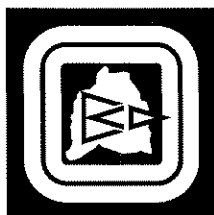


BUDGET BOOK

2007/2008



BASSETLAW
DISTRICT COUNCIL
NORTH NOTTINGHAMSHIRE



INVESTOR IN PEOPLE



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THE BUDGET 2007/2008

1. Purpose Of The Report

- 1.1 This report brings together the various budget recommendations made by Cabinet on 8th February 2007 to assist the Council in determining its call upon the Collection Fund and hence the level of the Council Tax for 2007/2008.

2. Background

General Fund Revenue Budget

- 2.1. The overall grant settlement saw an increase of £360,767. RSG amounts to £1,549,293 with the NNDR element being £9,231,832.
- 2.2. The Budget has been prepared on the following assumptions:
- Pay increase of 2.5%;
 - Price increases generally of 2.5%, except for supplies and services where no increase has been given to reflect efficiency savings;
 - Utility costs have not had inflation applied as negotiations have been undertaken to keep current contract prices.
 - A vacancy factor of 5% has been applied to employee costs, this has increased from the 2% level in 2006/07
 - Employers superannuation cost increase of 9.9%;
 - Fees and charges increasing by 5%, wherever income levels can be sustained;
 - Interest rates have increased to 5% in line with current predictions.
 - The estimated affect of pressures and savings arising in the current year.
- 2.3. The overall spending limit for 2007/2008, as agreed by Cabinet and subject to the amendment presented at Council on 1st March 2007, is £15.932m after funding development bids, use of balances and other actions.
- 2.4. The General Fund probable expenditure for 2006/2007 shows a spend of £17.693m, compared with the original budget of £15,405m. This is an increase of £2.29m against the original position and will be funded from reserves.

Revenue Development Bids

- 2.5. The Budget includes provision for the funding of inescapable and essential development bids in 2007/2008 of £301,470.

Parishes

- 2.6. The Parish Precepts for 2007/2008 total £617,318 average Band D increase of 14.97%.
- 2.7. The District Council has no special expenses. This is confirmed in the tax setting resolution.

General Fund Reserves and Balances

- 2.8. The Council is required to operate a General Fund and a separate Collection Fund. Within the General Fund, the Council will hold £1m as a minimum working balance. Details of Reserves and Balances are on page 29.

Council Tax Base

- 2.9. The Council Tax base (Band D equivalent) has increased from 35,072.24 to 35,412.41.

District Council Tax For 2007/2008

- 2.10. The District Council Tax position may be summarised as follows:

	£'000	Council Tax Band D Equiv. £
Net Expenditure	16,898	477.19
Use of Reserves	-966	-27.30
	<hr/>	<hr/>
	15,932	449.89
<u>LESS</u>		
Revenue Support Grant	-1,549	-43.75
National Non-Domestic Rates distribution	-9,232	-260.69
	<hr/>	<hr/>
To be met from Collection Fund	5,151	145.45
<u>LESS</u> reductions due to better than expected local tax collection	0	0
	<hr/>	<hr/>
	5,151	145.45
	<hr/>	<hr/>

Housing Revenue Account

- 2.11. The Housing Revenue Account estimates for 2007/2008 are detailed on page 41 and includes an average weekly rent increase of £2.40 per week on a 52 week collection basis as from 1st April 2007 in respect of all dwellings. Exceptionally, a 53 week rent collection period happens every 7 years and this gives an additional weeks rent for 2007/08 only. However, new rents have been calculated on an individual property basis in accordance with the formula contained within the Government's Rent Restructuring proposals. Inevitably, there will be some rent increases and some rent decreases in excess of £2.40 to achieve the overall average of £2.40. This compares with an average rent increase of £1.84 in 2006/2007.

Capital Budget

- 2.12. The Authority's Capital Expenditure is governed by the Prudential Code. This is limited to the amount the Authority can afford after allowing for grants, the availability of capital receipts, revenue contributions and leasing.

- 2.13. The recommended Capital Budget for 2007/2008 totals £15,412,280 of which £6,655,290 is for Housing (page 9) and the remaining £8,756,990 is for other services (page 10). Financing is anticipated to be in line with the summary on page 11. However, the financing may change after options appraisals have been done to determine the best method of financing to ensure value for money.

Personnel Implications

- 2.14. The Employee Budget for 2007/2008 shows a full-time equivalent total of 544.2 employees (page 44).

Total Council Tax For 2007/2008

- 2.15. In addition to the District Council Tax, the Council is required to raise monies in respect of precepts issued by the Nottinghamshire County Council, Nottinghamshire Police Authority, Nottinghamshire Fire & Rescue Service, Parish Councils, Parish Meetings and Charter Trustees. Details of these precepts are set out on page 5.
- 2.16. The position may be summarised as follows:-

	Band D Council Tax £	Band D Percentage Increase %
Bassetlaw District Council	145.45	2.50
Nottinghamshire County Council	1,124.69	4.00
Nottinghamshire Police Authority	138.78	4.90
Combined Fire Authority (i.e. Nottinghamshire Fire & Rescue Service)	63.53	4.40
Parish Councils, Parish Meetings and Charter Trustees	17.43	14.97
TOTAL	1,489.88	4.07

3. Recommendations

The Council is recommended to approve:-

- a) The General Fund net Probable Revenue Out-turn for 2006/2007 at £15.397m taking into account the increased Net Operating Expenditure.
- b) The General Fund 2007/08 Budget of £15,931,860
- c) The Housing Revenue Account Probable Out-turn for 2006/2007 and Budget for 2007/2008 including an average weekly rent increase of £2.40 per week on a 53 week collection basis as from the 1st April 2007 in respect of all dwellings.
- c) The Housing Capital Budget for 2007/2008 is £6,655,290 and the Other Services funded, Capital Budget 2007/2008 of £8,756,990.
- d) Employee Budget for 2007/2008 at 544.2 full-time equivalent employees.

- e) Financing Capital expenditure in accordance with the Prudential Code indicators as outlined on pages 13 to 25.
- f) Members approve that for the purposes of Section 35(2)(d) of the Local Government Act 1992 any expenses incurred by the District Council as billing authority in performing in a part of its area a function performed elsewhere in its area by a parish council or the chairman of a parish meeting are not the District Council's special expenses.
- g) Council Tax Band D increase of 2.5% to £145.45 for Bassetlaw District Council.
- h) The Treasury Management Strategy covers the operation of the treasury function and its likely activities for the forthcoming year. This report incorporates the impact of the CIPFA Prudential Code for Capital Finance in Local Authorities, which has been implemented from 1 April 2004. Members are therefore recommended to adopt the following prudential indicators and limits as contained within the report:
- The actual and estimated capital financing requirement and debt figures. (2.2.6)
 - The compliance statement by the Executive Director of Professional and Customer Services. (2.4.2)
 - The authorised and operational limits. (2.4.3)
 - The affordability ratio indicators. (2.5.2)
 - The affordability indicator impact of Council Tax. (2.5.3)
 - The affordability indicator impact of rent levels. (2.6)
 - The limits on treasury management activity. (2.12.3)

PARISH PRECEPTS 2007/2008

Parish/Town	Precept	Taxbase	Council Tax at Band D	
	2007/08	2007/08	Parish	Total
Askham	0	74.75	0.00	£145.45
Babworth	3,244	215.50	15.05	£160.50
Barnby Moor	4,458	112.35	39.68	£185.13
Beckingham-cum-Saundby	20,323	477.36	42.57	£188.02
Blyth	20,250	486.07	41.66	£187.11
Boie	0	51.10	0.00	£145.45
Bothamsall	1,250	86.13	14.51	£159.96
Carburton	0	28.51	0.00	£145.45
Carlton in Lindrick	50,265	1,861.69	27.00	£172.45
Clarborough	21,070	411.18	51.24	£196.69
Clayworth	4,263	145.25	29.35	£174.80
Clumber and Hardwick	0	33.66	0.00	£145.45
Cuckney	5,650	85.24	66.28	£211.73
Dunham on Trent with Ragnall, Fledborough and Darlton	8,930	227.94	39.18	£184.63
East Drayton	2,002	102.07	19.61	£165.06
East Markham	10,347	467.10	22.15	£167.60
East Retford Charter Trustees	6,500	6,831.09	0.95	£146.40
Elkesley	7,045	256.31	27.49	£172.94
Everton	9,300	337.65	27.54	£172.99
Gamston with West Drayton & Eaton	6,042	241.56	25.01	£170.46
Gringley-on-the Hill	20,963	281.58	74.45	£219.90
Harworth & Bircotes	85,516	2,151.47	39.75	£185.20
Haughton	0	19.31	0	£145.45
Hayton	5,338	155.33	34.37	£179.82
Headon-cum-Upton with Grove & Stokeham	3,229	143.92	22.44	£167.89
Hodssock	43,926	672.12	65.35	£210.80
Holbeck and Welbeck	1,991	106.43	18.71	£164.16
Laneham	3,756	103.94	36.14	£181.59
Lound	3,871	195.13	19.84	£165.29
Markham Clinton	2,805	93.26	30.08	£175.53
Mattersey	6,935	265.46	26.12	£171.57
Misson	7,194	258.84	27.79	£173.24
Misterton	65,580	731.81	89.61	£235.06
Nether Langwith	6,074	157.02	38.68	£184.13
Normanton-on-Trent with Marnham	3,870	168.13	23.02	£168.47
North Leverton with Habbiesthorpe	6,534	317.49	20.58	£166.03
North and South Wheatley	12,149	248.70	48.85	£194.30
Norton	1,075	56.73	18.95	£164.40
Rampton	4,083	276.71	14.76	£160.21
Ranskill	11,500	476.57	24.13	£169.58
Rhodesia	7,660	236.75	32.35	£177.80
Scaftworth	0	21.09	0.00	£145.45
Scrooby	3,528	133.36	26.45	£171.90
Shireoaks	10,565	427.22	24.73	£170.18
South Leverton	4,000	202.62	19.74	£165.19
Sturton-le-Steeple	7,660	190.59	40.19	£185.64
Styrrup with Oldcotes	8,600	251.56	34.19	£179.64
Sutton	6,064	253.94	23.88	£169.33
Torworth	3,071	93.95	32.69	£178.14
Treswell-with-Cottam	1,400	121.77	11.50	£156.95
Tuxford	70,100	835.55	83.90	£229.35
Walkeringham	11,072	332.08	33.34	£178.79
Wallingwells	0	11.39	0.00	£145.45
West Burton	0	6.83	0.00	£145.45
West Stockwith	5,970	113.46	52.62	£198.07
Wiseton	300	42.27	7.10	£152.55
Worksop Charter Trustees	0	12,725.52	0.00	£145.45
Total	617,318			

CAPITAL BUDGET

2007/2008

HOUSING CAPITAL PROGRAMME 2007/08

Scheme	Budget 2007/08	Budget 2007/08
	£	£
<u>Housing Revenue Account - Council Stock</u>		
Crime & Community Safety	225,415	
Decent Homes	2,998,020	
Adaptations - Major	250,210	
Adaptations- Minor	583,825	
Other	338,123	
Swallow Court (Cabinet report August 2006)	407,000	
Contingency	112,707	
TOTAL HOUSING REVENUE ACCOUNT		4,915,300
<u>PRIVATE SECTOR HOUSING</u>		
<u>HOUSING ASSOCIATION</u>		
Social Housing Grant	100,000	
		100,000
<u>RENOVATION GRANTS</u>		
Disabled Facilities Grants	506,670	
Private Sector Renewal	1,133,320	
		1,639,990
TOTAL GENERAL FUND HOUSING		1,739,990
GRAND TOTAL HOUSING		6,655,290

CAPITAL PROGRAMME (OTHER SERVICES) 2007/08

Item No	SCHEME	BUDGET 2007/2008 £	BUDGET 2007/2008 £
	<u>Schemes from Previous Years</u>		
C1	Two New Leisure Centres	6,077,790	
C2	Embedded datamap.net (GIS) - approved carry forward	20,000	
C3	Positional Accuracy (GIS) - approved carry forward	20,000	
C4	Bassetlaw Museum Heritage Lottery funded works	680,700	
	Sub Total		6,798,490
	<u>New Schemes</u>		
	<u>Vehicle Leasing</u>		
C5	Refuse	1,310,000	
C6	Grounds Maintenance	99,000	
C7	Street Cleaning	160,000	
C8	Vehicle Maintenance	20,000	
C9	Pest Control	15,000	
C10	A1 Housing	55,000	
	Sub Total		1,659,000
	<u>Other Schemes</u>		
C11	Copthall House Works	55,000	
C12	Car Park Signage Replacement	10,000	
C13	Worksop Marketplace Electrical Supply	25,000	
C14	Hannah Park Cemetery Roadway Extension	30,000	
C15	Retford Cemetery - Resurface Roadway	32,500	
C16	Retford Cemetery - Water Supply	15,000	
C17	Retford Cemetery - Resurface Entrance & Foot	20,000	
C18	Queens Buildings Rewiring (Phase 1)	50,000	
C19	Hospital Road Gardens Retford - Rebuild Bou	12,000	
C20	Car Park Maintenance Programme	50,000	
	Sub Total		299,500
	GRAND TOTAL		8,756,990

CAPITAL FINANCING SUMMARY 2007/2008

	Housing Revenue Account £	General Fund Housing £	Sub-Total Housing £	Other Services General £	Sub-Total Other Services £	Grand Total £
<u>CAPITAL RESOURCES</u>						
Unsupported Borrowing	0	0	0	4,685,340	4,685,340	4,685,340
Government Supported Capital Expenditure (Borrowing)	440,000	0	440,000	0	0	440,000
Government Supported Capital Expenditure (ALMO Borrowing)	0	0	0	0	0	0
Grants & Contributions						
Specified Capital Grants (Disabled Facilities Grants)	0	304,000	304,000	0	0	304,000
Decent Homes Private Sector Energy Grant	0	499,500	499,500	0	0	499,500
Other External Contributions	100,000	0	100,000	0	0	100,000
	0	0	0	574,700	574,700	574,700
Revenue						
Housing Revenue Account: Contribution from MRA	3,968,300	0	3,968,300	0	0	3,968,300
Other Contributions ("well being" payment)	0	0	0	1,100,000	1,100,000	1,100,000
Capital Receipts	407,000	936,490	1,343,490	737,950	737,950	2,081,440
Leasing or Borrowing (with existing revenue funding in base)	0	0	0	1,659,000	1,659,000	1,659,000
Total Resources	4,915,300	1,739,990	6,655,290	8,756,990	8,756,990	15,412,280
Application Of Resources						
Capital Expenditure	4,915,300	1,739,990	6,655,290	8,756,990	8,756,990	15,412,280
	4,915,300	1,739,990	6,655,290	8,756,990	8,756,990	15,412,280

PRUDENTIAL CODE INDICATORS AND TREASURY MANAGEMENT STRATEGY

1. Purpose of the Report

- 1.1 This report incorporates the appropriate elements of the Prudential Code for Members consideration and approval to include in the Council's overall Budget Strategy being presented to Full Council on 1 March 2007. It addresses the requirements for the manner in which capital spending plans are to be considered and approved, and in conjunction with this, the development of an integrated Treasury Management Strategy. It also includes the provisions of the Capital Strategy reports that set out the Capital Budget proposals for both Housing and Other Services for 2007/2008 to 2009/2010.

2. Background and Discussion

2.1 The Prudential Code

- 2.1.1 This is the professional Code that sets out a framework for self-regulation of capital spending, in effect allowing councils to invest in capital projects without any limit as long as they are affordable, prudent and sustainable. This came into force from 2004/05 and the Council is now allowed to determine the appropriate level of capital investment to properly deliver quality public services, subject to affordability.
- 2.1.2 Members' involvement through the process is essential in order that the Council can demonstrate that capital expenditure plans are affordable, external borrowing is prudent and sustainable and that treasury decisions are taken in accordance with good practice. The structure and content of this report has been modified to comply with the Code.
- 2.1.3 To facilitate the decision making process and support capital investment decisions, under the Prudential Code the Council is required to agree and monitor a minimum number of prudential indicators. For housing authorities these are separated for the Housing Revenue Account (HRA) and non-HRA capital investment. These indicators are mandatory, but can be supplemented with local indicators if this aids interpretation and many will cover three years forward. The indicators cover affordability, prudence, capital expenditure, external debt and treasury management. These indicators will also form the basis of in year monitoring and reporting.
- 2.1.4 The indicators are purely for internal use by the Council and are not to be used as comparators between Councils, as any comparisons will be meaningless. In addition, the indicators should not be taken individually; rather the benefit from monitoring will arise from following the movement in indicators over time and the year on year changes.

2.2 Capital Expenditure and the Capital Financing Requirement

- 2.2.1 A change introduced by the Prudential Code is the calculation of the Capital Financing Requirement (CFR). This figure represents the Council's underlying need to borrow for a capital purpose, and the change year on year will be influenced by the capital expenditure in the year.
- 2.2.2 The expected movement in the CFR over the next three years is dependent on the level of supported and unsupported capital expenditure decisions taken during the budgeting cycle. The supported element of borrowing is the Supported Capital Expenditure regime whereby Government provides the Council with revenue support to meet the repayment

costs of borrowing. For Bassetlaw, this element relates in the main to Housing capital expenditure which is supported by housing subsidy, together with additional support for capital spend on private sector renovation grants. The unsupported element is the new capital expenditure freedom allowed under the Prudential Code. The Prudential Code anticipated that these new freedoms would enable the Council to enter into projects such as spend to save schemes (which may have previously been limited by the credit approval limits), or decisions to allocate additional resource from revenue to capital to enable service enhancements.

2.2.3 There are two main limiting factors on the Council's ability to undertake unsupported capital expenditure:

- Whether the revenue resource is available to support in full the implications of capital expenditure, both borrowing costs and running costs. Can the Council afford the implications of the unsupported capital expenditure?
- The Government may use a long stop control to ensure that either the total of all councils' plans do not jeopardize national economic policies, or in the event of an assessment by Central Government that local plans are unaffordable at a council, it may implement a specific control to limit its capital expenditure plans.

2.2.4 The Council's expectations for the CFR in the next three years are shown in the table below at 2.2.6 with the associated expectation for funding for the movement. This forms one of the required prudential indicators. Included also is the related capital expenditure figures for each year, split between supported and unsupported spending, and the expected external debt for each year. Both these are also mandatory prudential indicators.

2.2.5 A key risk of the plan is that the level of government support has been estimated and is therefore subject to change. This is particularly relevant for the anticipated support for the ALMO (i.e. the £62m expected upon achievement of two stars). Similarly some of the estimates for other sources of funding, such as capital receipts, may also be subject to change over this timescale.

2.2.6 The Council is asked to approve the actual and estimated CFR and actual debt figures:

	2005/06 Actual	2006/07 Comparator	2007/08 Estimated	2008/09 Estimated	2009/10 Estimated
	£'000	£'000	£'000	£'000	£'000
Capital Expenditure					
<i>Supported spend</i>	1,196	590	12,440	10,451	10,462
<i>Unsupported spend</i>	9,282	15,513	14,245	6,574	6,719
Total Spend	10,478	16,103	26,685	17,025	17,181

Financed By

<i>Borrowing</i>	1,369	4,950	17,125	10,451	10,462
<i>Capital receipts</i>	3,949	3,773	3,013	1,757	1,782
<i>Capital grants</i>	1,032	1,803	5,447	4,817	4,937
<i>Capital Reserves</i>	240	0	0	0	0
<i>Temporary Borrowing</i>	0	0	0	0	0
<i>Revenue</i>	3,888	3,943	1,100	0	0
TOTAL	10,478	16,103	26,685	17,025	17,181

Capital Financing Requirement

CFR – Non HRA	16,538	19,867	23,970	23,224	22,507
CFR – HRA	23,675	23,380	35,262	45,358	45,358
Total CFR	40,213	43,247	59,232	68,582	68,582
Net movement in CFR	-0	3,934	15,985	9,350	9,350

Borrowing/Debt

Borrowing	39,935	44,885	62,010	72,474	82,949
Other long term liabilities	0	0	0	0	0
Total Debt 31 March	39,935	44,885	62,010	72,461	82,923

Note: Excludes any operating leasing

2.3 Breakdown of Capital Expenditure by Service

Service	2005/06 Actual	2006/07 Comparator	2007/08 Estimated	2008/09 Estimated	2009/10 Estimated
	£'000	£'000	£'000	£'000	£'000
Community Prosperity	515	6,037	6,843	125	100
Environment & Housing - Housing	7,110	7,118	17,211	14,633	14,749
Environment & Housing - Renovation Grants	1,117	1,729	1,499	1,446	1,482
Environment & Housing - Environment	130	19	1,889	200	100
Finance & Property	964	659	862	621	750
Support Services	406	246	40	0	0
Miscellaneous	236	295	0	0	0
Total non Housing	2,251	7,256	9,634	946	950
Total Housing	8,227	8,847	18,655	16,079	16,231
GRAND TOTAL	10,478	16,103	28,344	17,025	17,181

Note: Includes expenditure financed or likely to be financed by operating lease.

2.3.1 The above programme for Housing for 2007/2008 and onwards provides for additional spend as a result of the creation of the ALMO although the financial position is still uncertain. If the additional ALMO resources are not received from 2007/08 and onwards this projection will need to be revised.

2.3.2 Approval of the provision of the two new leisure centres means that these costs are now built into the Capital Programme and the revenue impact of the financing has been calculated. Prudential borrowing has been taken for this scheme and the repayment costs of this borrowing have been built into the Council's Medium Term Financial Strategy.

2.3.3 At this stage there remains some approved capital schemes that are unfunded until further capital resources have been identified. Approval of additional spend later in the year will mean the capital spend and financing figures and therefore prudential indicators will change. These changes will be monitored via the Performance Improvement Scrutiny Committee.

2.4 Limits to Borrowing Activity

2.4.1 The first key control over the Council's activity is to ensure that over the medium term net borrowing will only be for a capital purpose. The Council needs to ensure that net external borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for 2007/08 and the next two financial years. This allows some flexibility for limited early borrowing for future years.

2.4.2 The Council is asked to approve the following statement by the Head of Finance and Property:

The Head of Finance and Property reports that the Council complied with the requirement to keep net external borrowing below the relevant CFR in 2005/06 and no difficulties are envisaged for the current or future years. This view takes into account current commitments, existing plans, and the proposals in this budget report.

2.4.3 A further two Prudential Indicators control the overall level of borrowing which support the budget strategy.

These are:

The Authorised Limit – This represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable. It is the expected maximum borrowing need with some headroom for unexpected movements.

The Operational Boundary – This indicator is based on the probable external debt during the course of the year; it is not a limit and actual borrowing could vary around this boundary for short times during the year. It should act as an indicator to ensure the authorised limit is not breached.

The Council is asked to approve the following authorised and operational limits:

Authorised limit for external debt	2005/06 £M Actual	2006/07 £M Comparator	2007/08 £M Estimate	2008/09 £M Estimate	2009/10 £M Estimate
Borrowing	40	45	62	72	83
Other long term liabilities	0	0	0	0	0
Total	47	52	69	79	90
Operational boundary for external debt	2005/06 £M Actual	2006/07 £M Comparator	2007/08 £M Estimate	2008/09 £M Estimate	2009/10 £M Estimate
Borrowing	40	45	62	72	83
Other long term liabilities	0	0	0	0	0
Total	42	47	64	74	85

These amounts provide for the borrowing requirements for the new leisure centres spend and financing expected during the term of the strategy. The annual increases are also sufficient to include the expected supported borrowing allocation to the Housing ALMO, subject to the required "score" being achieved.

2.4.4 The Operational boundary indicator for external debt has been determined in line with the Capital Financing Requirement, as there is no requirement for temporary borrowing based on the estimations of the cashflow over the period. The Authorised Limit for

external debt is £5m above the operational boundary and is adequate should any unexpected movements occur.

2.5 Affordability Prudential Indicators

2.5.1 The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. The fundamental objective in the consideration of the affordability of the Council's capital plans is to ensure that the level of investment proposed means that the total capital investment of the Council remains within sustainable limits. Affordability is ultimately determined by a judgment about acceptable Council Tax levels and acceptable rent levels. The following indicators provide an indication of the impact of the capital investment plans on the overall Council finances. The Council is asked to approve the following ratios:

2.5.2 Actual and Estimates of the ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing costs net of interest and investment income) against the net revenue stream.

Ratio of financing costs to net revenue stream

	2005/06 Actual	2006/07 Comparator	2007/08 Estimated	2008/09 Estimated	2009/10 Estimated
	%	%	%	%	%
Non - HRA	2.43	3.36	6.50	6.48	6.61
HRA	38.36	47.14	47.25	46.84	52.63

The estimates of financing costs include current commitments and the proposals in the capital budget reports elsewhere on the agenda.

2.5.3 **Estimates of the incremental impact of capital investment decisions on the Council Tax** – This indicator identifies the trend in the cost of proposed changes in the three year capital programme recommended in this budget report compared to the Council's existing commitments and current plans. The forward estimates are based on the assumptions included in the Medium Term Financial Strategy, but will invariably include some areas, such as the level of government support, which are not published over a three year period.

The proposed General Fund capital programme provides for additional borrowing of £4.7m in 2007/08 relating to prudential borrowing for new schemes together with that previously approved for the two new leisure centres. The incremental impact of capital investment decisions on the Band D Council Tax will be:

	Proposed Budget 2007/08	Forward Projection 2008/09	Forward Projection 2009/10
	£	£	£
Increase in Council Tax – Band D	14.47	21.92	20.90

2.6 Incremental impact of capital investment decisions on Housing Rent levels

2.6.1 Estimates of the incremental impact of capital investment decisions on Housing Rent levels – Similar to the Council Tax calculation this indicator identifies the trend in the cost of proposed changes in the housing capital programme recommended in the capital budget report compared to the Council's existing commitments and current plans, expressed as a change in weekly rent levels. The rent restructuring regime does mean that any change in revenue costs arising from the capital expenditure needs to be compensated for by a reduction in other costs.

It has been assumed that additional borrowing in 2007/08, 2008/09 and 2009/10 will be supported by Housing Subsidy or additional income and will therefore have no impact on Housing Rents.

	Proposed Budget 2007/08	Forward Projection 2008/09	Forward Projection 2009/10
	£	£	£
Increase in Weekly Housing Rents	0	0	0

2.7 Treasury Management Strategy 2007/08 – 2009/10

2.7.1 The treasury management service is an important part of the overall financial management of the Council's affairs. Its importance has increased as a result of the freedoms provided by the Prudential Code. It covers the borrowing and investment activities and the effective management of associated risks. Its activities are strictly regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management). This Council adopted the Code of Practice on Treasury Management on 5th February 2002 and as a result adopted a Treasury Management Policy Statement and Practices on 1st April 2003, and revised in April 2004. Updated Treasury Management Practices are drawn up on an annual basis and are approved by the officer quarterly monitoring group.

2.7.2 The policy orders require an annual strategy to be reported to Cabinet outlining the expected treasury activity for the forthcoming 3 years. The Treasury Management Strategy for 2006/07 was approved by Cabinet on 9th February 2006. A further report is produced after the year-end to report on actual activity for the year.

2.7.3 A key requirement of this report is to explain both the risks, and the management of the risks, associated with the treasury service.

2.7.4 This strategy covers:

- The current treasury position
- The expected movement in interest rates
- The Council's borrowing and debt strategy
- The Council's investment strategy
- Treasury performance indicators

- Specific limits on treasury activities
- Local treasury issues

2.8 Current Treasury Position

The Council's detailed treasury position is highlighted in the following table.

		31/3/2006 Actual	Rate	31/03/2007 Estimate	Rate
		£'000	%	£'000	%
Fixed Rate Debt	PWLB	5,135		4,628	
	Market	31,500		31,500	
Variable Rate Debt	PWLB	0		0	
	Market	3,300		3,300	
Total Debt		39,935	4.35	39,428	4.55
Other Long Term Liabilities		0		0	
Total Borrowing		39,935		39,428	
Fixed Investments		6,500		8,500	
Variable Investments		7,273		2,939	
Total Investments		13,773	4.55	11,439	5.23
Net Borrowing		26,162		27,989	

2.9 Expected Movement in Interest Rates

- 2.9.1 The current position of the treasury function, and its expected change in the future, introduces risk to the Council from an adverse movement in interest rates. The Prudential Code is constructed on the basis of affordability, part of which is related to borrowing costs and investment returns. The Council officers formulate the treasury strategy by reference to economic data and interest rate forecasts that hopefully assist planning and reduce the impact of unforeseen adverse movements.
- 2.9.2 After a period of stability in the UK, Bank Rate has seen three increases in the last four months, rising to 5.25% on 11 January 2007 from 4.5% in the period up to July 2006. The reason for the increases is to slow the rate of consumer spending, and retail sales. In addition the housing market has proved more robust than anticipated, with house prices continuing to rise. The increases in Bank Rate were necessary to keep inflation on track to meet the 2% inflation target in the medium term and from concerns that short term price increases could feed through into wage settlements in the next pay round.
- 2.9.3 Despite the last increase in Bank Rate, short term market rates remain slightly higher, rising to 0.5% above Bank Rate for 6 months, and 0.6% above for 12 months.
- 2.9.4 The US economy has a major impact on the world economy and any strengths or weaknesses will affect the UK economy. The US, UK and EU economies have all been

on the upswing in 2006 and so have been increasing interest rates in order to cool their economies and counter inflationary pressures, stimulated by high energy costs.

2.9.5 It is predicted by economists that household income growth will recover in 2007, as inflation falls and pay rises. The expectation is that extra income will go into a recovery of savings, including pension saving and servicing debt costs rather than consumer spending. The higher Bank Rate is likely to dampen both the housing market and increases in unsecured borrowing. An anticipated world slowdown in growth in 2007 will have an adverse effect on UK exports.

2.9.6 Once inflation is back under control, the Bank Rate is likely to be reduced to counter the negative effects on the economy outlined above.

2.9.7 The expected movement in interest rates are as follows:

Medium-Term Rate Forecasts

Average	Bank Rate %	5 year Gilt %	20 year Gilt %
2006/07	4.8	4.8	4.3
2007/08	5.2	4.7	4.6
2008/09	4.75	4.35	4.35
2009/10	4.5	4.35	4.35

2.9.8 The key risks to the forecasts surround the strength of the US economy, the key driver of world growth. If US growth continues to slow this is likely to move the bias towards reducing interest rates and increasing the value of the dollar, thus probably reducing UK interest rates.

2.9.9 Conversely strong US economic growth is likely to move the bias towards increasing their interest rates reducing the value of the dollar, thus increasing UK interest rates.

2.9.10 The other key factor is the movement of inflation away from the 2% target.

2.10 Borrowing and Debt Strategy 2007/08 – 2009/10

2.10.1 The introduction of the Prudential Code and uncertainty over future interest rates means there are inherent risks associated with the treasury strategy. As a result the Council will take a cautious approach to its treasury borrowing strategy.

2.10.2 Some additional borrowing will be required during 2007/08 and this will be substantial if the additional ALMO borrowing is approved. Officers will take the most appropriate form of borrowing depending upon the prevailing interest rates at the time, taking into account the risks shown in the above forecast.

2.10.3 Over the last four years there has been substantial debt restructuring to achieve savings, and therefore there is little scope to do so for the remainder of this strategy. Rates will continue to be monitored during the year to determine if any other debt restructuring opportunities exist while maintaining flexibility should the Council find itself with any additional funds. Due to our debt profile any additional borrowing will be based on long term (10+ years) fixed rate loans.

2.11 Annual Investment Strategy

2.11.1 In developing this strategy regard was taken of the Guidance on Local Government Investments issued by the ODPM in 2004 and CIPFA's Treasury Management in the Public Sector and Cross Sectoral Guidance Notes.

2.11.2 Investment decisions are based on shorter-term interest rates, typically less than 12 months. However, the Prudential Code has removed the 364 day constraint should the Council decide to invest for longer periods. The Director of Resources is assumed to replace the Executive Director of Professional and Customer Services under delegated powers and will undertake the most appropriate form of investments allowed, depending on the prevailing interest rates at the time, taking into account the associated risks.

The objectives of the Council's investment strategy are:

The security of capital

The liquidity of the investments

To achieve the optimum return on investments, in line with the above.

Consequently all investments will be by specified investments, which offer high security and high liquidity, usually on call or for short term fixed periods of time. The maximum periods of investments committed for a fixed term is determined by the cash flow requirements. The counter parties with which we will invest is limited to those with an F1 credit rating, i.e. the top 15 Building Societies, Banks, and similar financial organisations. The counter party limits are as set through the Council's Treasury Management Practices.

The Council uses Fitch ratings to derive its counter party criteria, lending only to the top rated bodies. All credit ratings are monitored at regular intervals and the list of approved counterparties updated accordingly.

2.11.3 All investments will be made in accordance with the Council's investment policies and prevailing legislation and regulations. The borrowing of monies purely to invest or on-lend and make a return is unlawful and the Council will not engage in such activity.

As stated above, the funds available for investment are derived from movements in the cash flow. The Council has at any point in time, a number of cash flows both positive and negative and will be managing its position in terms of its borrowings and investments in accordance with its Treasury Management Strategy and Practices. Investments at any one time will depend upon the net cash flow balance and the outlook for short-term interest rates.

Forecasts of Bank Rate is that there will be one further rate rise to 5.5% before the end of the financial year and that this rate will remain for a short period before falling to 5.25% in the autumn and 5% by the end of this calendar year. In the short term and during 2007/08, the Council will maximise its investments to benefit from the higher interest rates and improved rate of return.

2.11.4 After the end of the financial year, officers will report on investment activity as part of the annual Treasury Management Report.

2.12 Treasury Management Prudential Indicators and Limits on Activity

2.12.1 The Prudential Code requires reporting on the following four prudential indicators:

- Upper limits on variable rate exposure – This indicator identifies a maximum limit for variable interest rates based upon the debt position net of investments.
- Upper limits on fixed rate exposure – Similar to the previous indicator this covers a maximum limit on fixed interest rates.
- Maturity structures of borrowing – These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing.
- Total principal funds invested – These limits are set to reduce the need for early sale of an investment, and are based on the availability of investments after each year-end.

2.12.2 The purpose of these prudential indicators is to contain the activity of the treasury function within certain limits, thereby reducing the risk or likelihood of an adverse movement in interest rates or borrowing decisions impacting negatively on the Council's overall financial position. *However if these are set to be too restrictive they will impair the opportunities to reduce costs.*

2.12.3 The Council is asked to approve the following prudential indicators:

	2007/08	2008/09	2009/10
	Upper Limit	Upper Limit	Upper Limit
Borrowing	%	%	%
Limits on fixed interest rates	100	100	100
Limits on variable interest rates	20	20	20
Maturity Structure of fixed borrowing			
Under 12 months	5	5	5
12 months to 2 years	10	10	10
2 years to 5 years	25	25	25
5 years to 10 years	40	40	40
10 years and above	85	85	85
Investment			
Maximum principal sums invested over 364 days	£2M	£2M	£2M

2.13 Local Issues

2.13.1 It is not envisaged that there will be any further changes to policy although this will be reviewed again once the financial position of the ALMO additional borrowing becomes clearer.

2.13.2 Surplus cash sums have reduced considerably and officers will be reviewing the cashflow position and the financial implications, if beneficial, in reducing the level of investments specifically to reduce the level of external borrowing required in the future.

3. Implications

- a) For Service Users - There is an impact on available resources depending upon the success of the treasury management strategy and the Council's ability to fund future borrowing.
- b) Strategic & Policy - The Prudential Code is underpinned by the Council's Budget and the Treasury Management Strategy. These in turn support the Council's Strategic objectives, Community Strategy and CPA Improvement Plan.
- c) Financial - Ref No 07/435. These are contained within the main body of the report.
- d) Legal - The Local Government Act 2003 implications – Part II of the Act places duties on Local Authorities with regard to financial management. This report fulfils those duties
- e) Human Resources – Nil in this report.
- f) Community Safety, Equalities, Environmental – Nil in this report
- g) This is key decision number 122.

4. Options, Risks and Reasons for Recommendations

4.1 Cabinet and Full Council are required to consider the above and approve the recommendations as indicated. There are no further options or risks for consideration.

5. Recommendations

5.1 The Treasury Management Strategy covers the operation of the treasury function and its likely activities for the forthcoming year. Members are recommended to adopt the following prudential indicators and limits as contained within the report:

- The actual and estimated capital financing requirement and debt figures. (2.2.6)
- The compliance statement by the Head of Finance and Property. 2.4.2)
- The authorised and operational limits. (2.4.3)
- The affordability ratio indicators. (2.5.2)
- The affordability indicator impact of Council Tax. (2.5.3)

- The affordability indicator impact of rent levels. (2.6)
- The limits on treasury management activity. (2.12.3)

6.1 Approve the Treasury Management Strategy 2007/08.

6.2 The report and recommendations be forwarded to Full Council on 1st March 2007 for approval.

Background Papers

Location

Prudential Code &
Associated Budget Working
Papers

Financial Services Office

***REVENUE
BUDGET
2007/2008***

RESERVES AND BALANCES

Description of Reserves & Balances	Actual Brought Forward 1.4.2006 £	Contributions £	Use in year £	Actual Balance 31.3.2007 £	Contributions £	Use in Year £	Balance 31.3.2008 £
Working Balance	860,000	140,000	0	1,000,000	0	0	1,000,000
General Reserve	1,342,218	0	-1,155,011	187,207	0	-115,360	71,847
Other Balances	195,622			195,622			195,622
Earmarked Reserves	1,769,325		-217,000	1,552,325	40,000	-1,440,000	152,325
Unapplied Grants/Contributions	954,161			954,161			954,161
HRA	760,635	0	-91,443	669,192			669,192
TOTAL	5,881,961	140,000	-1,463,454	4,558,507	40,000	-1,555,360	3,043,147

**SUMMARY OF GROSS EXPENDITURE AND INCOME
REVENUE BUDGET 2007/2008**

2006/2007 INITIAL BUDGET 2006/2007	2006/2007 REVISED BUDGET 2006/2007	CABINET AREA	EXPENDITURE										SUPPORT SERVICES CHARGED OUT	INCOME	NET EXPEND
			EMPLOYEES	PREMISES	TRANSPORT	SUPPLIES & SERVICES	SUPPORT SERVICES	CAPITAL CHARGES	GROSS EXPEND	£	£	£			
2,480,920	2,387,460	LEISURE	2,923,420	1,224,590	203,110	1,009,970	833,280	157,310	6,351,680	-626,920	-3,558,930	2,165,830			
1,081,219	2,038,389	HOUSING GENERAL FUND	435,940	4,560	16,950	452,630	352,880	1,346,420	2,609,380	-171,340	-572,390	1,865,650			
4,015,420	3,977,010	ENVIRONMENT & LA21	2,447,230	254,230	1,242,030	1,210,600	662,020	129,790	5,945,900	-909,590	-1,042,860	3,993,450			
412,630	518,270	ECONOMIC REGENERATION	378,070	9,410	11,190	306,850	165,810	59,000	930,330	0	-479,150	451,180			
2,809,719	3,518,840	FINANCE	1,708,860	51,330	17,560	1,222,830	10,169,790	1,748,480	14,918,850	-2,245,650	-8,841,120	3,832,080			
1,864,791	2,476,351	PROPERTY AND CENTRAL SERVICES	4,984,850	919,400	278,210	3,201,800	23,582,380	418,210	33,384,850	-9,138,690	-22,274,390	1,971,770			
1,217,110	1,526,040	PLANNING	1,417,150	9,650	61,320	383,630	1,283,960	45,620	3,201,350	-708,740	-1,138,480	1,354,130			
36,240	53,060	EMERGENCY PLANNING	24,620	0	0	20,190	4,620	0	49,430	0	0	49,430			
96,290	52,830	LICENSING	117,550	0	8,970	12,930	89,640	1,000	230,090	0	-172,400	57,690			
1,390,350	1,144,460	POLICY	533,790	175,430	46,190	584,720	525,180	145,190	2,010,500	-735,860	-117,550	1,157,090			
15,404,689	17,692,710	NET OPERATING EXPENDITURE	14,971,480	2,648,600	1,885,530	8,406,150	37,669,580	4,051,020	69,632,360	-14,536,790	-38,197,270	16,898,300			
-261,920	-1,315,480	Capital Charges - Appropriations										-322,430			
15,142,769	16,377,230	GENERAL FUND TOTAL	14,971,480	2,648,600	1,885,530	8,406,150	37,669,580	4,051,020	69,632,360	-14,536,790	-38,197,270	16,575,870			
140,000	140,000	Transfer to + / from (-) General Reserves										0			
0	-1,155,011	Transfer to + / from (-) Working Balance										-115,360			
0	-79,450	Transfer to + / from (-) Other Reserve										-448,030			
114,340	114,340	FRS17										-80,620			
15,397,109	15,397,109	AMOUNT TO BE MET FROM GOVT. GRANTS AND LOCAL TAXPAYERS	14,971,480	2,648,600	1,885,530	8,406,150	37,669,580	4,051,020	69,632,360	-14,536,790	-38,197,270	15,931,860			
		<i>This is financed by:</i>													
-1,686,035	-1,686,035	Revenue Support Grant										1,549,293			
-8,734,323	-8,734,323	National Domestic Rate redistributed from Pool										9,231,832			
0	0	Collection Fund Surplus										0			
4,976,751	4,976,751	TO BE MET FROM COLLECTION FUND										5,150,735			

REVENUE BUDGET 2007/2008

LEISURE

INITIAL BUDGET 2006/2007 £	REVISED BUDGET 2006/2007 £	Services Area	Expenditure										Support Services Charged Out £	INCOME £	NET EXPEND. £
			Employees £	Premises £	Transport £	Supplies & Services £	Support Services £	Capital Charges £	GROSS EXPEND. £						
29,490	52,010	Arts Development & Support	26,040	0	640	37,120	2,770	0	66,570	0	0	66,570	0	0	66,570
220,470	203,990	Museums & Galleries	82,220	44,060	710	19,690	23,750	0	170,430	0	0	170,430	0	-9,790	160,640
57,920	18,000	Theatres & Public Entertainment	0	1,080	0	0	0	0	3,560	2,480	0	3,560	0	-5,970	-2,410
34,330	11,450	Allotments	0	21,410	0	0	0	0	21,410	0	0	21,410	0	-9,200	12,210
247,800	239,000	Sports Development & Community	286,110	6,730	27,200	74,150	154,900	0	549,090	0	0	549,090	0	-232,610	316,480
1,564,480	1,197,950	Leisure Centres	1,302,100	557,490	10,690	309,630	241,260	57,060	2,478,230	0	0	2,478,230	0	-1,356,610	1,121,620
62,140	42,390	Golf Courses	72,340	199,070	740	76,310	14,560	3,360	366,380	0	0	366,380	0	-349,000	17,380
527,180	845,250	Community Parks and Open Spaces	785,480	196,040	155,320	201,000	85,590	85,530	1,508,960	0	0	1,508,960	-313,740	-343,010	862,210
92,390	135,860	Tourism	67,050	5,220	270	26,070	34,550	3,710	136,870	0	0	136,870	0	-9,260	127,610
0	0	Service Management & Support	125,580	120	4,720	25,300	162,670	0	318,390	0	0	318,390	-313,180	0	5,210
15,500	31,600	Markets and Fairs	176,500	54,880	2,820	73,070	44,340	3,960	355,570	0	0	355,570	0	-331,750	23,820
-370,780	-390,040	Car Parking	0	138,490	0	167,630	68,890	1,210	376,220	0	0	376,220	0	-911,730	-535,510
2,480,920	2,387,460	Total	2,923,420	1,224,590	203,110	1,009,970	833,280	157,310	6,351,680	-626,920	-3,558,930	2,165,830			

REVENUE BUDGET 2007/2008
HOUSING GENERAL FUND

INITIAL BUDGET 2006/2007 £	REVISED BUDGET 2006/2007 £	Service Area	Expenditure								Support Services Charged Out £	INCOME £	NET EXPEND. £
			Employees £	Premises £	Transport £	Supplies & Services £	Support Services £	Capital Charges £	GROSS EXPEND. £				
225,679	278,999	Housing Strategy	0	0	0	199,770	73,550	0	273,320	0	0	0	273,320
100,500	181,400	Registered Social Landlords	0	0	0	0	14,960	80,000	94,960	0	0	0	94,960
71,430	71,790	Housing Advice	83,870	0	4,040	23,350	10,650	0	121,910	0	0	0	71,910
0	0	Supporting People	0	0	0	0	0	0	0	0	0	0	0
358,510	1,062,320	Private Sector Housing Renewal	130,520	0	7,850	4,850	63,960	1,266,420	1,473,600	0	0	0	980,990
269,270	290,880	Homelessness	137,480	4,560	3,260	65,870	102,810	0	313,980	0	-560	0	291,270
54,090	150,610	Contributions to the HRA	0	0	0	154,200	0	0	154,200	0	0	0	154,200
50	150	Other Council Property	0	0	0	80	0	0	80	0	0	0	80
1,690	2,240	Housing Management & Support	84,070	0	1,800	4,510	86,950	0	177,330	0	-170,780	0	-1,080
0	0	Building Maintenance Trading Account	0	0	0	0	0	0	0	0	0	0	0
1,081,219	2,038,389		435,940	4,560	16,950	452,630	352,880	1,346,420	2,609,380	-171,340	-572,390	1,865,650	

**REVENUE BUDGET 2007/2008
ENVIRONMENT & LA21**

INITIAL BUDGET 2006/2007 £	REVISED BUDGET 2006/2007 £	Service Area	Expenditure							Support Services Charged Out £	INCOME £	NET EXPEND. £
			Employees £	Premises £	Transport £	Supplies & Services £	Support Services £	Capital Charges £	GROSS EXPEND. £			
103,430	41,150	Cemeteries, Cremation & Mortuary	29,980	160,320	1,580	19,100	22,830	540	234,350	-180	-177,100	57,070
1,407,290	1,115,500	Environmental Health	726,800	60,900	51,200	116,030	248,960	15,600	1,219,490	0	-58,990	1,160,500
35,440	40,130	Flood Defence & Land Drainage	0	550	0	16,800	9,590	5,190	32,130	0	0	32,130
472,210	645,220	Street Cleansing	414,430	10	114,740	219,520	68,070	0	816,770	-123,250	-1,100	692,420
1,781,340	1,934,420	Waste Collection	931,200	10,100	646,440	539,700	176,460	98,570	2,402,470	-135,910	-419,300	1,847,260
176,270	200,580	Management & Support	97,100	1,560	5,590	272,400	40,760	0	417,410	0	-209,600	207,810
27,130	0	Other Cleaning Trading Account	23,600	3,040	38,600	0	11,340	0	76,580	-76,980	0	-400
12,310	10	Vehicles and Plant	224,120	17,750	383,880	27,050	84,010	9,890	746,700	-573,270	-176,770	-3,340
4,015,420	3,977,010	Total	2,447,230	254,230	1,242,030	1,210,600	662,020	129,790	5,945,900	-909,590	-1,042,860	3,993,450

**REVENUE BUDGET 2007/2008
ECONOMIC REGENERATION**

INITIAL BUDGET 2006/2007 £	REVISED BUDGET 2006/2007 £	Service Area	Expenditure							Support Services Charged Out £	INCOME £	NET EXPEND. £
			Employees £	Premises £	Transport £	Supplies & Services £	Support Services £	Capital Charges £	GROSS EXPEND. £			
30,840	30,840	Grants/Loans/Guarantees	0	0	0	25,070	5,890	0	30,960	0	0	30,960
10,960	-11,550	Support to Business & Enterprise	0	0	0	10,770	0	0	10,770	0	0	10,770
12,750	12,070	Government Initiatives	0	0	0	12,070	0	0	12,070	0	0	12,070
-9,810	18,450	Promotion & Marketing of the Area	233,650	9,110	7,050	209,530	4,500	0	463,840	0	-449,650	14,190
30,380	126,130	Community Development	0	0	0	26,130	0	59,000	85,130	0	-29,500	55,630
334,510	342,330	Services Management and Support (Bassetlaw Development Agency)	144,420	300	4,140	23,280	155,420	0	327,560	0	0	327,560
3,000	0	Environmental Initiatives - Grants	0	0	0	0	0	0	0	0	0	0
412,630	518,270		378,070	9,410	11,190	306,850	165,810	59,000	930,330	0	-479,150	451,180

REVENUE BUDGET 2007/2008

FINANCE

INITIAL BUDGET 2006/2007 £	REVISED BUDGET 2006/2007 £	Service Area	Expenditure							Support Services Charged Out £	INCOME £	NET EXPEND. £
			Employees £	Premises £	Transport £	Supplies & Services £	Support Services £	Capital Charges £	GROSS EXPEND. £			
228,770	225,150	Grants & Contributions	0	260	0	224,000	10,020	2,000	236,280	0	0	236,280
1,519,229	1,613,120	Corporate and Democratic Core	295,360	22,940	6,320	141,670	1,177,690	7,630	1,651,610	-217,500	-6,890	1,427,420
27,320	2,800	Democratic Representation & Members Allowances	4,530	0	0	24,400	14,290	0	43,220	0	-34,940	8,280
347,420	349,950	Precepts & Levies	0	0	0	0	351,480	0	351,480	0	0	351,480
37,430	40,330	Other Expenditure	19,520	28,130	0	611,310	25,680	0	684,640	-569,530	-125,080	-9,970
642,000	751,830	Local Tax Collection	565,340	0	11,240	172,630	8,444,210	0	9,193,420	-319,670	-8,072,660	801,090
817,790	817,790	Pension Costs	824,110	0	0	0	0	0	824,110	0	0	824,110
3,619,959	3,800,970	SUB TOTAL	1,708,860	51,330	17,560	1,174,210	10,023,370	9,630	12,984,960	-1,106,700	-8,239,570	3,638,690
-328,670	369,470	Capital Financing Costs	0	0	0	48,620	146,420	1,738,850	1,933,890	-1,105,750	-384,200	443,940
-31,570	-63,600	Investment Interest Earned on Internal Funds	0	0	0	0	0	0	0	-33,200	-350	-33,550
-450,000	-588,000	External Investment Income	0	0	0	0	0	0	0	0	-217,000	-217,000
-810,240	-282,130	SUB TOTAL	0	0	0	48,620	146,420	1,738,850	1,933,890	-1,138,950	-601,550	193,390
2,809,719	3,518,840	Total	1,708,860	51,330	17,560	1,222,830	10,169,790	1,748,480	14,918,850	-2,245,650	-8,841,120	3,832,080

REVENUE BUDGET 2007/2008
PROPERTY, CENTRAL AND CUSTOMER SERVICES

INITIAL BUDGET 2006/2007 £	REVISED BUDGET 2006/2007 £	Service Areas	Expenditure										Support Services Charged Out £	INCOME £	NET EXPEND. £
			Employees £	Premises £	Transport £	Supplies & Services £	Support Services £	Capital Charges £	GROSS EXPEND. £						
335,248	382,598	Environmental Services	70,000	0	0	426,240	18,290	50,650	565,180	0	-231,630	333,550			
100,225	498,385	Housing Benefits	145,570	0	5,380	-412,910	19,769,880	0	19,507,920	-150,660	-18,852,130	505,130			
65,160	81,380	Register of Electors	28,700	0	0	26,980	28,430	0	84,110	-1,190	0	82,920			
-76,580	-55,290	Local Land Charges	34,500	0	50	44,210	53,790	3,380	135,930	0	-198,840	-62,910			
34,020	0	Community Safety	0	0	0	0	0	0	0	0	0	0			
96,130	89,760	Industrial Estates	0	93,380	0	67,140	92,840	4,600	257,960	0	-193,640	64,320			
0	24,980	Other Apportionable Overheads	-44,290	0	0	0	0	0	-44,290	71,900	0	27,610			
-490,232	-49,442	Unapportionable Overheads	-125,000	0	-160	52,260	103,160	10,970	41,230	-403,670	0	-362,440			
8,930	167,190	Central Departments	2,956,210	16,450	84,850	995,650	1,353,530	168,220	5,574,910	-4,763,540	-715,400	95,970			
0	29,850	Recharges to other accounts	0	148,590	166,770	191,490	0	0	506,850	0	-506,850	0			
1,680	10,200	General Administration	224,790	0	220	246,300	216,630	32,260	720,200	-588,270	-126,450	5,480			
6,360	46,670	Admin & Operational Buildings	0	610,470	0	107,020	655,400	96,490	1,469,380	-1,091,780	-369,240	8,360			
81,210	55,360	Miscellaneous Properties	6,850	47,550	0	1,740	40,600	10,050	106,790	0	-81,710	25,080			
352,180	0	Housing Benefits	670,250	0	6,520	79,440	619,270	0	1,375,480	-577,350	-796,940	1,190			
1,830	-60	Cashiers	76,530	0	310	33,200	41,250	2,200	153,480	-99,450	-55,600	-1,560			
1,167,060	1,118,070	Concessionary Travel	0	0	0	1,087,100	86,790	0	1,173,890	0	-840	1,173,050			
30	0	TV Licences	0	0	0	0	0	0	0	0	0	0			
52,910	53,210	Parishes and Concurrent Functions	0	0	0	45,500	7,630	0	53,130	0	0	53,130			
91,950	-21,350	E Government	41,720	0	0	39,720	36,840	1,260	119,540	-128,440	0	-8,900			
36,680	44,820	Customer Services Recharge	899,020	2,960	14,270	170,720	458,050	38,130	1,563,150	-1,406,240	-145,120	31,790			
1,864,791	2,476,351	Total	4,984,850	919,400	278,210	3,201,800	23,582,380	418,210	33,384,850	-9,138,690	-22,274,390	1,971,770			

**REVENUE BUDGET 2007/2008
PLANNING**

INITIAL BUDGET 2006/2007 £	REVISED BUDGET 2006/2007 £	Service Area	Expenditure								NET EXPEND. £	
			Employees £	Premises £	Transport £	Supplies & Services £	Support Services £	Capital Charges £	GROSS EXPEND. £	Support Services Charged Out £		INCOME £
338,750	507,370	Planning Development Control	420,880	0	14,880	72,910	495,820	720	1,005,210	0	-659,010	346,200
325,260	408,770	Planning Policy, Implementation & Plan	195,600	0	8,190	148,620	118,990	0	471,400	0	-2,690	468,710
315,390	400,320	Building Control	417,830	0	24,530	71,300	316,160	1,540	831,360	-101,880	-367,300	362,180
287,540	252,690	Other Building Control Works	42,350	8,530	5,860	32,360	178,800	7,230	275,130	0	0	275,130
38,250	28,570	Previous Environmental Works	0	0	0	0	750	27,830	28,580	0	0	28,580
-88,080	-71,680	Service Management and Support (Planning Services)	340,490	1,120	7,860	58,440	173,460	8,300	589,670	-606,860	-109,480	-126,670
1,217,110	1,526,040	Total	1,417,150	9,650	61,320	383,630	1,283,980	45,620	3,201,350	-708,740	-1,138,480	1,354,130

**REVENUE BUDGET 2007/2008
EMERGENCY PLANNING**

INITIAL BUDGET 2006/2007 £	REVISED BUDGET 2006/2007 £	Service Area	Expenditure							Support Services Charged Out £	INCOME £	NET EXPEND. £
			Employees £	Premises £	Transport £	Supplies & Services £	Support Services £	Capital Charges £	GROSS EXPEND. £			
36,240	53,060	Emergency Planning	24,620	0	0	20,190	4,620	0	49,430	0	0	49,430
36,240	53,060		24,620	0	0	20,190	4,620	0	49,430	0	0	49,430

**REVENUE BUDGET 2007/2008
LICENSING**

INITIAL BUDGET 2006/2007 £	REVISED BUDGET 2006/2007 £	Service Area	Expenditure							Support Services Charged Out £	INCOME £	NET EXPEND. £
			Employees £	Premises £	Transport £	Supplies & Services £	Support Services £	Capital Charges £	GROSS EXPEND. £			
96,290	52,830	Licensing	117,550	0	8,970	12,930	89,640	1,000	230,090	0	-172,400	57,690
96,290	52,830		117,550	0	8,970	12,930	89,640	1,000	230,090	0	-172,400	57,690

**REVENUE BUDGET 2007/2008
POLICY**

INITIAL BUDGET 2006/2007 £	REVISED BUDGET 2006/2007 £	Service Area	Expenditure							Support Services Charged Out £	INCOME £	NET EXPEND. £
			Employees £	Premises £	Transport £	Supplies & Services £	Support Services £	Capital Charges £	GROSS EXPEND. £			
86,500	36,760	Community Strategy	0	220	0	36,150	7,350	0	43,720	0	0	43,720
157,960	91,920	Managing Change	3,280	0	410	63,190	10,080	0	76,960	-20,000	0	56,960
109,060	24,670	Political Modernisation/Best Value	180,200	0	4,150	37,580	36,970	0	258,900	-230,460	0	28,440
5,190	-39,270	Human Resources	241,540	400	7,560	51,700	117,860	0	419,060	-370,240	-85,000	-36,180
370	20	Unions	18,140	0	0	0	30,540	0	48,680	-48,900	0	-220
1,030,790	1,028,920	Members Allowances & Civic	43,090	174,810	33,230	395,210	304,280	145,190	1,095,810	0	-30,470	1,065,340
480	1,440	Public Relations	47,540	0	840	890	18,100	0	67,370	-66,260	-2,080	-970
1,390,350	1,144,460	Total	533,790	175,430	46,190	584,720	525,180	145,190	2,010,500	-735,860	-117,550	1,157,090

**REVENUE BUDGET 2007/2008
HOUSING REVENUE ACCOUNT**

INITIAL BUDGET 2006/2007 £	REVISED BUDGET 2006/2007 £	Service Areas	Expenditure							GROSS EXPEND. £	Support Services Charged Out £	INCOME £	NET EXPEND. £	
			Employees £	Premises £	Transport £	Supplies & Services £	Support Services £	Capital Charges £						
		Council Managed HRA Budget												
		Expenditure												
10,159,273	10,274,273	A1 Management Fee				10,312,150								10,312,150
0	150,000	Asbestos Survey	0			0								0
1,544,670	1,594,020	General Management	453,000	117,640		827,440		256,880						1,654,960
449,936	242,450	Emergency & Supporting People	30,640			1,068,440		16,540						359,620
998,160	693,130	Rent Rates Taxes & Other Charges				427,200								427,200
2,189,790	2,245,250	Main Subsidy (inc MRA) Payable												2,948,950
198,000	198,000	Provision for Bad Debts						198,000						198,000
7,716,500	16,000	Cost of Capital/Impairment								16,000				16,000
3,355,110	4,512,080	Depreciation								4,487,970				4,487,970
50,020	52,390	Debt Management Expenses						54,040						54,040
26,661,459	19,977,593	Total Expenditure	483,640	117,640	0	12,635,230	0	525,460	4,503,970	18,265,940	0	2,192,950	0	20,458,890
		Income												
-19,130,460	-19,273,540	Gross Rental Income												-19,752,220
0	0	Rent Accounting Income												0
-340,180	-355,500	District Heating												-373,280
-8,100	-2,410	Housing Defects												0
0	0	Main Subsidy (inc MRA) Receivable												0
-225,000	-119,400	RTB Management Recharges											-102,480	-102,480
-1,191,892	-1,124,430	Supporting People												-1,146,920
-20,895,632	-20,875,280	Total Income	0	0	0	0	0	0	0	0	-102,480	-21,272,420	0	-21,374,900
5,765,827	-897,687	Net Cost of Services												-916,010
-6,642,050	1,011,780	Adjusting Transfer for AMRA												1,003,390
-54,070	-150,610	Transfers from General Fund							1,003,390					-154,200
0	72,000	Revenue Contributions to Capital												0
601,850	601,850	Amortised Premiums & Discounts				557,510								557,510
9,100	46,650	Investment & Mortgage Interest											28,980	28,980
564,670	-592,300	Transfer to Major Repairs Reserve												-519,670
-5,520,500	989,370	Operating Expenditure and Appropriations												916,010
245,327	91,683	(Surplus)/Deficit for Year												0

***EMPLOYEE
NUMBERS
2007/2008***

OVERALL EMPLOYEE NUMBERS 2007/2008

CABINET AREAS	F/T Equiv No's
LEISURE	113.8
ENVIRONMENT	102.5
ECONOMIC REGENERATION	12.2
FINANCE	31.6
CENTRAL, PROPERTY & CUSTOMER SERVICES	191.9
PLANNING	54.6
EMERGENCY PLANNING	0.0
LICENSING	5.0
POLICY	15.6
HOUSING GENERAL FUND	16.0
HOUSING REVENUE ACCOUNT	1.0
TOTAL FULL TIME EQUIVALENTS	544.2