

APPENDIX 1

GENERAL FUND REVENUE ACCOUNT - FINANCIAL FORECAST (DECEMBER 2005)

	Original Estimate 2005/06 £	Updated Estimate 2005/06 £	Probable Out-turn 2005/06 £	Original Estimate 2006/07 £	Forecast 2007/08 £	Forecast 2008/09 £
Approved Net Committee Spending	10,437,240	10,383,330	10,447,950	11,385,870	11,546,810	11,789,780

Capital Adjustments

Interest Adjustment	-552,650	-552,650	-517,000	-518,000	-544,000	-563,000
FRS 17 Pension Adjustment to Cash Paid	222,650	222,650	107,370	-3,550	-3,550	-3,550
Commutation Adjustment	-133,000	-133,000	-133,000	-76,000	-26,000	0

Approved/Known variations to the Base Budget

On-going costs of IEG	49,200	49,200	49,200	50,700	52,200	53,800
Decrease in Subsidy for Rosliston Forestry Centre	0	0	0	0	-11,000	-20,000
Termination of Leasing Agreements	0	0	0	0	-46,000	-129,000
Temporary Posts Falling Out	0	0	0	0	-20,880	-21,500
2005/06 Service Developments - reducing in 3rd Year	0	0	0	0	-50,800	-50,800

Provisions

Bad and Doubtful Debts	40,000	40,000	40,000	40,000	40,000	40,000
Annual Regradings	5,000	3,000	10,000	10,000	10,000	10,000
New Burdens Arising out of 2006 Financial Settlement	0	0	0	49,000	50,500	52,000
Pay and Grading Review	0	0	0	0	80,000	80,000
Increase in Pension Contributions	64,250	64,250	0	0	0	95,000

Other Known Variations to Base Budget

Cost of Local Elections	0	0	0	0	70,000	0
Loss of Rental Income on Industrial Estates (Nov 08)	0	0	0	0	0	55,750

OVERALL NET REVENUE EXPENDITURE

10,132,690	10,076,780	10,004,520	10,938,020	11,147,280	11,388,480
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GENERAL FUND REVENUE ACCOUNT - FINANCIAL FORECAST (DECEMBER 2005)

FINANCING

Government's Formula Grant	5,421,140	5,421,140	5,421,140	6,352,967	6,698,918	6,832,896
Council Tax	3,941,660	3,941,660	3,941,660	4,188,450	4,379,700	4,631,650

Total - External Financing

9,362,800	9,362,800	9,362,800	10,541,417	11,078,618	11,464,546
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Contributions from/to (-) Earmarked Reserves

Section 106 - Swadlincote Woodlands	44,000	44,000	54,000	51,500	52,900	54,300
Section 106 - Open Space Maintenance	26,000	26,000	35,740	17,290	18,090	18,890
Commitments and Underspend b/f	0	0	296,200	0	0	0
Commitments and Underspend (not required)	0	0	47,300	0	0	0
I.T. Reserve	0	0	-50,260	-42,350	-42,350	-42,350

TOTAL FINANCING

9,432,800	9,432,800	9,745,780	10,567,857	11,107,258	11,495,386
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Surplus / Deficit (-) for the Year

-699,890	-643,980	-258,740	-370,163	-40,022	106,906
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GENERAL FUND RESERVE

Balance as at 1st April	2,831,600	2,974,660	2,974,660	2,715,920	2,345,757	2,305,735
Surplus / Deficit (-) as above	-699,890	-643,980	-258,740	-370,163	-40,022	106,906

Balance as at 31st March

2,131,710	2,330,680	2,715,920	2,345,757	2,305,735	2,412,641
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ANALYSIS OF MAJOR CHANGES BETWEEN CURRENT FINANCIAL FORECAST and THAT APPROVED IN JULY 2005

£

3-year forecasted balance as at 08/09 (July 2005)

737,480

Positive Changes (cumulative effect 05/06 to 08/09)

Additional Formula Grant (including ring-fenced and discretionary elements)

2,794,541

Income from Industrial Holdings maintained

356,650 Part-year loss assumed in 2008/09

Pensions - no further increases anticipated until valuation in 2008

173,600 But, Actuary advises 10% increase from 2008/09

Overall reduction in Net Committee Expenditure

106,156 See separate note below

Interest payable on temporary loans and covenants

8,500 Due to lower interest rates

Increase in Council Tax Base

52,800

Earmarked reserves for legal fees and emergency contingency

47,300 Now contained as part of general reserves

Phasing out transfer to the HRA re: Rent Rebates

18,280 Phased out fully in 2005/06 - no further provision required

Adverse Changes (cumulative effect 05/06 to 08/09)

Concessionary Fares (see main report)

-1,362,566

Provision for other new burdens

-151,500

No transfer required from Commutation Reserve

-180,000

Provision for costs arising from Pay and Grading Review (April 07)

-160,000 £80,000 per year from 2007/08

Additional provision for Regradings (still to be approved)

-28,600 Based on submissions under the Council's procedure

Updated 3-year Forecast (General Fund Revenue Balances)

2,412,641

NOTE - Reduction in Committee Expenditure - Main Changes
(cumulative effect 05/06 to 08/09)

Efficiency and Other Savings

Re-tendering Insurance Contract

-275,210 As approved by Council in September 2005.

Cash Collection - reduced transaction costs plus fees for credit cards

-64,000

Restructure of Accountancy Unit

-38,800 As approved by this Committee in June 2005.

ANALYSIS OF MAJOR CHANGES BETWEEN CURRENT FINANCIAL FORECAST AND THAT APPROVED IN JULY 2005

	£	
Reshaping Licensing Section	-23,400	As approved by this Committee in June 2005.
Customer First - On-going savings to-date	-42,000	
	<u>-443,410</u>	
Additional Costs		
Housing Benefit Subsidy - reduction due to changes	53,000	Actual loss however, will depend on performance.
Democratic Services - permanent post filled on a full-time basis	52,000	Previous postholder worked on a part-time basis.
Waste and Cleansing - permanent post filled on a full-time basis	64,000	Previous postholder worked on a part-time basis.
Civic Offices - additional energy, repairs and equipment costs	78,000	
Land Charges - reduced income	60,000	
Meals on Wheels - additional contributions	20,000	
Other Variations	10,254	
TOTAL	-106,156	

2006/07 BUDGET ROUND - INFLATION INDICES

2006/07 2007/08 2008/09

EXPENDITURE

Employees

Salaries and Wages	2.95%	3.00%	3.00%	06/07 (as agreed), 07/08 and 08/09 GDP deflator +1/4% rounded
Employer's NI	2.95%	3.00%	3.00%	As above
Pension Contributions	2.95%	3.00%	3.00%	As above (provision below the line for actuary increases)
All Other Heads	2.68%	2.70%	2.70%	Government's GDP deflator

Premises

Repairs and Maintenance	2.30%	2.30%	2.30%	As per CPI (Sept 05 report)
Planned Maintenance	5.00%	5.00%	5.00%	As per previous HRA forecasts - building trade index
All Utilities	5.00%	5.00%	5.00%	As per CPI (Sept 05 report)
NNDR	2.70%	2.70%	2.70%	RPI as at Sept 05
All Other Heads	2.50%	2.50%	2.50%	CPI as at Sept 05

Transport

Repairs and Spare Parts	1.40%	1.40%	1.40%	As per CPI (Sept 05 report)
Fuels and Lubricants	5.60%	5.60%	5.60%	As per CPI (Sept 05 report)
Licenses and any other Heads	2.68%	2.70%	2.70%	Government's GDP deflator

Supplies and Services

Licenses and Subscriptions	2.68%	2.70%	2.70%	Government's GDP deflator
Members' Allowances	2.68%	2.70%	2.70%	Government's GDP deflator
Assistance to Voluntary Groups	2.68%	2.70%	2.70%	Government's GDP deflator
Audit Fees	2.68%	2.70%	2.70%	Government's GDP deflator
Bank/Giro/PO Charges	2.70%	2.70%	2.70%	RPI as at Sept 05
All Other Heads	0.00%	0.00%	0.00%	Cash Limit

Transfer/Agency

Concurrent Functions	2.68%	2.70%	2.70%	Government's GDP deflator
Bus Passes	2.68%	2.70%	2.70%	Government's GDP deflator

2006/07 BUDGET ROUND - INFLATION INDICES

2006/07 2007/08 2008/09

Benefits	2.68%	2.70%	2.70%	Government's GDP deflator
All Other Heads	2.68%	2.70%	2.70%	Government's GDP deflator

Capital Financing

Leasing (per leasing Schedule)	**	**	**	
Capital Charges	n/a	n/a	n/a	

Insurances

All categories	2.70%	2.70%	2.70%	As per CPI (Sept 05 report)
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INCOME

Grants and Reimbursements

All heads	2.68%	2.70%	2.70%	Government's GDP deflator
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Fees, Charges, Sales and Misc Income

Rents	0.00%	0.00%	0.00%	Subject to rent reviews
All other heads	2.68%	2.70%	2.70%	Government's GDP deflator

CALCULATION OF A MINIMUM LEVEL OF GENERAL RESERVES

GENERAL FUND

Variable	Risk	Sensitivity - Allowance	Provision £
Inflation	Rises above economic forecasts	1% point above forecast	110,000
Planning, Building Regs and Land Charges	Reduction in market share or demand	10% of annual income	105,000
General Government (Formula) Grant	Adverse formula and data changes	1.5% of annual grant	80,000
Targetted Government Grants	Phased out/not mainstreamed	10% of annual grant	70,000
Partnership Contributions	Cut/do not materialise	50% of annual contributions	90,000
Bank Deposits and Temporary Borrowings	Adverse interest rates/negative cash flow	50% of net interest received	37,500
Council Tax Collection	Tax base is lower/collection rate dips	1% of estimated income collected	40,000
Housing Benefits	Government contribution reduced	1% of total benefits paid in year	125,000
Professional Legal Fees	Need to engage professional advice	Nominal amount allowed	50,000
Insurance Premiums (80% Gfund)	Volatile market	Additional 10% over base budget	15,000
Emergency Assistance	Statutory provision is required	0.2% of net revenue expenditure	20,000
Gross Revenue Expenditure (excl benefits)	Unforeseen variations - capacity/service issues	1% of total expenditure	160,000
Capital Projects (excl MIRA)	Unforeseen variations or external finances reduced	1% of capital programme	55,000
			957,500

HOUSING REVENUE ACCOUNT

Variable	Risk	Sensitivity - Allowance	Provision £
Inflation on Management Costs	Rises above economic forecasts	1% point above forecast	15,000
Inflation on Repairs and Maintenance	Rises above economic forecasts (Building Industry)	2% point above forecast	55,000
Payment to the Government Pool	Adverse formula and data changes	2% of annual payment	80,000
Supporting People Grant	Cut	10% of annual grant	30,000
Empty Properties	Void increase reducing rent	1% of rent income	80,000
Right to Buy Sales	Increase which reduces rent	10% increase	25,000
Professional Legal Fees	Need to engage professional advice	Nominal amount allowed	50,000
Insurance Premiums (20% HRA)	Volatile market	Additional 10% over base budget	5,000
Revenue Expenditure (excl subsidy)	Unforeseen variations - capacity/service issues	1% of total expenditure	47,500
Capital Spend	Unforeseen variations or external finances reduced	1% of capital programme	27,500
			415,000

APPENDIX 5

HOUSING REVENUE ACCOUNT - BASE BUDGET and UPDATED FINANCIAL PROJECTION to 2015 (DECEMBER 2005)

Expenditure	Actual 2004/05 £	Updated Estimate 2005/06 £	Projected Out-turn 2005/06 £	Original Estimate 2006/07 £	Forecast 2007/08 £	Forecast 2008/09 £	Forecast 2009/10 £	Forecast 2010/11 £	Forecast 2011/12 £	Forecast 2012/13 £	Forecast 2013/14 £	Forecast 2014/15 £
Housing Repairs	2,884,360	2,733,080	2,890,730	2,932,730	3,028,040	3,126,450	3,228,060	3,332,970	3,441,290	3,553,130	3,668,610	3,787,840
Capitalisation of Planned Maintenance	0	-335,000	-335,000	-335,000	-335,000	0	0	0	0	0	0	0
General Management	772,150	778,900	752,670	757,400	780,120	803,520	827,630	852,460	878,030	904,370	931,500	959,450
Sheltered and Other Services	739,570	843,030	810,200	878,010	904,350	931,480	959,420	988,200	1,017,850	1,048,390	1,079,840	1,112,240
Council Tax on Void Properties	42,870	9,470	-21,350	5,110	5,260	5,420	5,580	5,750	5,920	6,100	6,280	6,470
Provision for Bad Debts	2,970	5,000	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Capital Charges	344,390	359,110	332,630	290,500	220,930	212,240	187,170	160,350	129,890	114,250	114,250	114,250
Payment to Government Pool	3,665,572	3,837,970	3,832,100	4,152,450	4,204,700	4,242,850	4,307,900	4,373,440	4,459,520	4,468,190	4,485,480	4,500,650
Cost of Rebates Remaining in HRA	103,130	88,300	104,570	107,370	85,970	64,570	43,170	21,770	370	0	0	0
Provision for Increase in Pensions	0	6,100	0	0	0	22,000	22,660	23,340	24,040	24,760	25,500	26,270

Total Expenditure	8,555,012	8,325,960	8,374,050	8,796,070	8,901,870	9,416,030	9,589,090	9,765,780	9,964,410	10,126,690	10,318,960	10,514,670
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Income												
Rent from Dwellings	8,001,630	8,116,840	8,207,900	8,535,530	8,625,500	8,730,800	8,851,000	8,988,800	9,145,400	9,277,400	9,430,300	9,585,300
Other Rents	83,150	95,870	94,520	97,910	99,870	101,870	103,910	105,990	108,110	110,270	112,480	114,730
Interest - Sale of Council Houses	3,400	3,000	3,700	3,100	2,750	2,400	2,050	1,700	1,350	1,000	650	300
Other Fees & Charges	63,270	61,820	67,010	70,720	72,130	73,570	75,040	76,540	78,070	79,630	81,220	82,840
Other Recharges	0	0	10,000	10,270	10,480	10,690	10,900	11,120	11,340	11,570	11,800	12,040
Interest Received from General Fund	59,660	52,850	63,400	76,500	58,180	55,891	49,289	42,226	34,205	30,086	30,086	30,086
Supporting People Grant	322,970	315,500	315,500	315,500	315,500	315,500	315,500	315,500	315,500	315,500	315,500	315,500

Total Income	8,534,080	8,645,880	8,762,030	9,109,530	9,184,410	9,290,721	9,407,689	9,541,876	9,693,975	9,825,456	9,982,036	10,140,796
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Projected Deficit / Surplus (-)	20,932	-319,920	-387,980	-313,460	-282,540	125,309	181,401	223,904	270,435	301,234	336,924	373,874
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HRA General Reserves												
Balance b/f	1,371,852	1,350,920	1,350,920	1,738,900	2,052,360	2,334,900	2,209,591	2,028,190	1,804,286	1,533,851	1,232,618	895,694
Deficit / Surplus (-) as above	20,932	-319,920	-387,980	-313,460	-282,540	125,309	181,401	223,904	270,435	301,234	336,924	373,874

Balance c/f	1,350,920	1,670,840	1,738,900	2,052,360	2,334,900	2,209,591	2,028,190	1,804,286	1,533,851	1,232,618	895,694	521,821
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APPENDIX 6

CAPITAL INVESTMENT and FINANCING TO 2010

	Approved 2005/06 £	2006/07 £	Planned Expenditure 2007/08 £	2008/09 £	2009/10 £	TOTAL £
COUNCIL HOUSE IMPROVEMENTS						
Planned Expenditure	1,760,920	1,809,150	1,762,850	1,765,700	1,774,600	8,873,220
HRA - Planned Maintenance	337,550	337,550	337,550	0	0	1,012,650
Total Expenditure	2,098,470	2,146,700	2,100,400	1,765,700	1,774,600	9,885,870

Financed From						
Major Repairs Allowance (Government Grant)	1,760,920	1,809,150	1,762,850	1,765,700	1,774,600	8,873,220
Capital Receipts - Windfall Element	337,550	337,550	337,550	0	0	1,012,650
Total Financing	2,098,470	2,146,700	2,100,400	1,765,700	1,774,600	9,885,870

DISABLED FACILITY GRANTS (DFG's)						
Allocation	220,000	166,000	166,000	166,000	166,000	884,000

Financed From						
Government Grant (Ring-fenced)	132,000	100,000	100,000	100,000	100,000	532,000
Capital Receipts - General 25% Set-aside Element	0	0	66,000	66,000	66,000	198,000
Capital Receipts - Windfall Element	88,000	66,000	0	0	0	154,000
Total Financing - DFG's	220,000	166,000	166,000	166,000	166,000	884,000

APPENDIX 6

CAPITAL INVESTMENT and FINANCING TO 2010

	Approved 2005/06 £	2006/07 £	Planned Expenditure 2007/08 £	2008/09 £	2009/10 £	TOTAL £
OTHER HOUSING (INVESTMENT PROGRAMME - HIP)						
Housing Management System	26,350					26,350
Palm Tops and Server for Repairs and Maintenance	32,500					32,500
Private Sector - Improvement and Renewal Grants	330,000	384,000	384,000	384,000	384,000	1,866,000
Private Sector - Energy Efficiency, Fuel Poverty	500,000	500,000	450,000			1,450,000
Private Sector - Housing Needs Survey				40,000		40,000
Repayment of Covenants (Council House Improvements)	227,600	244,200	264,900	289,700	306,250	1,332,650
TOTAL EXPENDITURE	1,116,450	1,128,200	1,098,900	713,700	690,250	4,747,500

Financing

General Government Borrowing Allocation (Ring-fenced)	535,550	0	0	0	0	535,550
Capital Receipts - Windfall Element	580,900	1,128,200	473,000	0	0	2,182,100
Capital Receipts - General 25% Set-aside Element	0	0	625,900	713,700	690,250	2,029,850
TOTAL INCOME	1,116,450	1,128,200	1,098,900	713,700	690,250	4,747,500

GENERAL FUND INVESTMENT PROGRAMME

COMMUNITY SERVICES

Green Bank Leisure Centre - Refurbishment of Plant	5,000					5,000
Swadlincote Woodlands - Access Improvements	32,850					32,850
Maurice Lea Park - Renovation	770,000					770,000
Eureka Park	29,000					29,000
Mount Pleasant Football Pitches - Drainage	20,000					20,000
Oversetts Recreation Ground - Pitch Improvements	20,000					20,000
Modernisation of Play Areas and Safety Surfacing	169,000					169,000
Crime Prevention	60,000	60,000	60,000	60,000	60,000	300,000

ENVIRONMENTAL AND DEVELOPMENT SERVICES

883,550

Financial Management System	43,200					43,200
Implementing Electronic Government	234,050					234,050
Repairs to Village Halls and General Properties	95,400					95,400
Improvements to Civic Offices	240,000					240,000
Disability Access Improvements	193,500	100,000	100,000	100,000		493,500
Vehicles - Contribution to Renewals Fund	225,000	225,000	225,000	225,000	225,000	1,125,000
Civic Car	20,000				20,000	40,000
Risk Management - Invest to Save	50,000					50,000
Repayment of Covenants	157,400	170,800	185,100	200,300	223,750	937,350

4,380,700

APPENDIX 6

CAPITAL INVESTMENT and FINANCING TO 2010

	Approved 2005/06 £	2006/07 £	Planned Expenditure 2007/08 £	2008/09 £	2009/10 £	TOTAL £
Financing						
General Government Borrowing Allocation	79,450					79,450
Government Borrowing Allocation - Flood Alleviation	231,950					231,950
IEG Grant	234,050					234,050
Specific Grant - Flood Alleviation	283,500					283,500
Planning Delivery Grant	41,500	40,000	40,000			121,500
External Contributions	1,741,700					1,741,700
Section 106 Planning Agreements	61,200					61,200
Capital Receipts - General 25% Set-aside Element	1,707,350	900,800	720,100	735,300	678,750	4,742,300
TOTAL INCOME - GENERAL FUND	4,380,700	940,800	760,100	735,300	678,750	7,495,650

External Contributions

Eureka Park	24,000
Artificial Sports Pitch	460,000
Coton Park	82,900
HERS	2,600
Shop Fronts	29,000
Maurice Lea Park	668,650
Civic Office Improvements	201,550
Hilton Cycle Way	273,000

Section 106 Funding

Eureka Park	5,000
Swadlincote Woodlands - Access Improvements	9,050
Football Changing Rooms - Hilton	47,150

CAPITAL INVESTMENT and FINANCING TO 2010

	Approved 2005/06 £	2006/07 £	2007/08 £	2008/09 £	2009/10 £	TOTAL £

ANALYSIS OF AVAILABLE CAPITAL RECEIPTS (GENEARL 25% USEABLE ELEMENT)

Balance b/fwd	3,016,064	2,168,714	2,020,414	1,360,914	490,914	
Add: Projected New Receipts	860,000	752,500	752,500	645,000	645,000	
Less - Amount required to Fund GFund Programme	1,707,350	900,800	720,100	735,300	678,750	
Less - Amount required to Fund DFG's	0	0	66,000	66,000	66,000	
Less - Amount required to Fund Other Housing	0	0	625,900	713,700	690,250	

Balance c/fwd

2,168,714	2,020,414	1,360,914	490,914	-299,086
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ANALYSIS OF WINDFALL RECEIPTS

Balance b/fwd	1,216,411	1,499,961	532,611	-277,939	-277,939	
Add: Projected New Receipts	1,290,000	564,400	0	0	0	
Less - Amount required to Fund HRA	337,550	337,550	337,550	0	0	
Less - Amount required to Fund DFG's	88,000	66,000	0	0	0	
Less - Amount required to Fund Other Housing	580,900	1,128,200	473,000	0	0	

Balance c/fwd

1,499,961	532,611	-277,939	-277,939	-277,939
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APPENDIX 7

FORECASTED CAPITAL RECEIPTS (as at December 2005)

	2005/06 Probable	2006/07 Forecast	2007/08 Forecast	2008/09 Forecast	2009/10 Forecast	TOTAL
Current Forecasted Sales	80	60	60	48	48	296
Revised Forecast of Sales	60	60	60	48	48	276
Multiplied by Average Price	49,500	50,800	52,200	53,600	55,000	
= Income Generated	2,970,000	3,048,000	3,132,000	2,572,800	2,640,000	14,362,800
Less: Payments to the National Pool	1,113,750	1,714,500	2,349,000	1,929,600	1,980,000	9,086,850
Amount for Investment	1,856,250	1,333,500	783,000	643,200	660,000	5,275,950
Current Forecast	2,150,000	1,316,900	752,500	645,000	645,000	5,509,400
Forecasted Reduction	-293,750	16,600	30,500	-1,800	15,000	-233,450
Add in shortfall previously identified Other Capital Receipts generated in 2005/06						-577,050 26,000
Overall Forecasted Reduction						-784,500
Of which relates to the Windfall Part (ringfenced for Housing) is						-447,100
Of which relates to the General Pot part is						-337,400
						-784,500