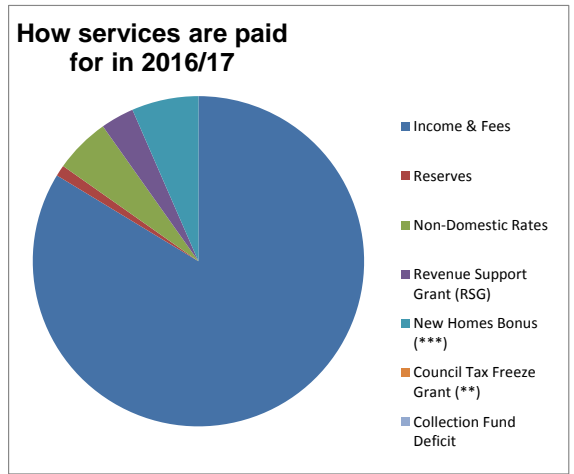
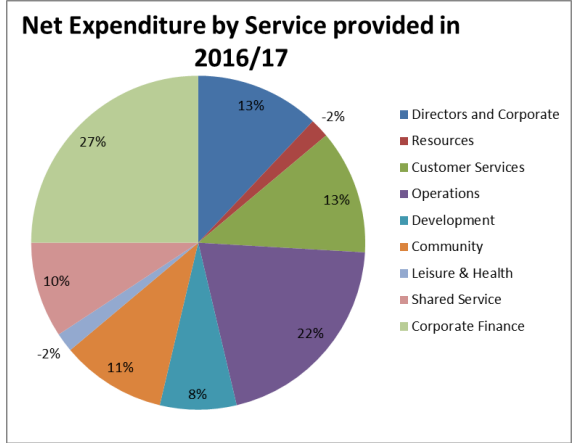
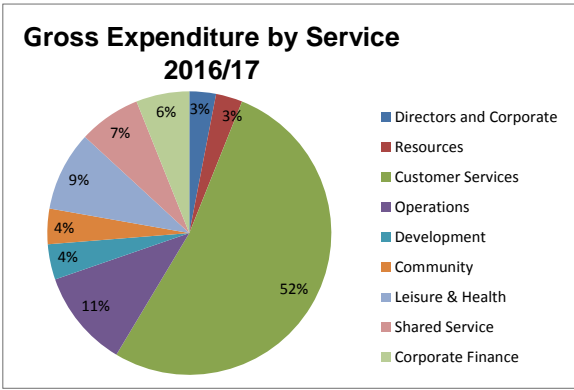
- 1.2.6 The estimated year end position of the Collection Fund is shown in **Table D** below along with the share that is apportioned to the Council. However, due to the safety net mechanisms in place for NDR funding, the Council will only have to fund £0.3m of the deficit share shown below.

Table D	(Surplus)/Deficit (£'000)	HDC Share (£'000)
Council Tax	(401)	(55)
Business Rates	8,237	3,876
TOTAL	7,836	3,821
Safety Net Grant		(3,564)
Net Impact on Funding		257

1.3 **Summary Budget**

- 1.3.1 Considering the commitment made to freeze Council Tax for 2016/17 and the MTFS period and the ZBB process followed for the budget setting process, this results in the funding statement shown in **Table E** below.

Table E	Forecast	Original Budget	Budget	Medium Term Financial Strategy			
	2015/16 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Services provided:							
Directors and Corporate	2,948	2,654	2,565	2,487	2,453	2,460	2,472
Resources	1,613	1,569	2,612	3,661	4,124	4,139	4,149
Customer Services	42,378	42,412	40,241	40,127	40,037	39,919	39,950
Operations	9,205	8,682	8,797	8,703	8,599	8,594	8,639
Development	3,186	3,645	2,910	2,758	2,754	2,776	2,798
Community	2,898	3,021	2,777	2,734	2,727	2,724	2,744
Leisure & Health	7,012	7,146	6,938	6,929	6,947	6,960	7,014
Shared Service	0	0	5,034	5,134	5,237	5,342	5,449
Corporate Finance	4,572	4,228	4,980	5,791	6,233	6,437	6,545
Gross Expenditure	73,811	73,357	76,855	78,324	79,112	79,351	79,760
Funding to provide services							
Income & Fees	(55,007)	(54,476)	(58,942)	(60,779)	(61,711)	(62,119)	(62,289)
Net Expenditure	18,804	18,881	17,913	17,545	17,401	17,232	17,471
Contribution to/(from) Earmarked			(257)	0	0	0	0
General Reserves	875	797	2,276	656	(830)	(2,358)	(3,604)
Budget Requirement	19,678	19,678	19,931	18,201	16,571	14,874	13,868
Non-Domestic Rates	(4,160)	(4,160)	(4,190)	(4,232)	(4,274)	(4,317)	(4,360)
Revenue Support Grant (RSG)	(3,183)	(3,183)	(2,110)	(1,180)	(604)	42	0
New Homes Bonus (***)	(4,403)	(4,403)	(4,965)	(3,724)	(2,483)	(1,241)	0
S31 Grant	0	0	(1,018)	(1,018)	(1,018)	(1,018)	(1,018)
Council Tax Freeze Grant (**)	(82)	(82)	0	0	0	0	0
Collection Fund Deficit	(82)	(82)	257	0	0	0	0
Council Tax Requirement	7,768	7,768	7,905	8,048	8,193	8,340	8,490
- Base (*)	58,329	58,329	59,358	60,426	61,514	62,621	63,749
- Per Band D	133.18	133.18	133.18	133.18	133.18	133.18	133.18
Assumptions							
* Increase in Council Tax Base	Assumed there is an annual increase in the base of 1.8%.						
** Council Tax Freeze Grant	Assumed that this does not continue as a separate grant (could be "rolled-up" within RSG).						
*** New Homes Bonus	Assumed that this does not continue as a separate grant (could be "rolled-up" within RSG).						

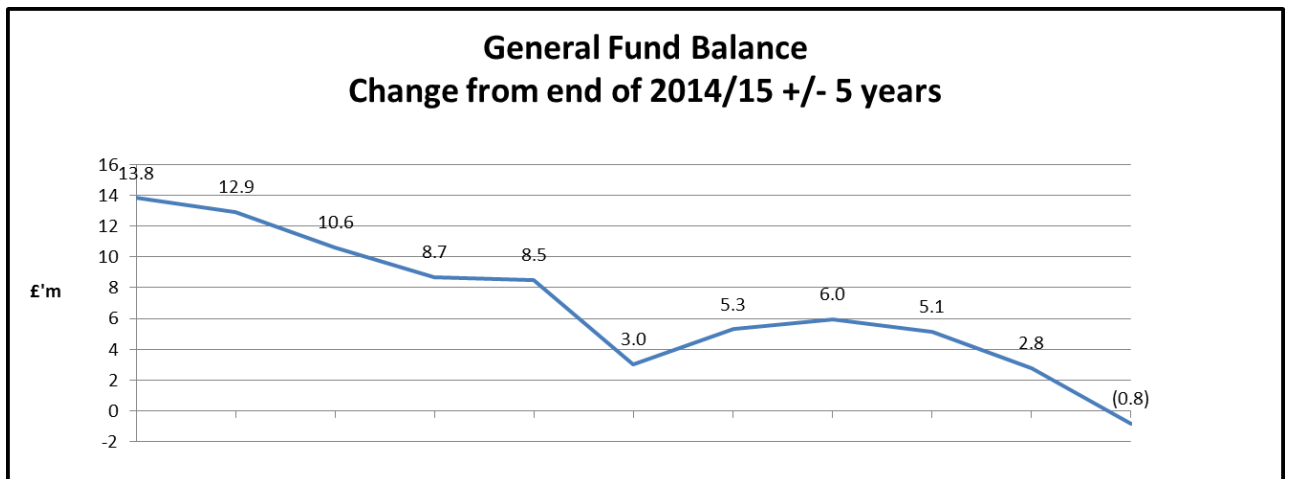


1.4 Revenue Reserves

1.4.1 The impact on the General Fund Reserve of the grant settlement from Government, the Council's policy to freeze Council Tax and the savings and growth built into the budget 2016/17 and MTFS is shown in **Table F** below.

Table F	Forecast	Budget	Medium Term Financial Strategy			
	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
General Fund Brought forward	9,287	3,022	5,298	5,954	5,124	2,767
Contribution to Reserve	535	2,276	656			
Contribution from Reserve	(6,800)			(830)	(2,358)	(3,604)
Carried forward	3,022	5,298	5,954	5,124	2,767	(837)
<i>Minimum Level of</i>	<i>2,687</i>	<i>2,687</i>	<i>2,632</i>	<i>2,610</i>	<i>2,585</i>	<i>2,621</i>

1.4.2 The £6.8m contribution from reserve in 2015/16 reflects the transfer to the CIS Earmarked Reserve approved by Cabinet in December 2015.



1.4.3 This is an unsustainable position and as a result the Council will maintain the current level of reserves and CIS investments, and continue the programme of ZBB reviews in order to find the necessary savings to bring the General Fund reserve back to prudent recommended levels.

2.0 REVENUE OPERATIONAL BUDGETS AND MEDIUM TERM FINANCIAL STRATEGY

2.1 Subjective Analysis of Spend and Income

Huntingdonshire District Council												
Actuals 2014/15	Subjective Analysis : Controllable Only *	Forecast 2015/16	Budget 2015/16	Budget 2016/17					Medium Term Financial Strategy			
				ZBB Heavy	ZBB Light/Other	Capital	Inflation	Budget	2017/18	2018/19	2019/20	2020/21
866,160	=Employees	694,018	433,798	(2,100)	(5,700)		0	425,998	424,388	422,288	420,188	420,188
353,329	Other staff costs	306,973	306,395	(40,982)	(37,479)		17	227,951	226,778	225,146	223,514	223,532
4,447,019	Pension & NI	4,703,812	5,095,132	(267,268)	511,860		42,639	5,382,363	5,441,951	5,513,408	5,591,707	5,707,593
0	Recruitment				1,500		30	1,530	1,561	1,592	1,624	1,656
16,599,600	Salary	16,306,744	17,195,343	(943,859)	879,711		214,044	17,345,239	17,361,938	17,294,330	17,342,468	17,541,979
213,325	Training	195,411	210,302	(50,583)	17,920		648	178,287	178,948	179,622	180,309	181,010
30,998	Uniform & laundry	28,474	36,097	(200)	1,209		10	37,116	37,076	36,987	36,998	37,009
455,403	Severance payments	206,241	207,000	0	0		0	207,000	207,000	206,000	205,000	205,000
144,101	Employee Insurance	162,673	179,516	0	(9,752)		0	169,764	169,764	169,764	169,764	169,764
23,109,936	Employees Total	22,604,347	23,663,582	(1,304,992)	1,359,270		257,388	23,975,248	24,049,404	24,049,137	24,189,349	24,504,508
286,118	=Buildings	248,597	183,244	(7,000)	7,850	4,000	0	188,094	167,404	148,556	148,556	148,556
873,794	Repairs & Maintenance	781,282	779,315	(18,000)	9,642	(27,000)	400	744,357	737,765	737,609	738,033	738,466
773,688	Energy Costs	760,751	761,879	0	24,623	(17,500)	0	769,002	718,502	681,302	641,302	641,302
111,122	Water Services	105,323	144,511	0	4,180	0	0	148,691	148,691	148,491	148,491	148,491
210,835	Premises Cleaning	207,866	221,767	0	(3,470)	0	0	218,297	218,297	217,289	217,289	217,289
1,113,680	Rates	1,127,414	1,109,623	(1,000)	(10,631)		22,050	1,120,043	1,121,546	1,127,144	1,137,899	1,148,868
81,452	Premises Insurance	79,291	64,284	0	(3,997)		0	60,287	60,287	60,287	65,812	65,812
0	Insurance - service related			0	5,000		0	5,000	5,000	5,000	5,000	5,000
17,423	Ground Maintenance Costs	21,285	20,400	0	10,145		0	30,545	30,545	30,545	30,545	30,545
8,210	Fixtures & Fittings	2,771	3,026	0	(1,375)		0	1,656	1,656	1,656	1,656	1,656
3,476,323	Buildings Total	3,334,581	3,288,050	(26,000)	41,972	(40,500)	22,450	3,285,972	3,209,693	3,157,879	3,135,083	3,146,485
17,047	=Transport	29,546	29,657	0	0		0	29,657	29,657	29,657	29,657	29,657
107,022	Mileage Allowance	103,136	128,190	(2,000)	(21,135)		141	105,196	101,240	101,337	101,487	101,640
35,659	Pool Car	42,106	44,310	0	(9,350)		72	35,032	34,905	34,980	35,056	35,134
30,167	Public Transport	25,617	29,210	(1,000)	(4,750)		31	23,491	22,622	22,654	22,686	22,719
84,453	Vehicle Insurance	86,864	85,735	0	(917)		0	84,818	84,818	84,818	84,818	84,818
1,012,295	Operating Costs	1,049,606	1,123,603	(7,000)	170		0	1,116,773	1,043,583	1,037,083	1,030,583	1,030,583
1,286,644	Transport Total	1,336,874	1,440,705	(10,000)	(35,982)		244	1,394,967	1,316,825	1,310,529	1,312,649	1,312,913
83,289	=Supplies & Services	30,549	31,250	(2,000)	(3,220)		0	26,030	26,030	26,030	26,030	26,030
705,488	Communication and computing	684,457	650,792	(53,500)	333,258		11,008	941,558	921,726	928,453	940,134	952,050
1,981,595	Equipment, furniture & materials	1,888,343	1,870,419	(16,100)	1,636,235	77,647	46,613	3,614,814	3,610,388	3,654,986	3,705,596	3,756,051
649,800	Office expenses	593,676	566,596	(24,100)	(12,055)	144,000	465	674,905	745,029	812,444	813,939	815,441
94,315	Rents	118,960	103,149	0	2,000		0	105,149	105,149	105,149	105,149	105,149
3,711,005	Services	4,508,152	3,875,608	(202,605)	(198,999)	907,000	10,742	4,391,747	5,918,359	6,665,533	6,737,223	6,751,514
495	Uniform & laundry	675	800	0	(100)		0	700	700	700	700	700
0	Expenses			0	1,000		20	1,020	1,040	1,061	1,082	1,104
104,345	Insurance - service related	123,217	113,801	0	6,175		0	119,976	119,976	119,976	127,313	127,313
376,481	Members Allowances	379,825	379,550	0	7,225		0	386,775	386,775	386,775	386,775	386,775
7,706,813	Supplies & Services Total	8,327,852	7,591,965	(298,305)	1,771,519	1,128,647	68,848	10,262,674	11,835,172	12,701,107	12,843,941	12,922,127
33,689	=Benefit & Transfer Payments	6,277	7,700	0	0		0	7,700	7,700	7,700	7,700	7,700
130,769	Irrecoverable V A T	116,125	116,125	0	75		0	116,200	116,200	116,200	116,200	116,200
1,568,314	Contributions paid	1,282,383	742,730	(137,000)	503,255		0	1,108,985	1,108,985	1,108,985	1,108,985	1,108,985
354,640	Grants	368,206	362,356	(3,000)	(50,356)		0	309,000	286,000	262,000	239,000	239,000
35,904,283	Benefits	36,020,000	36,110,000	(105,000)	(25,000)		0	35,980,000	35,980,000	35,980,000	35,980,000	35,980,000
389,740	Levies	389,355	394,291	0	(4,936)		0	389,355	389,355	393,249	393,249	397,181
38,381,435	Benefit & Transfer Payments Total	38,182,347	37,733,202	(245,000)	423,038		0	37,911,240	37,888,240	37,868,134	37,845,134	37,849,066
25,000	=Renewals Fund Contribution	25,000	25,000	0	0		0	25,000	25,000	25,000	25,000	25,000
25,000	Renewals Fund Contribution Total	25,000	25,000	0	0		0	25,000	25,000	25,000	25,000	25,000
(16,156,654)	=Income & Fees	(14,877,515)	(14,524,550)	(266,286)	(1,332,688)		(120)	(16,123,644)	(16,621,627)	(16,742,950)	(16,941,946)	(17,004,388)
(974,682)	Sales	(970,017)	(1,019,529)	(30,000)	(129,750)		0	(1,179,279)	(1,189,279)	(1,189,279)	(1,189,279)	(1,189,279)
(2,014,384)	Rent	(2,076,112)	(2,075,224)	(80,000)	(3,200)	(875,000)	0	(3,033,424)	(4,361,424)	(5,129,424)	(5,291,424)	(5,354,424)
(233,696)	Other grants and contributions	(213,494)	(164,497)	(1,000)	(2,131,017)		0	(2,296,514)	(2,288,360)	(2,330,411)	(2,373,303)	(2,417,053)
(77,763)	Commuted sums	(151,331)	(151,331)	0	0		0	(151,331)	(151,331)	(151,331)	(151,331)	(151,331)
(38,737,256)	Government grants	(36,683,868)	(36,466,436)	45,000	355,974		0	(36,065,462)	(36,065,462)	(36,065,462)	(36,065,462)	(36,065,462)
174,613	Bad debt provision	198,050	158,050	(20,000)	(25,000)		0	113,050	103,050	103,050	103,050	103,050
(84,917)	Interest	(232,882)	(232,014)	0	26,299		0	(205,715)	(204,715)	(204,715)	(209,715)	(209,715)
(58,104,738)	Income & Fees Total	(55,007,170)	(54,475,531)	(352,286)	(3,239,382)	(875,000)	(120)	(58,942,319)	(60,779,148)	(61,710,522)	(62,119,410)	(62,288,602)
15,881,413	Grand Total	18,803,831	19,266,973	(2,236,583)	320,435	213,147	348,810	17,912,783	17,545,187	17,401,264	17,231,745	17,471,496
73,986,150	Gross Service Expenditure	73,811,001	73,742,504	(1,884,297)	3,559,817	1,088,147	348,930	76,855,102	78,324,335	79,111,786	79,351,155	79,760,098
(58,104,738)	Gross Service Income	(55,007,170)	(54,475,531)	(352,286)	(3,239,382)	(875,000)	(120)	(58,942,319)	(60,779,148)	(61,710,522)	(62,119,410)	(62,288,602)
15,881,413	Net Service Expenditure	18,803,831	19,266,973	(2,236,583)	320,435	213,147	348,810	17,912,783	17,545,187	17,401,264	17,231,745	17,471,496

*Controllable Budgets – Support Service costs (e.g. HR and Financial Services) are not included in the service budgets in the tables above. Therefore, the Controllable Budgets do not represent the total cost of a service.

2.2 Service Budgets by Head of Service

Head of Community													
Actuals 2014/15	Subjective Analysis : Controllable Only *		Forecast 2015/16	Budget 2015/16	Budget 2016/17					Medium Term Financial Strategy			
					ZBB Heavy	ZBB Light/Other	Capital	Inflation	Budget	2017/18	2018/19	2019/20	2020/21
22,218	=Employees	Hired Staff	15,050	7,000	0	0		0	7,000	7,000	7,000	7,000	7,000
24,670		Other staff costs	4,439	10,648	0	(10,208)		0	440	440	440	440	440
351,978		Pension & NI	354,295	379,299	(19,000)	25,274		3,791	389,364	392,669	396,298	400,261	404,264
1,461,934		Salary	1,393,493	1,503,905	(69,000)	27,355		15,039	1,477,299	1,488,353	1,501,530	1,516,538	1,531,697
14,943		Training	30,655	31,826	0	(28,776)		0	3,050	3,050	3,050	3,050	3,050
189		Uniform & laundry	1,268	2,100	0	(200)		0	1,900	1,900	1,900	1,900	1,900
1,875,932	Employees Total		1,799,201	1,934,778	(88,000)	13,445		18,830	1,879,053	1,893,412	1,910,218	1,929,189	1,948,351
23,359	=Buildings	Rents	4,801	550	0	0		0	550	550	550	550	550
174,410		Repairs & Maintenance	101,049	110,200	(10,000)	(20,000)		0	80,200	75,200	75,200	75,200	75,200
12,878		Energy Costs	11,377	13,200	0	0		0	13,200	13,200	13,200	13,200	13,200
164		Water Services	3,880	580	0	80		0	660	660	660	660	660
15,986		Premises Cleaning	23,707	22,626	0	0		0	22,626	22,626	22,626	22,626	22,626
26,278		Rates	26,376	26,316	0	0		526	26,842	27,368	27,915	28,473	29,043
253,076	Buildings Total		171,190	173,472	(10,000)	(19,920)		526	144,078	139,604	140,151	140,709	141,279
20,054	=Transport	Mileage Allowance	26,335	30,100	0	(2,250)		0	27,850	25,250	25,250	25,250	25,250
4,613		Pool Car	9,006	10,950	0	(3,750)		0	7,200	7,000	7,000	7,000	7,000
5,602		Public Transport	6,249	8,550	0	(4,300)		0	4,250	3,850	3,850	3,850	3,850
31,537		Operating Costs	30,954	32,711	0	0		0	32,711	32,711	32,711	32,711	32,711
61,805	Transport Total		72,544	82,311	0	(10,300)		0	72,011	68,811	68,811	68,811	68,811
1,065	=Supplies & Services	Catering	451	600	0	280		0	880	880	880	880	880
121,066		Communication and computing	128,145	127,449	(25,000)	(3,914)		0	98,535	73,175	73,175	73,175	73,175
244,419		Equipment, furniture & materials	170,271	152,689	0	(10,534)	(6,600)	0	135,555	135,455	135,455	135,455	135,455
12,795		Office expenses	28,485	29,944	0	(11,724)		0	18,220	17,520	17,520	17,520	17,520
50,478		Services	110,423	107,781	0	(40,526)		0	67,255	67,065	67,065	67,065	67,065
391		Uniform & laundry	475	600	0	(100)		0	500	500	500	500	500
430,214	Supplies & Services Total		438,249	419,063	(25,000)	(66,518)	(6,600)	0	320,945	294,595	294,595	294,595	294,595
5,503	=Benefit & Transfer Payments	Irrecoverable V A T	4,600	4,600	0	0		0	4,600	4,600	4,600	4,600	4,600
209,383		Contributions paid	70,956	71,010	0	0		0	71,010	71,010	71,010	71,010	71,010
281,066		Grants	341,206	335,356	0	(50,356)		0	285,000	262,000	238,000	215,000	215,000
495,952	Benefit & Transfer Payments Total		416,762	410,966	0	(50,356)		0	360,610	337,610	313,610	290,610	290,610
(986,444)	=Income & Fees	Fees & charges	(871,326)	(850,267)	0	90,450		0	(759,817)	(754,217)	(754,217)	(759,817)	(754,217)
(5,450)		Rent	(5,450)	(5,450)	0	(200)		0	(5,650)	(5,650)	(5,650)	(5,650)	(5,650)
(31,857)		Other grants and contributions	(34,485)	(34,485)	0	(65,252)		0	(99,737)	(99,737)	(99,737)	(99,737)	(99,737)
(1,023,751)	Income & Fees Total		(911,261)	(890,202)	0	24,998		0	(865,204)	(859,604)	(859,604)	(865,204)	(859,604)
2,093,228	Grand Total		1,986,686	2,130,388	(123,000)	(108,651)	(6,600)	19,356	1,911,493	1,874,428	1,867,781	1,858,710	1,884,042
3,116,979	Gross Service Expenditure		2,897,947	3,020,590	(123,000)	(133,649)	(6,600)	19,356	2,776,697	2,734,032	2,727,385	2,723,914	2,743,646
(1,023,751)	Gross Service Income		(911,261)	(890,202)	0	24,998	0	0	(865,204)	(859,604)	(859,604)	(865,204)	(859,604)
2,093,228	Net Service Expenditure		1,986,686	2,130,388	(123,000)	(108,651)	(6,600)	19,356	1,911,493	1,874,428	1,867,781	1,858,710	1,884,042

Actuals 2014/15	Objective Analysis : Controllable Only *		Forecast 2015/16	Budget 2015/16	Budget 2016/17					Medium Term Financial Strategy			
					ZBB Heavy	ZBB Light/Other	Capital	Inflation	Budget	2017/18	2018/19	2019/20	2020/21
77,219	Head of Service		77,309	78,452	0	388		762	79,602	80,382	81,163	81,951	82,747
(20,953)	C C T V		(82,318)	(77,973)	0	6,973		0	(71,000)	(71,000)	(71,000)	(71,000)	(71,000)
309,167	C C T V Shared Service		254,585	245,158	(25,000)	(4,622)	(6,600)	3,308	212,244	187,637	188,928	192,232	195,570
319,267	Commercial Team		327,622	359,557	0	(14,089)		3,153	348,621	351,869	355,188	358,539	361,924
606,024	Community Team		687,573	688,286	0	15,851		2,676	706,813	686,237	665,834	646,466	650,131
8,640	Corporate Health & Safety		26,000	26,000	0	74,608		0	100,608	100,608	101,481	102,363	103,255
144,068	Environmental Health Admin		146,555	166,156	0	(18,902)		1,349	148,603	149,986	151,368	152,764	154,175
439,692	Environmental Protection Team		416,466	476,354	0	(73,536)		4,408	407,226	417,362	421,367	419,811	429,496
(187,816)	Licencing		(152,749)	(148,665)	0	(14,134)		1,553	(161,246)	(159,651)	(158,093)	(156,519)	(154,929)
397,919	Projects And Assets		285,642	317,063	(98,000)	(81,188)		2,147	140,022	130,998	131,545	132,103	132,673
2,093,228	Grand Total		1,986,686	2,130,388	(123,000)	(108,651)	(6,600)	19,356	1,911,493	1,874,428	1,867,781	1,858,710	1,884,042

*Controllable Budgets – Support Service costs (e.g. HR and Financial Services) are not included in the service budgets in the tables above. Therefore, the Controllable Budgets do not represent the total cost of a service.

Head of Customer Services

Actuals 2014/15	Subjective Analysis : Controllable Only *		Forecast 2015/16	Budget 2015/16	Budget 2016/17					Medium Term Financial Strategy				
					ZBB Heavy	ZBB Light/Oth	Capital	Inflation	Budget	2017/18	2018/19	2019/20	2020/21	
171,121	= Employees	Hired Staff	160,481	0	0	0	0	0	0	0	0	0	0	0
55,239		Other staff costs	29,985	31,208	0	(7,208)		0	24,000	24,000	24,000	24,000	24,000	24,000
848,033		Pension & NI	872,018	957,964	(63,500)	(216,017)		9,581	688,028	669,761	657,458	634,033	640,375	640,375
3,645,047		Salary	3,617,001	3,899,284	(250,500)	(977,123)		38,919	2,710,580	2,632,457	2,588,506	2,494,365	2,519,283	2,519,283
44,802		Training	34,404	34,350	0	(33,000)		0	1,350	1,350	1,350	1,350	1,350	1,350
1,980		Uniform & laundry	2,027	2,799	0	(500)		0	2,299	2,299	2,200	2,200	2,200	2,200
4,766,222	Employees Total		4,715,917	4,925,605	(314,000)	(1,233,848)		48,500	3,426,257	3,329,867	3,273,514	3,155,948	3,187,208	3,187,208
70,984	= Buildings	Rents	68,131	28,598	(4,000)	8,000		0	30,598	18,848	0	0	0	0
620		Repairs & Maintenance	838	572	0	0		0	572	572	0	0	0	0
358		Energy Costs	1,671	1,200	0	0		0	1,200	1,200	0	0	0	0
285		Water Services	117	200	0	0		0	200	200	0	0	0	0
4,427		Rates	6,120	4,733	(1,000)	2,000		95	5,828	4,945	0	0	0	0
1,019		Premises Cleaning	1,135	1,008	0	0		0	1,008	1,008	0	0	0	0
77,693	Buildings Total		78,012	34,311	(5,000)	10,000		95	39,406	26,773	0	0	0	0
10,046	= Transport	Mileage Allowance	8,929	10,050	0	(1,650)		0	8,400	8,400	8,350	8,350	8,350	8,350
8,696		Pool Car	11,494	11,610	0	(2,600)		0	9,010	9,010	9,010	9,010	9,010	9,010
6,935		Public Transport	7,013	6,620	0	(730)		0	5,890	5,890	5,890	5,890	5,890	5,890
4,522		Operating Costs	2,315	2,777	0	0		0	2,777	2,777	2,777	2,777	2,777	2,777
30,198	Transport Total		29,752	31,057	0	(4,980)		0	26,077	26,077	26,027	26,027	26,027	26,027
1,091	= Supplies & Services	Catering	520	250	0	0		0	250	250	250	250	250	250
299,115		Communication and computing	274,820	280,042	(19,000)	(172,127)		0	88,915	83,415	77,689	77,689	77,689	77,689
441,227		Equipment, furniture & materials	531,327	492,847	(12,000)	(389,459)	4,680	0	96,068	96,068	96,068	96,068	96,068	96,068
152,555		Office expenses	134,998	141,683	(16,000)	(3,849)		0	121,834	116,834	116,765	116,765	116,765	116,765
71,151		Rents	91,826	75,894	0	0		0	75,894	75,894	75,894	75,894	75,894	75,894
116,525		Services	(15,177)	(122,177)	0	186,594		0	64,417	69,417	68,337	68,337	68,337	68,337
1,081,664	Supplies & Services Total		1,018,315	868,539	(47,000)	(378,841)	4,680	0	447,378	441,878	435,003	435,003	435,003	435,003
499,208	= Benefit & Transfer Payments	Contributions paid	515,975	442,244	(120,000)	0		0	322,244	322,244	322,244	322,244	322,244	322,244
35,904,283		Benefits	36,020,000	36,110,000	(105,000)	(25,000)		0	35,980,000	35,980,000	35,980,000	35,980,000	35,980,000	35,980,000
36,403,491	Benefit & Transfer Payments Total		36,535,975	36,552,244	(225,000)	(25,000)		0	36,302,244	36,302,244	36,302,244	36,302,244	36,302,244	36,302,244
(1,872,828)	= Income & Fees	Fees & charges	(1,780,467)	(1,664,772)	23,000	(145,000)		0	(1,786,772)	(1,850,772)	(1,865,772)	(1,870,772)	(1,870,772)	(1,870,772)
0		Rent	(358)	0	0	0		0	0	0	0	0	0	0
(36,431,151)		Government grants	(36,310,374)	(36,357,196)	45,000	274,974		0	(36,037,222)	(36,037,222)	(36,037,222)	(36,037,222)	(36,037,222)	(36,037,222)
166,704		Bad debt provision	138,050	98,050	(20,000)	0		0	78,050	68,050	68,050	68,050	68,050	68,050
0		Internal Sales	0	0	0	(140,207)		0	(140,207)	(140,207)	(140,207)	(140,207)	(140,207)	(140,207)
(38,137,275)	Income & Fees Total		(37,953,149)	(37,923,918)	48,000	(10,233)		0	(37,886,151)	(37,960,151)	(37,975,151)	(37,980,151)	(37,980,151)	(37,980,151)
4,221,994	Grand Total		4,424,821	4,487,838	(543,000)	(1,642,902)	4,680	48,595	2,355,211	2,166,688	2,061,637	1,939,071	1,970,331	1,970,331
42,359,269	Gross Service Expenditure		42,377,970	42,411,756	(591,000)	(1,632,669)	4,680	48,595	40,241,362	40,126,839	40,036,788	39,919,222	39,950,482	39,950,482
(38,137,275)	Gross Service Income		(37,953,149)	(37,923,918)	48,000	(10,233)	0	0	(37,886,151)	(37,960,151)	(37,975,151)	(37,980,151)	(37,980,151)	(37,980,151)
4,221,994	Net Service Expenditure		4,424,821	4,487,838	(543,000)	(1,642,902)	4,680	48,595	2,355,211	2,166,688	2,061,637	1,939,071	1,970,331	1,970,331

Actuals 2014/15	Objective Analysis : Controllable Only *		Forecast 2015/16	Budget 2015/16	Budget 2016/17					Medium Term Financial Strategy				
					ZBB Heavy	ZBB Light/Oth	Capital	Inflation	Budget	2017/18	2018/19	2019/20	2020/21	
154,798	Head of Service		92,117	88,639	0	6,972		866	96,477	97,363	98,328	99,303	100,287	100,287
928,244	Customer Services		935,833	1,105,638	(239,000)	(52,388)	4,680	10,372	829,302	787,893	727,837	735,494	743,228	743,228
464,206	Document Centre		467,882	466,883	(91,000)	(148,484)		3,404	230,803	199,295	187,687	186,113	189,573	189,573
240,985	Housing Benefits		586,631	513,609	(139,000)	(105,501)		11,498	280,606	227,445	211,934	96,289	104,487	104,487
799,053	Housing Needs		837,487	823,288	(30,000)	(21,148)		5,597	777,737	783,490	789,108	794,782	800,515	800,515
1,445,953	Information Management		1,353,297	1,264,179	0	(1,274,303)		10,124	0	0	0	0	0	0
188,755	Local Tax Collection		151,574	225,601	(44,000)	(48,049)		6,734	140,286	71,202	46,743	27,090	32,241	32,241
4,221,994	Grand Total		4,424,821	4,487,838	(543,000)	(1,642,902)	4,680	48,595	2,355,211	2,166,688	2,061,637	1,939,071	1,970,331	1,970,331

*Controllable Budgets – Support Service costs (e.g. HR and Financial Services) are not included in the service budgets in the tables above. Therefore, the Controllable Budgets do not represent the total cost of a service.

Head of ICT Shared Services

Actuals 2014/15	Subjective Analysis : Controllable Only *		Forecast 2015/16	Budget 2015/16	Budget 2016/17					Medium Term Financial Strategy			
					ZBB Heavy	ZBB Light/ Other	Capital	Inflation	Budget	2017/18	2018/19	2019/20	2020/21
0	=Employees	Pension & NI		0	0	213,625		3,036	216,661	220,994	225,414	229,923	234,522
0		Salary		0	0	2,486,543		42,866	2,529,409	2,579,997	2,631,597	2,684,229	2,737,913
0		Training		0	0	32,380		648	33,028	33,689	34,363	35,050	35,751
0		Other staff costs		0	0	850		17	867	884	902	920	938
0		Uniform & laundry		0	0	500		10	510	520	530	541	552
0		Recruitment		0	0	1,500		30	1,530	1,561	1,592	1,624	1,656
0	Employees Total			0	0	2,735,398		46,607	2,782,005	2,837,645	2,894,398	2,952,287	3,011,332
0	=Buildings	Repairs & Maintenance		0	0	20,000		400	20,400	20,808	21,224	21,648	22,081
0	Buildings Total			0	0	20,000		400	20,400	20,808	21,224	21,648	22,081
0	=Transport	Mileage Allowance		0	0	7,060		141	7,201	7,345	7,492	7,642	7,795
0		Public Transport		0	0	1,530		31	1,561	1,592	1,624	1,656	1,689
0		Pool Car		0	0	3,600		72	3,672	3,745	3,820	3,896	3,974
0	Transport Total			0	0	12,190		244	12,434	12,682	12,936	13,194	13,458
0	=Supplies & Services	Communication and computing		0	0	560,391		11,008	561,399	572,627	584,080	595,761	607,677
0		Equipment, furniture & materials		0	0	2,330,678		46,613	2,377,291	2,424,839	2,473,337	2,522,803	2,573,258
0		Office expenses		0	0	23,240		465	23,705	24,179	24,663	25,158	25,660
0		Services		0	0	(755,217)		10,742	(744,475)	(759,366)	(774,555)	(790,047)	(805,846)
0		Expenses		0	0	1,000		20	1,020	1,040	1,061	1,082	1,104
0	Supplies & Services Total			0	0	2,150,092		68,848	2,218,940	2,263,319	2,308,586	2,354,757	2,401,853
0	=Income & Fees	Fees & charges		0	0	(1,175,999)		(120)	(1,176,119)	(1,199,641)	(1,223,634)	(1,248,106)	(1,273,069)
0		Other grants and contributions		0	0	(2,061,326)		0	(2,061,326)	(2,102,552)	(2,144,603)	(2,187,495)	(2,231,245)
0	Income & Fees Total			0	0	(3,237,325)		(120)	(3,237,445)	(3,302,193)	(3,368,237)	(3,435,601)	(3,504,314)
0	Grand Total			0	0	1,680,355		115,979	1,796,334	1,832,261	1,868,907	1,906,285	1,944,410
0	Gross Service Expenditure			0	0	4,917,680	0	116,099	5,033,779	5,134,454	5,237,144	5,341,886	5,448,724
0	Gross Service Income			0	0	(3,237,325)	0	(120)	(3,237,445)	(3,302,193)	(3,368,237)	(3,435,601)	(3,504,314)
0	Net Service Expenditure			0	0	1,680,355	0	115,979	1,796,334	1,832,261	1,868,907	1,906,285	1,944,410

*Controllable Budgets – Support Service costs (e.g. HR and Financial Services) are not included in the service budgets in the tables above. Therefore, the Controllable Budgets do not represent the total cost of a service.

Head of Development													
Actuals 2014/15	Subjective Analysis : Controllable Only *		Forecast 2015/16	Budget 2015/16	Budget 2016/17				Medium Term Financial Strategy				
					ZBB Heavy	ZBB Light/Other	Capital	Inflation	Budget	2017/18	2018/19	2019/20	2020/21
0	=Employees	Hired Staff	11,547	0	0	0	0	0	0	0	0	0	0
9,754		Other staff costs	11,219	0	0	0	0	0	0	0	0	0	0
468,548		Pension & NI	424,314	531,856	(19,630)	(50,860)	5,317	466,683	471,663	476,380	481,145	485,957	
1,851,551		Salary	1,698,970	2,108,589	(76,765)	(381,887)	21,086	1,671,023	1,689,147	1,706,040	1,723,101	1,740,331	
28,962		Training	16,356	19,000	0	(19,000)	0	0	0	0	0	0	0
116		Uniform & laundry	301	500	0	(150)	0	350	350	350	350	350	350
2,358,930	Employees Total		2,162,708	2,659,945	(96,395)	(451,897)	26,403	2,138,056	2,161,160	2,182,770	2,204,596	2,226,638	
1,344	=Buildings	Rents	566	150	0	(150)	0	0	0	0	0	0	0
(34,335)		Repairs & Maintenance	8,120	8,120	0	0	0	8,120	8,120	8,120	8,120	8,120	8,120
21,995		Energy Costs	17,982	20,000	0	0	0	20,000	20,000	20,000	20,000	20,000	20,000
22,062		Water Services	22,714	19,400	0	3,600	0	23,000	23,000	23,000	23,000	23,000	23,000
11,066	Buildings Total		49,382	47,670	0	3,450	0	51,120	51,120	51,120	51,120	51,120	
30,572	=Transport	Mileage Allowance	21,846	36,600	0	(19,300)	0	17,300	17,300	17,300	17,300	17,300	17,300
9,982		Pool Car	10,283	13,100	0	(3,000)	0	10,100	10,100	10,100	10,100	10,100	10,100
6,070		Public Transport	3,639	6,100	0	(50)	0	6,050	6,050	6,050	6,050	6,050	6,050
46,624	Transport Total		35,768	55,800	0	(22,350)	0	33,450	33,450	33,450	33,450	33,450	
4,538	=Supplies & Services	Catering	743	1,500	0	0	0	1,500	1,500	1,500	1,500	1,500	1,500
19,707		Communication and computing	13,075	14,696	(7,000)	(3,396)	0	4,300	4,300	4,300	4,300	4,300	4,300
63,124		Equipment, furniture & materials	53,218	55,800	0	(52,680)	0	3,120	3,120	3,120	3,120	3,120	3,120
63,183		Office expenses	32,931	35,332	(5,000)	(9,977)	0	20,355	20,355	20,355	20,355	20,355	20,355
23,164		Rents	23,134	23,255	0	0	0	23,255	23,255	23,255	23,255	23,255	23,255
396,596		Services	597,215	535,176	(175,605)	79,531	0	439,102	264,102	239,102	239,102	239,102	239,102
570,312	Supplies & Services Total		720,317	665,759	(187,605)	13,478	0	491,632	316,632	291,632	291,632	291,632	
6,276	=Benefit & Transfer Payments	Irrecoverable V A T	5,800	5,800	0	0	0	5,800	5,800	5,800	5,800	5,800	5,800
390,606		Contributions paid	187,227	185,136	(17,000)	(600)	0	167,536	167,536	167,536	167,536	167,536	167,536
73,050		Grants	25,000	25,000	(3,000)	0	0	22,000	22,000	22,000	22,000	22,000	22,000
469,932	Benefit & Transfer Payments Total		218,027	215,936	(20,000)	(600)	0	195,336	195,336	195,336	195,336	195,336	
(3,128,727)	=Income & Fees	Fees & charges	(1,644,076)	(1,836,986)	(10,000)	425,227	0	(1,421,759)	(1,415,759)	(1,415,759)	(1,415,759)	(1,415,759)	(1,415,759)
(10,341)		Sales	(10,135)	(11,900)	0	2,000	0	(9,900)	(9,900)	(9,900)	(9,900)	(9,900)	(9,900)
(98,253)		Rent	(100,000)	(100,000)	0	(3,000)	0	(103,000)	(103,000)	(103,000)	(103,000)	(103,000)	(103,000)
(30,000)		Government grants	(5,000)	(5,000)	0	0	0	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
(3,267,320)	Income & Fees Total		(1,759,211)	(1,953,886)	(10,000)	424,227	0	(1,539,659)	(1,533,659)	(1,533,659)	(1,533,659)	(1,533,659)	(1,533,659)
189,544	Grand Total		1,426,990	1,691,224	(314,000)	(33,692)	26,403	1,369,935	1,224,039	1,220,649	1,242,475	1,264,517	
3,456,864	Gross Service Expenditure		3,186,201	3,645,110	(304,000)	(457,919)	0	26,403	2,909,594	2,757,698	2,754,308	2,776,134	2,798,176
(3,267,320)	Gross Service Income		(1,759,211)	(1,953,886)	(10,000)	424,227	0	(1,539,659)	(1,533,659)	(1,533,659)	(1,533,659)	(1,533,659)	(1,533,659)
189,544	Net Service Expenditure		1,426,990	1,691,224	(314,000)	(33,692)	0	26,403	1,369,935	1,224,039	1,220,649	1,242,475	1,264,517

Actuals 2014/15	Objective Analysis : Controllable Only *		Forecast 2015/16	Budget 2015/16	Budget 2016/17				Medium Term Financial Strategy				
					ZBB Heavy	ZBB Light/Other	Capital	Inflation	Budget	2017/18	2018/19	2019/20	2020/21
102,739	Head of Service		76,395	77,928	0	(888)		762	77,802	78,582	79,363	80,151	80,947
(61,861)	Building Control		(31,439)	12,892	0	74,892		3,815	91,599	91,599	91,599	91,599	91,599
(1,239,373)	Development Management		(210,354)	(201,414)	(117,605)	81,171		9,584	(228,264)	(218,399)	(207,488)	(196,468)	(185,339)
191,382	Economic Development		268,097	308,167	(80,000)	2,542		1,353	232,062	189,457	190,865	192,288	193,725
265,776	Housing Strategy		275,739	298,921	(54,000)	(25,556)		2,682	222,047	224,797	226,984	229,193	231,423
930,881	Planning Policy		1,048,552	1,194,729	(62,395)	(165,852)		8,207	974,689	858,003	839,326	845,712	852,162
189,544	Grand Total		1,426,990	1,691,224	(314,000)	(33,692)		26,403	1,369,935	1,224,039	1,220,649	1,242,475	1,264,517

*Controllable Budgets – Support Service costs (e.g. HR and Financial Services) are not included in the service budgets in the tables above. Therefore, the Controllable Budgets do not represent the total cost of a service.

Head of Leisure & Health													
Actuals 2014/15	Subjective Analysis : Controllable Only *		Forecast 2015/16	Budget 2015/16	Budget 2016/17					Medium Term Financial Strategy			
					ZBB Heavy	ZBB Light/Other	Capital	Inflation	Budget	2017/18	2018/19	2019/20	2020/21
19,773	Employees	Hired Staff	11,280	14,000	0	(4,000)		0	10,000	10,000	10,000	10,000	10,000
27,358		Other staff costs	18,587	20,417	(500)	(936)		0	18,981	18,781	18,781	18,781	18,781
625,373		Pension & NI	545,285	642,872	(17,500)	26,118		6,434	657,925	662,566	669,095	675,684	682,344
3,861,081		Salary	3,762,959	3,729,304	(59,500)	(50,704)		37,271	3,656,371	3,683,799	3,720,261	3,757,088	3,794,295
56,762		Training	51,000	58,536	(2,000)	(33,366)		0	22,800	22,800	22,800	22,800	22,800
8,882		Uniform & laundry	10,099	10,355	(200)	1,684		0	11,839	11,789	11,789	11,789	11,789
4,599,229	Employees Total		4,399,210	4,475,484	(79,700)	(61,574)		43,705	4,377,916	4,409,735	4,452,726	4,496,142	4,540,009
111,058	Buildings	Premises Cleaning	102,171	113,555	0	(3,470)		0	110,085	110,085	110,085	110,085	110,085
11,852		Rents	15,740	15,740	(3,000)	0	4,000	0	16,740	7,800	7,800	7,800	7,800
198,778		Repairs & Maintenance	265,722	265,247	0	9,642	(15,000)	0	259,889	257,889	257,889	257,889	257,889
467,781		Rates	476,837	477,410	0	(12,631)		9,548	474,327	483,875	493,553	503,425	513,493
537,568		Energy Costs	530,517	546,550	0	8,539		0	555,089	522,089	486,089	446,089	446,089
65,195		Water Services	59,256	96,461	0	500		0	96,961	96,961	96,961	96,961	96,961
12,260		Ground Maintenance Costs	8,800	2,200	0	10,145		0	12,345	12,345	12,345	12,345	12,345
8,210		Fixtures & Fittings	2,771	3,026	0	(1,370)		0	1,656	1,656	1,656	1,656	1,656
1,412,702	Buildings Total		1,461,815	1,520,189	(3,000)	11,355	(11,000)	9,548	1,527,092	1,492,700	1,466,378	1,436,250	1,446,318
(1,424)	Transport	Contract Hire & operating lease	301	300	0	0		0	300	300	300	300	300
15,929		Mileage Allowance	10,615	11,580	(2,000)	2,255		0	11,835	10,335	10,335	10,335	10,335
0		Pool Car	117	200	0	(200)		0	0	0	0	0	0
2,671		Public Transport	2,194	2,500	(1,000)	0		0	1,500	1,000	1,000	1,000	1,000
5,823		Operating Costs	9,026	8,783	(500)	170		0	8,453	8,164	8,164	8,164	8,164
22,999	Transport Total		22,254	23,363	(3,500)	2,225		0	22,088	19,799	19,799	19,799	19,799
19,655	Supplies & Services	Catering	19,099	21,450	0	(2,500)		0	18,950	18,950	18,950	18,950	18,950
66,349		Communication and computing	82,015	67,007	(500)	(6,254)		0	60,253	60,053	61,053	61,053	61,053
735,841		Equipment, furniture & materials	633,840	653,776	(200)	(84,527)		0	569,049	572,649	572,649	572,649	572,649
135,523		Office expenses	145,872	136,112	(2,100)	(5,849)		0	128,162	125,512	125,512	125,512	125,512
148,896		Services	141,494	141,996	(5,000)	(8,214)		0	128,782	123,802	123,802	123,802	123,802
104		Uniform & laundry	200	200	0	0		0	200	200	200	200	200
1,106,368	Supplies & Services Total		1,022,521	1,020,541	(7,800)	(107,344)		0	905,396	901,166	902,166	902,166	902,166
82,991	Benefit & Transfer Payments	Irrecoverable V A T	81,000	81,000	0	0		0	81,000	81,000	81,000	81,000	81,000
82,991	Benefit & Transfer Payments Total		81,000	81,000	0	0		0	81,000	81,000	81,000	81,000	81,000
25,000	Renewals Fund Contribution	R&R	25,000	25,000	0	0		0	25,000	25,000	25,000	25,000	25,000
25,000	Renewals Fund Contribution Total		25,000	25,000	0	0		0	25,000	25,000	25,000	25,000	25,000
(6,001,660)	Income & Fees	Fees & charges	(6,127,444)	(6,134,235)	(7,000)	(161,367)		0	(6,302,602)	(6,624,663)	(6,666,993)	(6,710,917)	(6,753,996)
(825,987)		Sales	(816,315)	(876,929)	0	43,489		0	(833,440)	(833,440)	(833,440)	(833,440)	(833,440)
(6,250)		Rent	(5,000)	(5,000)	0	0		0	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
(51,843)		Other grants and contributions	(115,841)	(71,380)	(1,000)	(5,151)		0	(77,531)	(28,151)	(28,151)	(28,151)	(28,151)
(6,885,740)	Income & Fees Total		(7,064,599)	(7,087,544)	(8,000)	(123,029)		0	(7,218,573)	(7,491,254)	(7,533,584)	(7,577,508)	(7,620,587)
363,550	Grand Total		(52,800)	58,032	(102,000)	(278,367)	(11,000)	53,253	(280,082)	(561,855)	(586,516)	(617,152)	(606,296)
7,249,290	Gross Service Expenditure		7,011,799	7,145,576	(94,000)	(155,338)	(11,000)	53,253	6,938,491	6,929,399	6,947,068	6,960,356	7,014,291
(6,885,740)	Gross Service Income		(7,064,599)	(7,087,544)	(8,000)	(123,029)	0	0	(7,218,573)	(7,491,254)	(7,533,584)	(7,577,508)	(7,620,587)
363,550	Net Service Expenditure		(52,800)	58,032	(102,000)	(278,367)	(11,000)	53,253	(280,082)	(561,855)	(586,516)	(617,152)	(606,296)

Actuals 2014/15	Objective Analysis : Controllable Only *		Forecast 2015/16	Budget 2015/16	Budget 2016/17					Medium Term Financial Strategy			
					ZBB Heavy	ZBB Light/Other	Capital	Inflation	Budget	2017/18	2018/19	2019/20	2020/21
44,027	Head of Service		75,801	78,028	0	(968)		762	77,822	78,602	79,383	80,171	80,967
258,785	Sports and Active Lifestyles		225,073	323,397	(102,000)	(2,360)		3,842	222,879	205,811	208,407	211,030	213,676
60,738	One Leisure		(353,674)	(343,392)	0	(275,039)	(11,000)	48,649	(580,782)	(846,267)	(874,305)	(908,352)	(900,938)
363,550	Grand Total		(52,800)	58,032	(102,000)	(278,367)	(11,000)	53,253	(280,082)	(561,855)	(586,516)	(617,152)	(606,296)

*Controllable Budgets – Support Service costs (e.g. HR and Financial Services) are not included in the service budgets in the tables above. Therefore, the Controllable Budgets do not represent the total cost of a service.

Head of Operations													
Actuals 2014/15	Subjective Analysis : Controllable Only *		Forecast 2015/16	Budget 2015/16	Budget 2016/17					Medium Term Financial Strategy			
					ZBB Heavy	ZBB Light/Other	Capital	Inflation	Budget	2017/18	2018/19	2019/20	2020/21
535,286	=Employees	Hired Staff	405,878	381,798	(2,100)	0	0	379,698	378,088	375,988	373,888	373,888	
205,940		Other staff costs	234,812	235,572	(35,482)	(19,177)	0	180,913	179,923	178,273	176,623	176,623	
924,400		Pension & NI	910,472	957,886	(120,191)	143,787	9,578	991,060	997,021	999,491	1,001,987	1,012,008	
3,965,438		Salary	3,882,729	4,021,257	(388,541)	(74,932)	39,632	3,597,416	3,619,236	3,524,817	3,529,454	3,564,490	
28,206		Training	14,879	19,485	0	(19,485)	0	0	0	0	0	0	
1,547		Employee Insurance	1,167	2,000	0	0	0	2,000	2,000	2,000	2,000	2,000	
19,831		Uniform & laundry	14,780	20,343	0	(125)	0	20,218	20,218	20,218	20,218	20,218	
5,680,648		Employees Total	5,464,715	5,638,341	(546,314)	30,068	49,210	5,171,305	5,196,486	5,100,787	5,104,170	5,149,227	
81,713	=Buildings	Premises Cleaning	79,622	83,348	0	0	0	83,348	83,348	83,348	83,348	83,348	
21,586		Rents	15,394	13,006	0	0	0	13,006	13,006	13,006	13,006	13,006	
337,581		Repairs & Maintenance	364,660	352,698	0	0	0	352,698	352,698	352,698	352,698	352,698	
576,071		Rates	583,706	585,865	0	0	11,575	597,440	589,440	589,440	589,440	589,440	
194,910		Energy Costs	194,332	175,929	0	16,084	(17,500)	174,513	157,013	157,013	157,013	157,013	
23,076		Water Services	19,157	27,670	0	0	0	27,670	27,670	27,670	27,670	27,670	
5,163		Ground Maintenance Costs	12,484	18,200	0	0	0	18,200	18,200	18,200	18,200	18,200	
(556)	Premises Insurance	2,940	5,040	0	0	0	5,040	5,040	5,040	5,040	5,040		
1,239,545	Buildings Total	1,272,296	1,261,756	0	16,084	(17,500)	1,271,915	1,246,415	1,246,415	1,246,415	1,246,415		
18,471	=Transport	Contract Hire & operating leases	29,245	29,357	0	0	0	29,357	29,357	29,357	29,357	29,357	
14,330		Mileage Allowance	15,706	18,860	0	0	0	18,860	18,860	18,860	18,860	18,860	
10,304		Pool Car	9,023	6,550	0	(2,600)	0	3,950	3,950	3,950	3,950	3,950	
2,931		Public Transport	1,704	1,200	0	0	0	1,200	1,200	1,200	1,200	1,200	
3,116		Vehicle Insurance	5,504	1,200	0	0	0	1,200	1,200	1,200	1,200	1,200	
970,413		Operating Costs	1,007,310	1,079,332	(6,500)	0	0	1,072,832	999,931	993,431	986,931	986,931	
1,019,565		Transport Total	1,068,493	1,136,499	(6,500)	(2,600)	0	1,127,399	1,054,498	1,047,998	1,041,498	1,041,498	
48,493	=Supplies & Services	Catering	2,865	200	0	0	0	200	200	200	200	200	
31,869		Communication and computing	25,711	24,597	0	(17,641)	0	6,956	6,956	6,956	6,956	6,956	
353,394		Equipment, furniture & materials	361,280	371,646	(1,900)	(18,019)	5,000	356,727	355,587	353,687	351,787	351,787	
2,848		Insurance - service related	4,550	7,000	0	0	0	7,000	7,000	7,000	7,000	7,000	
40,445		Office expenses	41,942	49,350	0	(3,630)	0	45,720	45,720	45,720	45,720	45,720	
272,198		Services	452,160	146,053	0	167,075	20,000	333,128	313,128	313,128	313,128	313,128	
749,246	Supplies & Services Total	888,508	598,846	(1,900)	127,785	25,000	749,731	728,591	726,691	724,791	724,791		
4,649	=Benefit & Transfer Payments	Irrecoverable V A T	2,600	2,600	0	0	0	2,600	2,600	2,600	2,600	2,600	
270,909		Contributions paid	508,226	44,340	0	430,000	0	474,340	474,340	474,340	474,340	474,340	
275,558	Benefit & Transfer Payments Total	510,826	46,940	0	430,000	0	476,940	476,940	476,940	476,940	476,940		
(3,782,636)	=Income & Fees	Fees & charges	(3,996,565)	(3,639,543)	(262,286)	(400,000)	0	(4,301,829)	(4,391,829)	(4,431,829)	(4,551,829)	(4,551,829)	
(136,486)		Sales	(139,047)	(130,700)	(30,000)	0	0	(160,700)	(170,700)	(170,700)	(170,700)	(170,700)	
(90,887)		Rent	(114,294)	(86,324)	(13,000)	0	0	(99,324)	(120,324)	(120,324)	(220,324)	(220,324)	
(149,996)		Other grants and contributions	(63,169)	(58,632)	0	712	0	(57,920)	(57,920)	(57,920)	(57,920)	(57,920)	
(20,330)		Government grants	(13,557)	(23,240)	0	0	0	(23,240)	(23,240)	(23,240)	(23,240)	(23,240)	
(77,763)		Commuted sums	(151,331)	(151,331)	0	0	0	(151,331)	(151,331)	(151,331)	(151,331)	(151,331)	
0		Internal Sales	0	0	0	(35,032)	0	(35,032)	(35,032)	(35,032)	(35,032)	(35,032)	
(4,258,098)		Income & Fees Total	(4,477,962)	(4,089,770)	(305,286)	(434,320)	0	(4,829,376)	(4,950,376)	(4,990,376)	(5,210,376)	(5,210,376)	
4,706,463		Grand Total	4,726,876	4,592,612	(860,000)	167,017	7,500	60,785	3,967,914	3,752,554	3,608,455	3,383,438	3,428,495
8,964,561		Gross Service Expenditure	9,204,839	8,682,382	(554,714)	601,337	7,500	60,785	8,797,290	8,702,930	8,598,831	8,593,814	8,638,871
(4,258,098)	Gross Service Income	(4,477,962)	(4,089,770)	(305,286)	(434,320)	0	0	(4,829,376)	(4,950,376)	(4,990,376)	(5,210,376)	(5,210,376)	
4,706,463	Net Service Expenditure	4,726,876	4,592,612	(860,000)	167,017	7,500	60,785	3,967,914	3,752,554	3,608,455	3,383,438	3,428,495	

Actuals 2014/15	Objective Analysis : Controllable Only *		Forecast 2015/16	Budget 2015/16	Budget 2016/17					Medium Term Financial Strategy			
					ZBB Heavy	ZBB Light/Other	Capital	Inflation	Budget	2017/18	2018/19	2019/20	2020/21
92,137	Head of Service	Car Parks	182,967	92,007	(14,348)	(225)	868	78,302	79,189	79,971	80,761	81,558	
(1,202,950)		Environmental & Energy Mgt	(1,110,079)	(1,298,295)	(186,277)	15,166	6,723	(1,462,683)	(1,528,722)	(1,536,858)	(1,634,976)	(1,633,074)	
157,722	Facilities Management	Facilities Management	179,959	182,362	(87,430)	20,902	20,000	1,807	137,641	119,357	120,239	121,131	122,032
998,505		Fleet Management	945,582	969,642	51,942	18,787	(17,500)	9,223	1,032,094	996,690	950,685	854,219	857,789
219,394		Green Spaces	235,396	245,862	42,788	(36,715)	1,500	253,435	254,976	257,056	259,157	261,278	
1,031,685		Markets	1,128,091	1,209,648	(169,409)	14,407	13,419	1,068,065	1,041,840	1,004,963	967,839	980,466	
(110,053)		Operations Management	(98,872)	(89,395)	24,049	(1,040)	688	(65,699)	(65,416)	(64,894)	(64,366)	(63,833)	
847,975		Street Cleansing	388,805	430,407	(275,839)	(129,397)	3,720	28,891	32,713	32,751	32,789	32,828	
815,464		Waste Management	835,802	882,213	(63,329)	4,950	6,099	829,933	816,176	752,538	748,464	754,450	
1,856,586		Grand Total	2,039,226	1,968,161	(182,147)	260,182	5,000	16,738	2,067,935	2,005,751	2,012,004	2,018,420	2,035,001
4,706,463		Grand Total	4,726,876	4,592,612	(860,000)	167,017	7,500	60,785	3,967,914	3,752,554	3,608,455	3,383,438	3,428,495

*Controllable Budgets – Support Service costs (e.g. HR and Financial Services) are not included in the service budgets in the tables above. Therefore, the Controllable Budgets do not represent the total cost of a service.

Head of Resources

Actuals 2014/15	Subjective Analysis : Controllable Only *		Forecast 2015/16	Budget 2015/16	Budget 2016/17					Medium Term Financial Strategy			
					ZBB Heavy	ZBB Light/Other	Capital	Inflation	Budget	2017/18	2018/19	2019/20	2020/21
68,892	=	Employees	Hired Staff	79,782	21,000	0	(1,700)	0	19,300	19,300	19,300	19,300	19,300
3,484			Other staff costs	671	1,150	0	(800)	0	350	350	350	350	350
216,045			Pension & NI	205,790	227,038	0	(17,663)	2,270	211,645	203,109	198,406	200,389	202,394
860,471			Salary	822,799	905,178	0	(146,557)	8,952	767,573	736,127	718,623	725,709	732,867
10,623			Training	15,349	18,282	0	(18,282)	0	0	0	0	0	0
1,159,515		Employees Total		1,124,391	1,172,648	0	(185,002)	11,222	998,868	958,886	936,679	945,748	954,911
1,056	=	Buildings	Premises Cleaning	1,230	1,230	0	0	0	1,230	1,230	1,230	1,230	1,230
128,124			Rents	120,000	120,000	0	0	0	120,000	120,000	120,000	120,000	120,000
196,740			Repairs & Maintenance	40,893	42,478	(8,000)	0	(12,000)	0	22,478	22,478	22,478	22,478
19,732			Premises Insurance	20,718	0	0	0	0	0	0	0	0	0
39,122			Rates	34,376	15,300	0	0	306	15,606	15,918	16,236	16,561	16,892
5,980			Energy Costs	4,873	5,000	0	0	0	5,000	5,000	5,000	5,000	5,000
338			Water Services	200	200	0	0	0	200	200	200	200	200
391,095		Buildings Total		222,289	184,208	(8,000)	0	(12,000)	306	164,514	164,826	165,144	165,469
2,878	=	Transport	Mileage Allowance	1,297	1,750	0	(750)	0	1,000	1,000	1,000	1,000	1,000
1,118			Pool Car	1,424	900	0	(100)	0	800	800	800	800	800
3,461			Public Transport	2,904	2,600	0	(1,200)	0	1,400	1,400	1,400	1,400	1,400
7,457		Transport Total		5,625	5,250	0	(2,050)	0	3,200	3,200	3,200	3,200	3,200
9,849	=	Supplies & Services	Communication and computing	5,534	4,380	0	(1,680)	0	2,700	2,700	2,700	2,700	2,700
66,365			Equipment, furniture & materials	55,339	58,960	0	(58,960)	74,567	74,567	20,233	18,233	21,233	21,233
31,779			Insurance - service related	34,116	31,514	0	0	0	31,514	31,514	31,514	31,514	31,514
45,926			Office expenses	49,323	41,170	0	(15,600)	144,000	169,570	247,570	314,570	315,570	316,570
140,028			Services	91,498	45,964	0	209,974	887,000	1,142,938	2,207,938	2,627,938	2,628,938	2,628,938
293,946		Supplies & Services Total		235,810	181,988	0	133,734	1,105,567	0	1,421,289	2,509,955	2,994,955	2,999,955
3,539	=	Benefit & Transfer Payments	Services	4,000	4,000	0	0	0	4,000	4,000	4,000	4,000	4,000
28,974			Irrecoverable V A T	20,500	20,500	0	0	0	20,500	20,500	20,500	20,500	20,500
32,513		Benefit & Transfer Payments Total		24,500	24,500	0	0	0	24,500	24,500	24,500	24,500	24,500
(128,871)	=	Income & Fees	Fees & charges	(149,453)	(134,746)	(10,000)	45,000	0	(99,746)	(99,746)	(99,746)	(99,746)	(99,746)
(1,868)			Sales	(4,520)	0	0	0	0	0	0	0	0	0
(1,813,544)			Rent	(1,851,011)	(1,878,450)	(67,000)	0	(875,000)	0	(2,820,450)	(4,127,450)	(4,895,450)	(4,957,450)
(1,944,283)		Income & Fees Total		(2,004,984)	(2,013,196)	(77,000)	45,000	(875,000)	0	(2,920,196)	(4,227,196)	(4,995,196)	(5,057,196)
(59,758)		Grand Total		(392,368)	(444,602)	(85,000)	(8,318)	218,567	11,528	(307,825)	(565,829)	(870,718)	(918,324)
1,884,525			Gross Service Expenditure	1,612,616	1,568,594	(8,000)	(53,318)	1,093,567	11,528	2,612,371	3,661,367	4,124,478	4,138,872
(1,944,283)			Gross Service Income	(2,004,984)	(2,013,196)	(77,000)	45,000	(875,000)	0	(2,920,196)	(4,227,196)	(4,995,196)	(5,057,196)
(59,758)		Net Service Expenditure		(392,368)	(444,602)	(85,000)	(8,318)	218,567	11,528	(307,825)	(565,829)	(870,718)	(918,324)

Actuals 2014/15	Objective Analysis : Controllable Only *		Forecast 2015/16	Budget 2015/16	Budget 2016/17					Medium Term Financial Strategy			
					ZBB Heavy	ZBB Light/Other	Capital	Inflation	Budget	2017/18	2018/19	2019/20	2020/21
177,906		Audit & Risk Management		211,138	223,542	0	559	1,607	225,708	227,355	229,094	230,849	232,623
(1,362,807)		Commercial Estates		(1,584,605)	(1,618,488)	(85,000)	1,389	144,000	1,342	(1,556,757)	(1,720,380)	(1,999,985)	(2,060,572)
670,319		Finance		634,838	639,512	0	(60,801)	74,567	5,656	658,933	559,904	531,425	541,180
76,509		Head of Service		88,267	86,782	0	478	762	88,022	88,802	89,607	90,420	91,241
292,910		Legal		178,100	142,153	0	68,151	1,534	211,838	213,416	213,431	213,446	213,462
85,405		Procurement		79,894	81,898	0	(18,094)	627	64,431	65,074	65,710	66,353	67,003
(59,758)		Grand Total		(392,368)	(444,602)	(85,000)	(8,318)	218,567	11,528	(307,825)	(565,829)	(870,718)	(918,324)

*Controllable Budgets – Support Service costs (e.g. HR and Financial Services) are not included in the service budgets in the tables above. Therefore, the Controllable Budgets do not represent the total cost of a service.

Directors and Corporate Management

Actuals 2014/15	Subjective Analysis : Controllable Only *		Forecast 2015/16	Budget 2015/16	Budget 2016/17				Medium Term Financial Strategy				
					ZBB Heavy	ZBB Light/Other	Capital	Inflation	Budget	2017/18	2018/19	2019/20	2020/21
48,871	=Employees	Hired Staff	10,000	10,000	0	0	0	0	10,000	10,000	10,000	10,000	10,000
26,885		Other staff costs	7,260	7,400	(5,000)	0	0	0	2,400	2,400	2,400	2,400	2,400
217,972		Pension & NI	255,637	263,217	(27,447)	12,595	2,632	250,997	250,168	241,866	244,285	246,729	246,729
954,078		Salary	1,128,793	1,027,825	(99,553)	(2,983)	10,279	935,568	932,822	902,956	911,984	921,103	921,103
29,027		Training	32,767	28,823	(48,583)	137,819	0	118,059	118,059	118,059	118,059	118,059	118,059
1,276,833	Employees Total		1,434,458	1,337,265	(180,583)	147,431	12,911	1,317,024	1,313,449	1,275,281	1,286,728	1,298,291	1,298,291
28,869	=Buildings	Rents	23,964	7,200	0	0	0	7,200	7,200	7,200	7,200	7,200	7,200
28,869	Buildings Total		23,964	7,200	0	0	0	7,200	7,200	7,200	7,200	7,200	7,200
13,214	=Transport	Mileage Allowance	18,406	19,250	0	(6,500)	0	12,750	12,750	12,750	12,750	12,750	12,750
947		Pool Car	759	1,000	0	(700)	0	300	300	300	300	300	300
2,498		Public Transport	1,913	1,640	0	0	0	1,640	1,640	1,640	1,640	1,640	1,640
16,659	Transport Total		21,078	21,890	0	(7,200)	0	14,690	14,690	14,690	14,690	14,690	14,690
8,447	=Supplies & Services	Catering	6,871	7,250	(2,000)	(1,000)	0	4,250	4,250	4,250	4,250	4,250	4,250
156,984		Communication and computing	154,576	132,011	(2,000)	(11,511)	0	118,500	118,500	118,500	118,500	118,500	118,500
57,672		Equipment, furniture & materials	61,590	64,443	(2,000)	(60,443)	0	2,000	2,000	2,000	2,000	2,000	2,000
7,332		Insurance - service related	7,332	7,515	0	0	0	7,515	7,515	7,515	7,515	7,515	7,515
376,481		Members Allowances	379,825	379,550	0	7,225	0	386,775	386,775	386,775	386,775	386,775	386,775
199,373		Office expenses	160,125	133,005	(1,000)	15,334	0	147,339	147,339	147,339	147,339	147,339	147,339
0		Rents	4,000	4,000	0	2,000	0	6,000	6,000	6,000	6,000	6,000	6,000
624,742		Services	689,766	554,191	(22,000)	16,309	0	548,500	473,500	477,500	473,500	473,500	473,500
1,431,032	Supplies & Services Total		1,464,085	1,281,965	(29,000)	(32,086)	0	1,220,879	1,145,879	1,149,879	1,145,879	1,145,879	1,145,879
525	=Benefit & Transfer Payments	Grants	2,000	2,000	0	0	0	2,000	2,000	2,000	2,000	2,000	2,000
30,150		Services	2,277	3,700	0	0	0	3,700	3,700	3,700	3,700	3,700	3,700
30,675	Benefit & Transfer Payments Total		4,277	5,700	0	0	0	5,700	5,700	5,700	5,700	5,700	5,700
(257,874)	=Income & Fees	Fees & charges	(308,185)	(264,001)	0	(999)	0	(265,000)	(275,000)	(275,000)	(275,000)	(275,000)	(275,000)
(706,308)		Government grants	(291,762)	(13,000)	0	13,000	0	0	0	0	0	0	0
(964,183)	Income & Fees Total		(599,947)	(277,001)	0	12,001	0	(265,000)	(275,000)	(275,000)	(275,000)	(275,000)	(275,000)
1,819,886	Grand Total		2,347,916	2,377,019	(209,583)	120,146	12,911	2,300,493	2,211,918	2,177,750	2,185,197	2,196,760	2,196,760
2,784,068	Gross Service Expenditure		2,947,863	2,654,020	(209,583)	108,145	0	12,911	2,585,493	2,486,918	2,452,750	2,460,197	2,471,760
(964,183)	Gross Service Income		(599,947)	(277,001)	0	12,001	0	0	(265,000)	(275,000)	(275,000)	(275,000)	(275,000)
1,819,886	Net Service Expenditure		2,347,916	2,377,019	(209,583)	120,146	0	12,911	2,300,493	2,211,918	2,177,750	2,185,197	2,196,760

Actuals 2014/15	Objective Analysis : Controllable Only *		Forecast 2015/16	Budget 2015/16	Budget 2016/17				Medium Term Financial Strategy				
					ZBB Heavy	ZBB Light/Other	Capital	Inflation	Budget	2017/18	2018/19	2019/20	2020/21
556,050	Corporate Team		1,123,243	1,139,452	(206,583)	159,640	0	5,197	1,097,706	1,001,244	965,250	958,796	962,377
948,643	Democratic & Elections		765,077	774,341	(3,000)	(40,585)	0	3,176	733,932	737,188	744,388	743,618	746,882
315,193	Directors		459,596	463,225	0	1,092	0	4,538	468,855	473,486	478,112	482,783	487,501
1,819,886	Grand Total		2,347,916	2,377,019	(209,583)	120,146	0	12,911	2,300,493	2,211,918	2,177,750	2,185,197	2,196,760

*Controllable Budgets – Support Service costs (e.g. HR and Financial Services) are not included in the service budgets in the tables above. Therefore, the Controllable Budgets do not represent the total cost of a service.

Head of Resources (Corporate Budgets)

Actuals 2014/15	Subjective Analysis : Controllable Only *		Forecast 2015/16	Budget 2015/16	Budget 2016/17					Medium Term Financial Strategy			
					ZBB Heavy	ZBB Light/ Other	Capital	Inflation	Budget	2017/18	2018/19	2019/20	2020/21
142,554	= Employees	Employee Insurance	161,506	177,516	0	(9,752)		0	167,764	167,764	167,764	184,540	184,540
794,669		Pension & NI	1,136,000	1,135,000	0	375,000		0	1,510,000	1,574,000	1,649,000	1,724,000	1,799,000
455,403		Severance payments	206,241	207,000	0	0		0	207,000	207,000	206,000	206,000	205,000
1,392,626	Employees Total		1,503,747	1,519,516	0	365,248		0	1,884,764	1,948,764	2,022,764	2,114,540	2,188,540
0	= Buildings	Insurance - service related			0	5,000		0	5,000	5,000	5,000	5,500	5,500
62,276		Premises Insurance	55,633	59,244	0	(3,997)		0	55,247	55,247	55,247	60,772	60,772
62,276	Buildings Total		55,633	59,244	0	1,003		0	60,247	60,247	60,247	66,272	66,272
81,337	= Transport	Vehicle Insurance	81,360	84,535	0	(917)		0	83,618	83,618	83,618	91,980	91,980
81,337	Transport Total		81,360	84,535	0	(917)		0	83,618	83,618	83,618	91,980	91,980
550	= Supplies & Services	Communication and computing	580	610	0	(610)		0	0	0	0	0	0
19,553		Equipment, furniture & materials	21,478	20,258	0	(19,821)		0	437	437	437	481	481
62,385		Insurance - service related	77,218	67,772	0	6,175		0	73,947	73,947	73,947	81,284	81,284
1,961,542		Services	2,440,771	2,466,625	0	(54,525)		0	2,412,100	3,158,773	3,523,216	3,613,399	3,643,488
2,044,031	Supplies & Services Total		2,540,047	2,555,265	0	(68,781)		0	2,486,484	3,233,157	3,597,600	3,695,163	3,725,253
198,209	= Benefit & Transfer Payments	Contributions paid	0	0	0	73,855		0	73,855	73,855	73,855	73,855	73,855
2,375		Irrecoverable V A T	1,625	1,625	0	75		0	1,700	1,700	1,700	1,700	1,700
389,740		Levies	389,355	394,291	0	(4,936)		0	389,355	389,355	393,249	393,249	397,181
590,323	Benefit & Transfer Payments Total		390,980	395,916	0	68,994		0	464,910	464,910	468,804	468,804	472,736
7,909	= Income & Fees	Bad debt provision	60,000	60,000	0	(25,000)		0	35,000	35,000	35,000	35,000	35,000
2,387		Fees & charges	0	0	0	(10,000)		0	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
(1,549,467)		Government grants	(63,175)	(68,000)	0	68,000		0	0	0	0	0	0
(84,917)		Interest	(232,882)	(232,014)	0	26,299		0	(205,715)	(204,715)	(204,715)	(209,715)	(209,715)
(1,624,087)	Income & Fees Total		(236,057)	(240,014)	0	59,299		0	(180,715)	(179,715)	(179,715)	(184,715)	(184,715)
2,546,507	Grand Total		4,335,710	4,374,462	0	424,846		0	4,799,308	5,610,982	6,053,318	6,252,044	6,360,066
4,170,594	Gross Service Expenditure		4,571,768	4,614,476	0	365,547	0	0	4,980,023	5,790,697	6,233,033	6,436,759	6,544,781
(1,624,087)	Gross Service Income		(236,057)	(240,014)	0	59,299	0	0	(180,715)	(179,715)	(179,715)	(184,715)	(184,715)
2,546,507	Net Service Expenditure		4,335,710	4,374,462	0	424,846	0	0	4,799,308	5,610,982	6,053,318	6,252,044	6,360,066

*Controllable Budgets – Support Service costs (e.g. HR and Financial Services) are not included in the service budgets in the tables above. Therefore, the Controllable Budgets do not represent the total cost of a service.

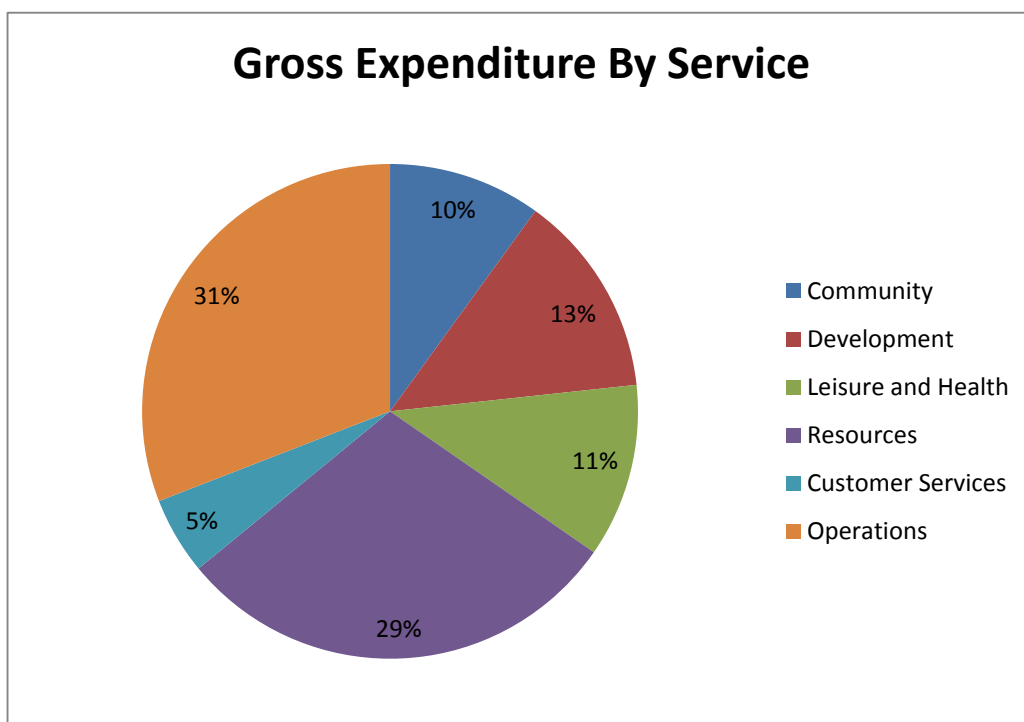
3.0 CAPITAL

- 3.1 The detailed final capital programme for the period 2016/17 to 2020/21 is shown below in **Table G**, along with the sources of finance. The revenue implications of the individual capital proposals are built into the individual revenue budgets and the impact of the proposed programme on the minimum revenue position (MRP) is **£61,000**. In addition there is an MRP increase in 2017/18 of £0.6m as a result of the funding of the 2016/17 capital programme.

Table G	Forecast	Budget	Medium Term Financial Strategy			
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£000s	£000s	£000s	£000s	£000s	£000s
Community						
CCTV Camera Replacements	87	40	40	40	40	40
CCTV Shared Service Room	2					
Loves Farm Community Building	72					
Pathfinder House Site	10					
Huntingdon West Development	1,059	718				
CCTV Pathfinder House Resilience		20				
CCTV Wi-Fi		250				
Lone Worker Software		20				
Development						
Alconbury Weald Remediation	1,985					
Private Sector Housing Grants	75					
Disabled Facilities Grants	1,545	1,400	1,300	1,200	1,100	1,000
A14 Upgrade					200	200
Leisure and Health						
Pedals Scheme	9					
One Leisure Synthetic Pitch	392					
One Leisure St Ives Development	0					
One Leisure Improvements	226	249	270	281	317	317
Replacement Fitness Equipment	185					
One Leisure St Ives String Bowling System		42				
One Leisure Huntingdon Changing Facilities		92				
One Leisure Huntingdon Expansion		811				
Resources						
VAT Exempt Capital	121					
Housing Association Loan	2,750	2,750				
Phoenix Industrial Unit Roof Replacement	200					
Octagon Improvements	50					
Cash Receipting System Upgrade	17					
Levellers Lane Industrial Unit Roof Replacement		78				
Clifton Road Industrial Unit Roof Replacement		70				
Financial Management System Replacement		192				
Customer Services						
Business Systems	13					
CRM System Upgrade		117				
E-forms		44				
Flexible Working - 3CSS		50	50	50		
Telephones - 3CSS		100	100			
Virtual Server - 3CSS		220				
Operations						
Building Efficiencies (Salix)	70	74	74			
Environment Strategy Funding (Loves Farm Community Building)	30					
Wheeled Bins	127	234	234	234	234	234
Vehicle Fleet Replacement	761	1,861	1,062	551	1,344	971
Car Park Improvements	25					
In-Cab Technology		75				
Play Equipment	45	25	20	20	21	21
Retro-Fitting Buildings		662	320			
Bridge Place Car Park Godmanchester		318				
Total Cost	9,856	10,512	3,470	2,376	3,256	2,783
Asset Sales	(847)					
Capital Receipts	(500)	(400)	(300)	(300)	(300)	(300)
Grants and Contributions	(3,456)	(1,054)	(758)	(792)	(810)	(853)
Borrowing - External	(2,750)	(7,750)	(2,000)	(1,000)	(2,000)	(1,000)
Borrowing - Internal	(2,303)	(1,308)	(412)	(284)	(146)	(630)
Total Sources of Finance	(9,856)	(10,512)	(3,470)	(2,376)	(3,256)	(2,783)

Borrowing:

- *External - for 2016/17 this includes the balance of the loan to Luminus Housing. Any additional external borrowing to the capital programme will be included in the 2016/17 Treasury Management Strategy.*
- *Internal - this is the use of the Council's working capital within the balance sheet.*



4.0 TREASURY MANAGEMENT

4.1 The following gives a high level commentary on the Treasury Management activity that the Council is expecting to undertake during 2016/17.

- **Short Term Borrowing**

During any year the Council will undertake short term borrowing and lending to maintain effective daily cash flow balances. For the forthcoming year, it is estimated that the net cost of short-term borrowing will be £15,000; this is based on an estimated daily cash flow balance of £8.0m. The cost of borrowing is based on an estimated interest rate of 0.75%.

- **Long Term Borrowing**

The Treasury Management Strategy permits the Council to borrow for the long-term to maintain effective working capital balances and to support back-to-back lending to external organisations. At the end of 2015/16, it is forecast that the total balances in respect of long-term borrowing will be £14.0m. The estimated cost of long term borrowing in 2016-17 is £0.649m.

During 2016/17 further long-term borrowing will occur to finance the Commercial Investment Strategy. Borrowing of £20m is estimated, with an estimated cost of £55,000 in 2016/17.

5.0 Capital Financing Requirement (CFR)

5.1 The following tables demonstrate, over the period of the MTF5, the Council's capital commitments and plans against its underlying need to borrow. The three tables below show the Council's total CFR which is then split into that which relates to the Council's mainstream spending and that which relates to the Capital Investment Strategy (CIS).

Capital Financing Requirement - Total	Forecast	Budget	Medium Term Financial Strategy					
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
			£000s	£000s	£000s	£000s	£000s	£000s
Opening Capital Financing Requirement	35,474	38,997	65,535	78,767	75,262	72,484		
Closing Capital Financing Requirement	38,997	65,535	78,767	75,262	72,484	69,164		
Increase in Underlying Need to Borrow	3,523	26,538	13,232	(3,505)	(2,778)	(3,320)		

Capital Financing Requirement - Capital Programme	Forecast	Budget	Medium Term Financial Strategy					
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
			£000s	£000s	£000s	£000s	£000s	£000s
Opening Capital Financing Requirement	35,474	38,997	46,420	46,601	45,465	45,056		
Property Plant and Equipment	2,172	4,753	2,020	1,126	1,956	1,583		
Intangible Assets	30	743	150	50	0	0		
Investment Properties	240	148	0	0	0	0		
Revenue Expenditure Funded From Capital Under Statute	4,589	2,118	1,300	1,200	1,300	1,200		
Community Infrastructure Levy	700	0	0	0	0	0		
Repayable Advances	2,825	2,750	0	0	0	0		
Additional Requirement	10,556	10,512	3,470	2,376	3,256	2,783		
Capital Receipts	(1,347)	(400)	(300)	(300)	(300)	(300)		
Grants and Contributions	(3,456)	(1,054)	(758)	(792)	(810)	(853)		
Capital Reserves	0	0	0	0	0	0		
Capital Reserves - Community Infrastructure Levy	(700)	0	0	0	0	0		
Minimum Revenue Provision	(1,530)	(1,635)	(2,231)	(2,420)	(2,555)	(2,581)		
	(7,033)	(3,089)	(3,289)	(3,512)	(3,665)	(3,734)		
Closing Capital Financing Requirement	38,997	46,420	46,601	45,465	45,056	44,105		
Increase in Underlying Need to Borrow	3,523	7,423	181	(1,136)	(409)	(951)		

Capital Financing Requirement - Commercial Investment Strategy	Forecast 2015/16 £000s	Budget 2016/17 £000s	Medium Term Financial Strategy			
			2017/18 £000s	2018/19 £000s	2019/20 £000s	2020/21 £000s
Opening Capital Financing Requirement	0	0	19,115	32,166	29,797	27,428
Property Shares	5,000	5,000	0	0	0	0
Direct Assets (Local Area)	5,000	10,000	5,000	0	0	0
Direct Assets (Regional Cities)	0	5,000	10,000	0	0	0
Additional Requirement	10,000	20,000	15,000	0	0	0
Capital Investment Earmarked Reserve	(10,000)	0	0	0	0	0
Minimum Revenue Provision	0	(885)	(1,949)	(2,369)	(2,369)	(2,369)
	(10,000)	(885)	(1,949)	(2,369)	(2,369)	(2,369)
Closing Capital Financing Requirement	0	19,115	32,166	29,797	27,428	25,059
Increase in Underlying Need to Borrow	0	19,115	13,051	(2,369)	(2,369)	(2,369)

6.0 Formal 2016/17 Council Tax Resolutions

6.1 The formal 2016/17 Council Tax resolutions to be agreed by Council are shown below.

- a) That the Council note the Council Tax Base for the whole Council area and individual Towns and Parishes (para 6.2) as approved by Cabinet on the 21st January 2016 (and subsequent publication as a key decision).
The tax base (T) which is the amount anticipated from a District Council Tax of £1 is **£59,358**
- b) That the following amounts calculated by the Council for 2016/17 in accordance with the requirements of the Local Government Finance Act 1992 as amended by the Localism Act 2011 (the Act), the Local Government Finance Act 2012 and associated regulations :-
- (i) the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) (a) to (f) of the Act **£82,326,188**
Gross revenue expenditure including benefits, Town/Parish Precepts
- (ii) the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) (a) to (d) of the Act **£68,949,819**
Revenue income including reimbursement of benefits, specific and general grants, use of reserves and any transfers from the collection fund.
- (iii) the amount by which the aggregate at (i) above exceeds the aggregate at (ii) above in accordance with Section 31A (4) of the Act **£13,376,369**
This is the "Council Tax Requirement" including Parish/Town Precepts (item i minus item ii). It is the cash sum to be funded from District, Town and Parish Council Taxes.
- (iv) the Council Tax requirement for 2016/17 divided by the tax base (T) in accordance with Section 31B (1) of the Act **£225.35**
District plus average Town/Parish Council Tax (item iii divided by District taxbase)
- (v) the aggregate of all "Special Items" referred to in Section 34(1) of the Act. **£5,471,086**
The total value of Parish/Town precepts included in i and iii above.
- (vi) the Basic Amount of Council Tax for 2015/16 being item iv less item v divided by the tax base (T) in accordance with Section 34 (2) of the Act. **£133.18**
The District Council's Band D Tax for 2016/17

- (vii) the basic amounts of Council Tax for 2016/17 for those parts of the District to which one or more special items (Parish/Town precepts) relate in accordance with Section 34 (3) of the Act are shown by adding the Huntingdonshire District Council amount to the appropriate Parish Council amount in column "band D" set out in Table 1 attached.
 - (viii) the amounts to be taken into account for 2016/17 in respect of categories of dwellings listed in particular valuation bands in accordance with Section 36 (1) of the Act are shown by adding the Huntingdonshire District Council amount to the appropriate Parish Council amount for each of the valuation bands in the columns "bands A to H" set out in Table 1 attached.
- (c) That the amounts of precept issued to the Council by Cambridgeshire County Council, Cambridgeshire Police Authority, Cambridgeshire & Peterborough Fire Authority and for each Parish Council for each of the categories of dwellings listed in different valuation bands in accordance with Section 40 of the Act shown in para 6.3 attached be noted.
 - (d) That, having regard to the calculations above, the Council, in accordance with Section 30 (2) of the Act, hereby sets the figures shown in para 6.4 as the amounts of Council Tax for 2016/17 for each of the categories of dwelling shown. ***This is the total Council Tax to be collected, incorporating the requirements of all of the relevant bodies, for each town or parish area.***
 - (e) The Council notes that, in accordance with Section 52ZB of the Local Government Finance Act 1992, the basic amount of its Council Tax for 2016/17 is not excessive. ***The basic amount at b (vi) above is not excessive as defined by the Government.***

6.2 Tax Base 2016/17

Abbotsley	249	Kings Ripton	80
Abbots Ripton	133	Leighton Bromswold	81
Alconbury	546	Little Paxton	1,523
Alconbury Weston	284	Morborne	10
Alwalton	119	Offord Cluny & Offord	501
Barham & Woolley	29	D'Arcy	
Bluntisham	737	Old Hurst	97
Brampton	1,725	Old Weston	93
Brington & Molesworth	166	Perry	260
Broughton	88	Pidley-cum-Fenton	157
Buckden	1,152	Ramsey	2,758
(incorporating Diddington)		St Ives	5,789
Buckworth	52	St Neots	10,760
Bury	617	Sawtry	1,788
Bythorn & Keyston	141	Sibson-cum-Stibbington	216
Catworth	154	Somersham	1,354
Chesterton	58	Southoe & Midloe	152
Colne	352	Spaldwick	245
Conington	66	Stilton	773
Covington	44	Stow Longa	67
Denton & Caldecote	27	The Stukeleys	414
Earith	576	Tilbrook	119
Easton	76	Toseland	37
Ellington	233	Upton & Coppingford	81
Elton	285	Upwood & The Raveleys	416
Farcet	524	Warboys	1,327
Fenstanton	1,146	Waresley-cum-Tetworth	145
Folksworth & Washingley	348	Water Newton	41
Glatton	129	Winwick	41
Godmanchester	2,403	Wistow	218
Grafham	235	Woodhurst	153
Great & Little Gidding	122	Woodwalton	78
Great Gransden	451	Wyton-on-the-Hill	412
Great Paxton	367	Yaxley	2,859
Great Staughton	324	Yelling	148
Haddon	25		
Hail Weston	243	Total	59,358
Hamerton & Steeple Gidding	48		
Hemingford Abbots	339		
Hemingford Grey	1,274		
Hilton	451		
Holme	230		
Holywell-cum-Needingworth	969		
Houghton & Wyton	785		
Huntingdon	7,255		
Kimbolton & Stonely	588		

6.3 2016/17 Council Tax by Property Band for each Precepting Authority and the Billing Authority

This table will be completed after the Council's Full Council meeting scheduled for the 24th February 2016 when the Council receives the precepts from Cambridgeshire County Council.

6.4 Total 2016/17 Council Tax by Property Band for each Precepting Authority and the Billing Authority

This table will be completed after the Council's Full Council meeting scheduled for the 25th February when the Council receives the precepts from Cambridgeshire County Council, Fire and Police Authorities.

7. Fees and Charges

- 7.1 The Fees and Charges that will be applicable from April 2016 to March 2017 have been included in **Annex A**.

8.0 Robustness of the 2016/17 Budget and Medium Term Financial Strategy

- 8.1 The Local Government Act 2003 requires me, as the Council's Responsible Financial Officer, to report on the robustness of the 2016/17 budget and the adequacy of reserves to assist you in making your decisions on the Budget and the level of Council Tax. Further, this is an opportunity for me to provide some commentary in respect of the period covered by the Medium Term Financial Strategy (MTFS).

8.2 Robustness and Budget Setting

- 8.2.1 At the time of writing, the most recent Financial Performance Management Report (December 2015) was forecasting an underspend of £2.2m; £1.6m in respect of savings accrued from general service expenditure and £0.6m from additional Section 31 grant. As in previous years, this positive financial position reflects the Council's success in performing well against its budget. It clearly demonstrates that managers have been, and continue to be, prudent in the delivery of their services and that the Council has "cost" firmly under control.
- 8.2.2 However, with the setting of the 2016/17 budget, this does mean that the Council has reviewed all of its services as part of its programmed Zero Based Budgeting (ZBB) review process. This has been a bottom-up review of all services; it has set new service standards for many services and reset budgets to meet those standards. The ZBB reviews were conducted in the light of the latest benchmarking information that was available; Heads of Service, supported by their Portfolio Holder were scrutinised in a Star Chamber process that was led by the Executive Leader, Deputy Leader/Executive Councillor for Commercial Activities and the Executive Councillor for Resources. Since the Autumn of 2014 when the first tranche of ZBB reviews was undertaken, in excess of £5.0m (gross) has been removed from the budget.
- 8.2.3 Now that all services have been subject to a ZBB review, the ZBB Programme itself is being reviewed to ensure that any future programme is fit for purpose and addresses the new requirements of the Council.
- 8.2.4 Outside of ZBB, the Council has also been following other avenues of service transformation; all of which are encapsulated within the "Plan-on-a-Page" strategy, namely:
- the introduction of a new Customer Service Strategy (approved by December 2015, Cabinet),
 - undertaking Lean reviews of services (to date, 5 completed and 23 continuing),
 - the commencement of Shared Services (namely Building Control, Legal and ICT commencing in October 2015),

- new approaches to Income Generation; the most significant being the introduction of a Commercial Investment Strategy (approved September 2015) and the associated Business Plan (December 2015), and the
- continuation of the Facing the Future programme.

8.3 Challenges facing the Council

8.3.1 The challenges that the Council faces are similar to many of those being faced by many Councils across the local government community. The principal challenges that the Council is tackling are illustrated below:

Public Sector Austerity – Cuts in grant funding

8.3.2 The public sector has as a whole faced the most significant austerity programme in a generation and as a consequence of the government's ring-fencing of some government departments/services (i.e. NHS, Overseas Aid etc.); this has meant that local government has met a significant share of the austerity programme. As previously discussed, the Council has taken proactive action to effectively manage the financial consequences of austerity and its impact.

8.3.3 Following the 2016/17 provisional settlement announced in December 2015, **Table H** clearly shows that the grant funding streams for the Council's MTFS for 2016/17 and for the period up to 2019/20 has moved when compared to the preceding year. For:

- 2016/17 the total grant included in last year's MTFS was £11.7m; following the provisional settlement this has now reduced to £11.3m; a drop of £0.4m (3.6%).
- 2019/20 the total grant in last year's MTFS was £11.1m, this has now reduced to £5.5m; this reflects the governments reductions in both Non-Domestic Rates and RSG but also the fact that the Council aspires to remove NHB from its core funding and this will be the last year of NHB being included.
- 2020/21 the Council will effectively be self-financing, in that the Council will generate income via Council Tax, Fees & Charges and Non-Domestic Rates (NDR). With regard to the latter, this will be the only core funding that Government will have strict control over; in that the government will manage distribution by adjusting NDR baselines, tariffs and levies.

Table H Comparison of Grant Assumptions: 2015/16 Budget & 2016/17 Budget and MTFs (2017/18 to 2020/21)						
	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
2015/16 Budget & MTP						
NDR	4,160	4,661	4,868	5,084	5,308	
RSG	3,183	1,900	921	442	0	
NHB	4,403	5,126	5,342	5,537	5,814	
Total	11,746	11,687	11,131	11,063	11,122	0
2016/17 Budget & MTFs						
NDR	4,160	4,190	4,232	4,274	4,317	4,360
RSG	3,183	2,110	1,180	604	(42)	0
NHB	4,403	4,965	3,724	2,483	1,241	0
Total	11,746	11,265	9,136	7,361	5,516	4,360
Variance between Grant Assumptions						
NDR	0	(471)	(636)	(810)	(991)	
RSG	0	210	259	162	(42)	
NHB	0	(161)	(1,618)	(3,055)	(4,573)	
Total	0	(422)	(1,995)	(3,702)	(5,606)	
	%	%	%	%	%	
NDR	0.0	-10.1	-13.1	-15.9	-18.7	
RSG	0.0	11.1	28.1	36.7	-100.0	
NHB	0.0	-3.1	-30.3	-55.2	-78.7	
Total	0.0	-3.6	-17.9	-33.5	-50.4	

Programme of Service Review

8.3.4 It is probably fair to say that all Councils are undertaking some form of service review and seeking to ensure that services are provided with affordability and value for money at their core. As mentioned earlier, the Council has completed a process of ZBB review across all Council services as well as employing a number of other approaches to service transformation as part of the “Plan-on-a-Page” strategy.

8.4 Governance

8.4.1 Noted within the 2014/15 Annual Governance Statement both the Executive Leader and the Managing Director consider that they are:

“generally satisfied with the effectiveness of corporate governance arrangements and the internal control environment, as part of continuing efforts to improve governance arrangements the following issues have been identified for improvement:

- develop robust and effective reporting arrangements for shared services.
- improve project management practices including officer compliance with the project management toolkit.”

8.4.2 In May 2015, the Council's Internal Audit and Risk Manager reported to the Corporate Governance Panel that the assurance given for the year to 31 March 2015 was:

“the Council's internal control environment and systems of internal control...adequate assurance over key business processes and adequate assurance over financial systems”. This is an improvement on the previous years “limited” assurance.

8.4.3 The past year has been a process of embedding and reviewing the newly introduced initiatives to improve governance. Some of these include governance boards establishing their terms of reference and providing challenge, the golden thread linking the corporate plan to individual service plans through to individual performance reviews and the budget monitoring reports being updated with continuing engagement from service users.

8.5 Risks

8.5.1 Because of the nature of the macro and micro environment that the wider local government family and the Council operates within, there are a whole host of risks that the Council faces on a day-to-day basis. In such an environment, budget setting is not a science but more a guide on how financial resources will be allocated to services over the forthcoming year and an indication into the medium term. There will always be items that emerge after the budget has been approved and these can range from a programme under or over achieving or an unexpected event occurring. Where an event occurs that will potentially have a negative financial impact on the Council, the first call for funding will be from compensating savings from elsewhere within the Council's budget (service first, wider Council thereafter). If this is not possible, service reductions will then be considered and finally the use of General Fund reserves.

8.5.2 It is, therefore, essential that relevant risks are identified and appropriate sensitivity analysis applied to determine the impact on the Council. The most significant potential risks to the budget are:

- underachievement of savings.
- higher inflation.
- further reductions in income (mainly from fees and charges).
- non-achievement of savings; including Shared Services.
- failure of a borrower.
- an emergency.
- increased demand on services (e.g. benefits and homelessness).
- level of retained business rates.

8.5.3 Taking each of the above in turn:

- **Underachievement of savings**

The savings included within the budget total £2.5m. These savings cover a broad range of services and are heavily dependent on implementation as planned, which itself can be subject to market, management and political conditions prevailing at the time. It is therefore prudent to assume that some of these savings may not be achieved; a fair assumption is that a 30% underachievement equates to £0.747m.

- **Higher Inflation**

With regard to:

- **Pay**
The budget for 2016/17 includes an “across the board” pay increase of 1%. Taking into account employer oncosts (national insurance and pension), this equates to a total cost of £23.975m; a further 1% for sensitivity equates to £0.240m.
- **General Inflation**
No general inflation has been included in the 2016/17 budget except where there are contractual price increases; although for the Council this is minimal as most services are “contracted in”.

There is at present economic commentary in respect of price stagnation and even deflation. Although these are recognised as issues they would generally have a positive impact on service costs. Considering that the Council is freezing Council Tax over the medium term, the Council is therefore absorbing the impacts of all price adjustments. If price stagnation or deflation becomes a more serious issue, this will be addressed at the next budget round. For sensitivity, no inflation has been included.

- **Investment Interest**
The budget for 2016/17 has assumed a “composite” investment interest rate of 2.1% this equates to income of £0.200m; the budget also includes a borrowing rate of 3.2% which equates to a borrowing cost of £0.376m. For sensitivity purposes no additional investment interest has been modelled, however, for borrowing a rate rise of 1% would equate to £0.494m, an increase of £0.118m.

- **Reduced income: Fees and Charges**

Total fees and charges are £16.1m, therefore for sensitivity analysis a 1% loss of income from fees and charges would amount to £0.161m. The largest income streams that are susceptible to variation include:

- Car Parks, £2.6m
- Leisure Centres, £6.3m
- Property, £2.8m
- Planning and Building Control Fees, £1.4m

- **Reduced income: New Homes Bonus**

As part of the Local Government finance settlement the Government issued a consultation on changes to the New Homes Bonus. The consultation showed a commitment by this government to NHB for the remainder of this Parliament but it will be at a reduced level of funding. The consultation discusses a number of ways that NHB will be reduced; from reducing the number of years it is payable (currently 6) to putting in place enhanced criteria which need to be met before NHB is paid out. The financial outcome of this is unknown at this time but it is likely that this will lead to reduced NHB from 2017/18 onwards.

However, over the MTFS period 2017/18 to 2020/21 the Council has modelled out NHB as core funding as it moves to ensure it is not reliant on Government grants; this in itself will bring some inherent risk. As by 2020/21 NHB will be removed i.e. the risk is accommodated through the lower general fund balance and the phasing, no further sensitivity is necessary.

- **Government Grant: Non Domestic Rates**

Since the introduction of this new element of funding for authorities in April 2013 it has become increasingly clear that the levels that the authority will be able to retain are very difficult to forecast. Whilst there are some opportunities for estimating i.e. development of new buildings, it is very difficult to judge when development will commence on allocated land even if planning permission has been granted.

When the 2016/17 provisional settlement was received, it was established that the Council had over-estimated its 2016/17 Non-Domestic Rates (NDR) by £30,000. Considering this, the Council is now taking a more prudent view of its future projections for NDR in that it is budgeting for 2016/17 at the Government baseline level of receipts and only increasing the baseline by 1% each year over the MTFS period. Such growth should be met entirely from an increase in the rates multiplier rather than reliance on growth within the NDR taxbase.

It should also be noted that when NDR was “localised”, Councils immediately felt the direct impact of any NDR appeal made against the valuation set by the Valuation Office Agency. These appeals sometimes take years to finalise and are often backdated for a number of years, which drastically adds to the volatility of the NDR budget setting process. Further, other NDR variations can result from a property being burnt down or demolished.

However, by setting the NDR income at the government’s baseline, the direct revenue impact is limited by the existence of a safety net which limits our loss to around £0.257m per annum; this is included as a block amount within the sensitivity analysis.

- **Failure of a Borrower**

The maximum permitted with one counterparty is £8.0m, but this is only possible where £3.0m of the sum is held in a liquidity account (a liquidity account allows recovery of investments on the same working day which therefore substantially reduces exposure to risk). Consequently the main “borrowing” risk rests around the £5.0m which is either lent on a short or long term basis.

In most cases the £5.0m limit is restricted to bodies with a credit rating of F1+ or Building Societies with more than £2 billion in assets. The impact of a “failure of borrower” will be the loss of revenue cash flow and the potential costs involved of “making good” the lost investment. There are however, good governance arrangements around the Council’s Treasury activity and therefore the likelihood of loss is minimal, this has not been included in the sensitivity analysis.

- Emergency**
 Certain types of eventuality are mitigated in other ways. Many significant risks are insured against, so losses are limited to the excesses payable. The Government's Bellwin Scheme meets a large proportion, over a threshold, of the costs of any significant peacetime emergencies (e.g. severe flooding). The Council does reside within a flood risk area and there have been occasions where the Council has been required to meet the cost of local flooding incidents; however, such costs have been met from within current resources. With the reduction in budgets it is anticipated that such ad-hoc spend will not be able to be as easily accommodated so it would be prudent to include an element within any sensitivity to meet this cost. The Code of Financial Management permits the Managing Director or the Responsible Financial Officer to incur "emergency spend" of up to £0.350m, with retrospective reporting to Cabinet. The £0.350m is included as a block amount within the sensitivity analysis.
- Increased demands on services**
 The services most susceptible to increased demand that would have a significant revenue impact are homelessness and Council Tax Support.

With regard to homelessness, the budget for 2016/17 is £0.342m and for Council Tax Support is £6.884m; if there was a 10% increase in demand for each this would require an additional £0.720m.

Sensitivity for 2016/17 Budget

8.5.4 Considering the risks noted above and the stated budget assumptions, the accumulated total cash risk is £3.0m. However, it is highly unlikely that all these risks will occur at the same time, so it is fair to apply "sensitivity" to each risk and then model the impact over the likelihood of occurrence. **Table I** shows this detailed analysis and in summary the additional pressure within 2016/17, based on the likelihood of occurrence, is as follows:

- Pessimistic view, additional pressure of: £1.379m
- Middle-View, additional pressure of: £0.963m
- Optimistic View, additional pressure of: £0.638m

Table I		Sensitivity of Risks to 2016/17 Budget & Funding Options									
Risk		Costs Included in 2016/17 budget £'000	New rate	Sensitivity Impact		Likelihood of Occurrence					
				+/-	Cost £'000	Pessimistic		Middle-Way		Optimistic	
						Factor	£'000	Factor	£'000	Factor	£'000
Underachievement of Savings		2,490	Savings not achieved	30%	747	0.7	523	0.2	149	0.1	75
Inflation	Pay	23,975	Pay increase from 1% to 2%	1%	240	0.6	144	0.3	72	0.1	24
	Temporary Borrowing	15	Difference between Borrowing increased from 4% to 5%	50%	8	0.2	2	0.5	4	0.3	2
Reduced Income	Fees & Charges	(16,124)	Reduction in income.	1%	161	0.3	48	0.4	64	0.3	48
	New Homes Bonus	(4,965)	Reduction in NHB following change to "needs" system and consequential redistribution.	10%	497	0.3	149	0.4	199	0.3	149
Government Grant	Non-Domestic Rates	257	Loss of Modelled NDR, limited by Safety Net	100%	257	0.6	154	0.3	77	0.1	26
Emergency		350	Immediate use of funds in the event of a local emergency	100%	350	0.2	70	0.5	175	0.3	105
Increased Demand of Services	Homelessness Council Tax Support	342	Increase in demand	10%	34	0.4	14	0.5	17	0.1	3
		6,884	Increase in demand	10%	688	0.4	275	0.3	206	0.3	206
Total Sensitivity					2,982	1,379		963		638	
Estimated Reserves at 31 March 2016 as per Proposed Budget						5,298		5,298		5,298	
Estimated Reserves at 31 March 2016 following Sensitivity						3,919		4,335		4,660	
Conclusion of Sensitivity											
- Do Reserves remain positive						Yes		Yes		Yes	
- Do Reserves remain above Minimum Level of Reserves (15% of Net Expenditure)						Yes		Yes		Yes	
- Reduction in Reserves						26.0%		18.2%		12.0%	

8.6 Revenue Reserves

Reserves for 2016/17 and the MTFs Period (2017/18 to 2020/21)

8.6.1 There is no statutory minimum level of reserves; however Cabinet in December 2015 confirmed there should be a minimum level of reserves set at 15% of the Net Revenue Budget of the Council. As shown in **Table J** below, for the period 2016/17 through to 2018/19 of the MTFs, and when adjusted for the aforementioned "sensitivity analysis", the minimum level of reserves for each year is not breached. However, for 2019/20 and 2020/21, regardless of the likelihood of occurrence, the minimum level of reserves is breached and for 2020/21 specifically the modelled General Fund Balance is in a significant negative position (-£1.5m for Optimistic/ -£2.2m for Pessimistic).

Table J	Impact of 2016/17 Sensitivity of Risks on the MTFS General Fund Reserves Profile														
	2016/17 £'000			2017/18 £'000			2018/19 £'000			2019/20 £'000			2020/21 £'000		
General Fund Reserves (as per 2016/17 Proposed Budget)	5,298			5,954			5,124			2,767			(837)		
Minimum Level of Reserves (*)	2,687			2,632			2,610			2,585			2,621		
	Pessimistic	Middle-Way	Optimistic	Pessimistic	Middle-Way	Optimistic	Pessimistic	Middle-Way	Optimistic	Pessimistic	Middle-Way	Optimistic	Pessimistic	Middle-Way	Optimistic
Reduction in Reserves	1,379	963	638	1,379	963	638	1,379	963	638	1,379	963	638	1,379	963	638
Estimated Reserves	3,919	4,335	4,660	4,575	4,991	5,316	3,745	4,161	4,486	1,388	1,804	2,129	(2,216)	(1,800)	(1,475)
- Do Reserves remain above Minimum Level of Reserves	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No

* = The minimum level of reserves is 15% of Net "budgeted" Expenditure

8.6.2 The sensitivity analysis has shown that whilst the Council aims to become financially self-sufficient, and therefore, remove its reliance on government funding, it still has some way to go over the medium term to achieve this aim in a financially stable and sustainable way.

8.6.3 Using the “Plan-on-a-Page” strategy, which was based on the 2015/16 budget set a year ago, as shown in **Table K** below to date £4.7m in savings has been achieved against the 2019/20 target of £8.2m (58%).

Table K	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000
Plan-on-a-Page Savings Targets - 2015/16	(3,800)	(5,900)	(7,500)	(8,200)
% of MTFS - 2015/16	19%	29%	35%	38%
ZBB T2 and T3 savings	(2,297)	(3,048)	(3,531)	(4,061)
Shared Services	(234)	(240)	(247)	(253)
Income Generation	41	(186)	(432)	(432)
(Under)/Over Achievement of savings target	(1,310)	(2,426)	(3,290)	(3,454)
% of Savings Target Achieved	66%	59%	56%	58%

8.6.4 On balance, it is prudent that the council continues to aspire to be financially independent of government funding by the end of the medium term period (2020/21). To achieve this, the Council must continue to:

- drive down costs by following a further programme of service transformation. This could be achieved by following a ZBB Phase 2 and/or following further “Plan-on-a-Page” approaches to service transformation.
- increase income wherever possible; this could be achieved by:
 - developing new “charged-for” services or service streams,
 - further commercialisation of current services,
 - increased use of capital investment to generate revenue income streams; such as the Commercial Investment Strategy and investing in local infrastructure and development.

8.6.5 A new “Plan-on-a-Page” is shown in **Table L** below based on balancing the budget and bringing the reserves into a sustainable position over the life of the MTFS.

Table L	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000
Plan on a Page - Approved MTFS 2017/18 - 2020/21				
Approved MTFS Net Expenditure	17,545	17,401	17,232	17,471
Plan on a Page - savings required from MTFS	(901)	(1,802)	(2,703)	(3,604)
Plan on a Page - % savings required from MTFS	-5.2%	-10.6%	-16.0%	-21.0%
Budget Requirement (adjusted for savings required)	16,644	15,599	14,529	13,868

8.7 Conclusion

- **2016/17 Budget**

Considering all the factors noted within the “Robustness” statement in respect of 2016/17, I consider that the:

- combination of a new, robust approach to budget setting,
- the direction of travel in relation to governance,
- the further service and budget efficiency work to be undertaken during 2016/17, and
- that reserves are expected to increase by March 2016 and through to 2017,

the budget proposed for 2016/17 should not give Members any significant concerns over the Council’s financial position.

- **Medium Term Financial Strategy (2017/18 to 2020/21)**

With regard to the period covered by the MTFs, the anticipated removal of RSG as core funding by 2019/20 has been modelled for over a year and confirmed by the 2016/17 4-year settlement. However, the continuation of the policy to freeze Council Tax and coupling that with the aspiration of removing NHB, although appropriate, does create significant budget pressures in the last two years of the MTFs – and this is only exacerbated when the aforementioned risks and sensitivity analysis is taken into account

However, as highlighted earlier in this statement, there are actions that are being followed to mitigate this scenario but new actions will be required to further enhance the required mitigations. It therefore remains critical that:

- all Council services remain under tight budgetary control,
- ZBB Phase 2 is undertaken to identify further service savings,
- Affordability and Value for Money are at the core of the Councils decision making processes,
- savings are identified at the earliest opportunity,
- capital investment is commenced as soon as possible, and
- Central Government funding is continually reviewed.

Clive Mason CPFA

Responsible Financial Officer (Section 151)

ANNEX A – FEES AND CHARGES