

## Report for Resolution

**Report to** Executive  
18 February 2009  
**Report of** Head of Finance  
**Subject** Budget 2009/10 General Fund

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### Purpose

To set a budgetary requirement and level of Council Tax for the financial year 2008/09

### Recommendations

- (1) that the Executive recommends to Council a level of Council Tax to Council
- (2) the Council's Budgetary requirement to be set at £24,764,600
- (3) authorises the Chief Executive Officer to transfer from the General Fund during the 2009/10 financial year an amount up to £1,200,000 to meet the costs of preparation for unitary status (£1,000,000) and the General Fund element of the re-provision of the CityCare contract
- (4) that the prudent level of reserves for the Council be set £4,541,800 in accordance with the recommendation of the Head of Finance
- (5) authorise the Head of Finance in consultation with Portfolio Holder for Resources and Governance to transfer such sums as deemed necessary from the element of the General Fund Reserve identified as contingency in annex 5.

### Corporate Objective/Service Plan Priority

The report helps to achieve the corporate priority for aiming for excellence.

### Contact Officers

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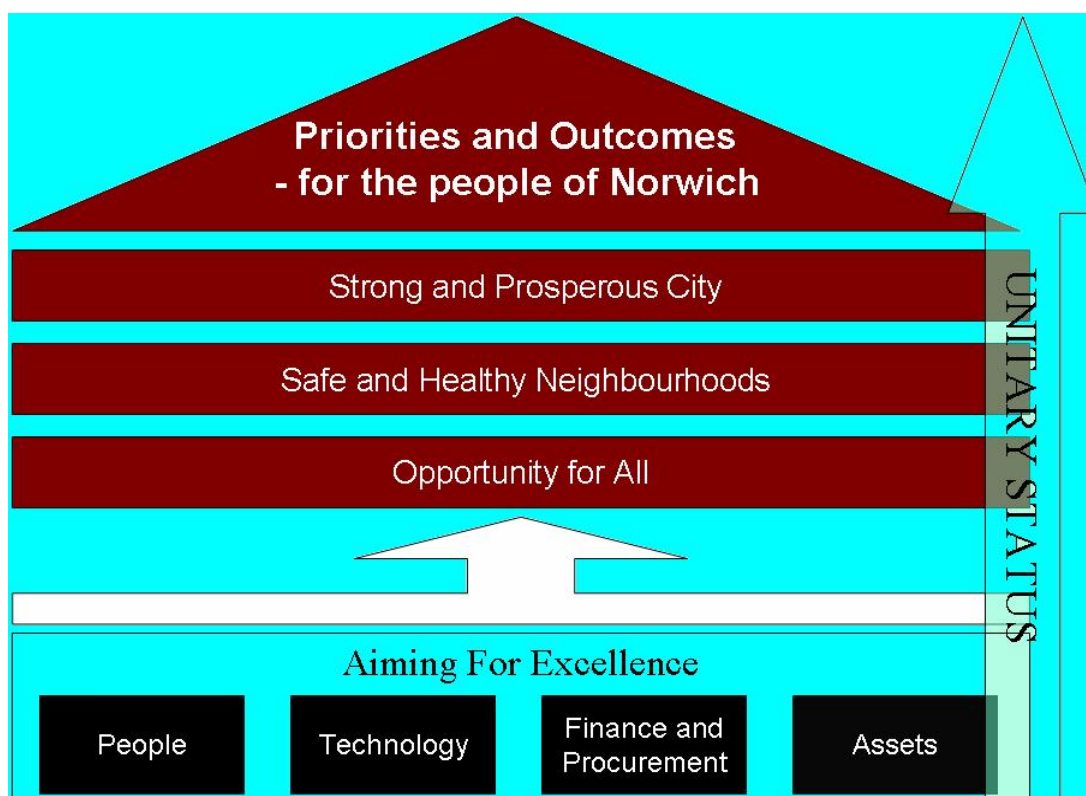
## REPORT

### Introduction

1. The Executive will recommend a budget for 2009/10 to Council to support the Council's strategic priorities:-

- Strong and Prosperous City
- Safe and Healthy Neighbourhoods
- Opportunities for all
- Aiming for Excellence
- Unitary Status

These are set out in the Council's Corporate Plan 2008/10.



The budget is set in the context of the Council's Medium Term Financial Strategy. This identifies the financial constraints the Council will face over the next four years, the level of reserves needed to mitigate the financial risks to the Council and the Council's plans to address the financial pressures of the next four years.

### Economic Environment

The current recession has had a serious impact on the Council's financial position. Although the Council did not have any investments in Icelandic Banks, it has seen its investment income significantly reduced as a result of the drop in interest rates, together with falls in planning

application fees and land charges. This situation is not restricted to Council's revenue activities, its non Housing capital programme which is largely funded by capital receipts has seen a falling away of property sales resulting in very limited resources being available for the programme.

The impact of the recession on our citizens has resulted in increased levels of housing and Council tax benefit, pressure on housing services to deal with repossession issues, and greater pressure on the Customer Contact Team.

## **Process and Budget Strategy**

### **General Fund Budget Strategy**

The recession has resulted in a significant increase in the Councils operating budget for 2009/10. This is caused by a drop in interest on the Council's investments, projected declines in the Councils main income streams, and a change in policy for charging for the national concessionary fares scheme where Norwich as a popular point of destination stands to have increased costs in the order of £1.5 million during 2009/10.

To balance the budget for 2009/10 it will be necessary to find savings in the order of £8.3 million. The Council is of the view that to make these reductions in one year may cause fundamental damage to Council's ability to deliver services, particularly at a time when businesses and citizens will need support. Also should the economy recover the pressures will reduce and the Council may have cut services unnecessarily.

The proposed General Fund budget recognises the need to make some reductions in 2009/10. It is proposed to make savings of £3,900,000 in 2009/10 (£1,800,000 to meet the normal inflationary pressures that face Council , £2,100,000 towards addressing the immediate budget shortfall) the balance of the shortfall being met by a £4,300,000 contribution from reserves. In 2010/11 financial year further reductions will be required to address the normal inflationary increases, Council Tax gearing pressures and addressing the budget gap of some £5.5 million if the economy does not recover. This means total reductions in the order of £7.5 to £8.5 million.

Planning for the 2010/11 budget will commence almost immediately after the 2009/10 budget is set. This will give the Council time to plan and develop larger organisational changes to reduce expenditure rather than cutting into services. Below is a summary from the MTFS showing the projected General Fund position for the next four years.

# **Medium Term Financial Projections 2008-09 to 2012-13**

Assuming budget gap bridged

**£,000,s**

	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
Net Revenue Expenditure	24,719.1	28,701.6	24,582.1	24,654.6	25,293.7
Investment Income	-2,388.0	-1,552.0	-716.0	-716.0	-716.0
Interest Paid and MRP	1,865.7	1,865.7	1,865.7	1,865.7	1,865.7
Operating Budget	24,196.7	29,015.2	25,731.8	25,804.2	26,443.3
Use of reserves	0.0	-4,250.6	-549.0	0.0	0.0
<b>Budgetary Requirement</b>	<b>24,196.7</b>	<b>24,764.6</b>	<b>25,182.8</b>	<b>25,804.2</b>	<b>26,443.3</b>
RSG & NNR	-15,523.7	-15,741.0	-15,914.2	-16,073.3	-16,234.1
Collection Fund	-234.5	-187.0			
<b>Council Tax Requirement</b>	<b>8,438.5</b>	<b>8,836.6</b>	<b>9,268.6</b>	<b>9,730.9</b>	<b>10,209.3</b>
Band D equivalent properties	39,672.0	39,997.0	40,397.0	40,800.9	41,208.9
<b>Council Tax Band D</b>	<b>212.71</b>	<b>220.93</b>	<b>229.44</b>	<b>238.50</b>	<b>247.74</b>
<b>% increase in Council Tax</b>	<b>3.7%</b>	<b>3.9%</b>	<b>3.9%</b>	<b>3.9%</b>	<b>3.9%</b>
<b>Level of Reserves</b>	<b>8,800.0</b>	<b>4,549.4</b>	<b>4,000.4</b>	<b>4,000.4</b>	<b>4,000.4</b>
<b>Budget gap to be addressed over and above the £2.0 to £3.0 million savings needed to address inflationary increases and Council tax gearing</b>		-2,000	-5,552	-1,422	-920

## **Budget setting process**

2. The Council's revenue and capital budgets are linked into the service planning process, thus supporting the Council's strategic objectives and strategies. The use of service planning to drive the budgetary process has been further developed during this budget round and will be subject to regular review to ensure continuing improvements to enhance the directing of the Council's resources to its priorities.
3. The Council has used a 'star chamber' approach to jointly review service plans, current budgets and budget proposals, subjecting them to rigorous internal challenge. This process identified savings of £1,800,000 which were incorporated into the base budget. With the further deterioration of the economic position it became apparent that considerably more savings would be needed and a further review was undertaken which identified a range of cost reductions totalling £2,100,000. These additional costs reductions will have an impact on service delivery and also include proposals to freeze a range of vacant posts and make up to 8 posts redundant, and this is not yet reflected in service plans. Once the budget is finalised draft service plans will be revised to show this impact.
4. The officer proposals for cost reductions and growth have been subject to discussion with members and will have been reviewed by the Council's Scrutiny Committee, on 12<sup>th</sup> February 2009. Consultation with Unison regarding the proposed redundancies has already started.

## **Communication and Consultation**

5. The Council arranged consultation days on 28 January, 29 January 30 January and 6 February 2009 to enable members of the public, interested community groups, local businesses, voluntary organisations, partners and other stakeholders to express their views on the Council's expenditure issues, its priorities and the delivery of its services. Comments on theses will be reported to your meeting.

## **Council Tax Levels**

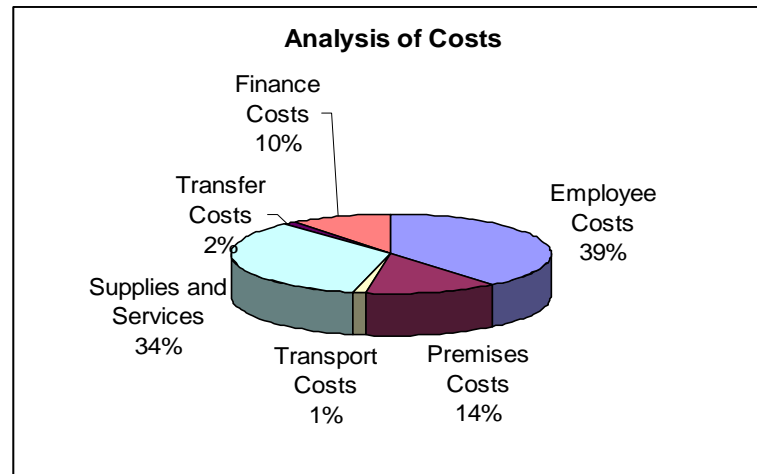
6. Levels of inflationary increases continue to be a pressure on the Council's financial resources

The key inflationary factors impacting on the Councils costs are

Employee cost inflation made up as follows:	4.0% pa
Annual pay award	2.5%
Increase in employers pension contribution	0.5%
Increments and wages drift	1.0%
General inflation is estimated at	3.0%

7. The breakdown of the Council's General Fund cost structure is shown in Fig (2)

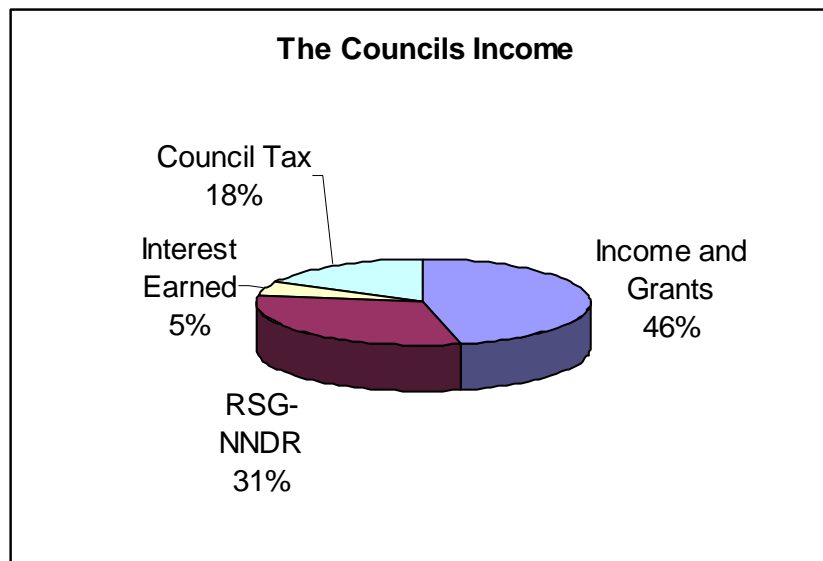
Fig (2)



8. As Council Tax represents only a minority part of the Council's income (see fig (2) below) which shows that for every £5.5 of what the Council spends only £1 comes from Council Tax. This means that if annual increases in central government grant and fees and charges are less than the inflationary increases in the Council's costs then this increase will fall directly on the Council Tax element of income and result in a fivefold percentage increase in Council Tax for every % point difference between the inflationary increases income and costs. For 2009/10 this difference is 1.0%.

Multiplying this by 5.5 gives a figure of 5.5%, this is the percentage increase required in Council Tax to maintain a no change position in services .

Fig(2)



Any increase in Council Tax below this figure will have to be addressed by adding to use of reserves or requiring further cost reductions, or increases in income or a combination of all three to balance the budget. It should be noted that a 1% reduction in Council Tax will require a budgetary reduction of approximately £85,000 to support it

9. Fees and charges have been reviewed and where required statutory increases have been applied. For non-statutory items where appropriate inflationary increases have been applied.

### **Government Settlement**

10. Despite the economic downturn, the government maintained its CSR2007 national funding figure for 2009/10 at £73.5 billion, an increase of 4.4% although there are some doubts about the 2010/11 figure.
11. The total formula grant the Council will receive from central government is £15,741,047. The increase like for like increase being 1.4%. This is disappointing given the demands the city faces from being a regional centre, being the most deprived district in the Eastern region (8 of its 13 wards being in the 20% most deprived wards nationally) and having high levels of homelessness.

Adjusted 2008-09 Formula Grant (£)	15,523,489
2009-10 Revenue Support Grant (£)	2,951,900
2009-10 Redistributed Business Rates (£)	12,789,147
2009-10 Principal Formula Police Grant (£)	N/A

2009-10 Formula Grant (£)	<hr/> 15,741,047
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Which is made up as follows:

2009-10 Relative Needs Amount (£)	8,287, 981
2009-10 Relative Resource Amount (£)	1,547,782
2009-10 Central Allocation (£)	9,233,503
2009-10 Principal Formula Police Grant (£)	N/A
2009-10 Floor Damping (£)	232,655

2009-10 Formula Grant (£)	<hr/> 15,741,047
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The increase in formula grant on a like-for-like basis for 2009-10 is therefore £217,558 or 1.40%.

12. The Minister for Local Government stated, in a letter to all authorities dated 26 November 2008 that:-

The Government expects the average council tax increase in England to be substantially below 5% in 2009-10 and we will not hesitate to use our capping powers as necessary to protect council taxpayers from excessive increases, including requiring authorities to rebill if that proves necessary. This message applies to all classes of authority – including police and fire authorities



## Revenue Expenditure (General Fund)

13. The estimate for the recommended level budgetary requirement is shown in the table below (the key movements are identified in annex 6)

Budget 2008-09	£24,207,072	
General Inflation	£ 815,197	
Unavoidable Growth	£ 4,578,291	See annex 4
Payroll Inflation	£ 838,457	
Income decreases	£ 3,303,398	See annex 3
Income increases	(£ 1,042,258)	See annex 2
Growth	£ 250,000	Financial Inclusion (offset by NRF & LEGI)
Savings and other cost reductions	(£ 3,881,045)	See annex 1
Adjustments	(£ 54,050)	
Budget 2008-09	£ 29,014,792	

Annexes 1-4 show

The overall movement in the 2009/10 budget, unavoidable growth, loss of income, increased income and savings. There are some cross references between the schedules, for example unavoidable growth and increased income through grants.

## Council Tax Options

14. The table below shows the available funding to meet the proposed budgetary requirement the breakeven position is shown at a rate of Council Tax increase of 3.9% and any Council Tax rise below this would require a reduction in growth items or drawing on reserves

### Available Budget

Council Tax Band D based % increase		2008-09		2008-09		2008-09
		2.90%		3.90%		4.90%
RSG - NNDR		15,741,047		15,741,047		15,741,047
Collection Fund		187,000		187,000		187,000
Council Tax Band D	218.83		220.93		223.08	
Council Tax base	39,997		39,997		39,997	
Council Tax		8,752,544		8,836,537		8,922,531
<b>Available Budget</b>		<b>24,680,591</b>		<b>24,764,584</b>		<b>24,850,578</b>
Current Budget Requirement estimates		24,764,600		24,764,600		24,764,600
<b>Gap</b>		<b>-84,009</b>		<b>-16</b>		<b>85,978</b>

## **Report by the Chief Financial Officer on the robustness of estimate, reserves and balances**

15. Section 25 of the Local Government Act 2003 requires that the Chief Financial Officer of the Council (which in the case of Norwich City Council is the Head Finance) reports to members on the robustness of the budget estimates and the adequacy of Council's reserves.
16. The Head of Finance is required to provide professional advice to the Council on the two above matters and is expected to address issues of risk and uncertainty.

### **Estimates**

17. In the current budget round the budget process is being integrated with the service planning process thus ensuring a strong link between the Council's priorities and the financial resources available to deliver them. This process has been further enhanced with the use of a 'star chamber' undertaken by senior Council managers. As with all future estimates there is a level of uncertainty and this has been taken into when assessing the levels of reserves.
18. Allowing for the above comment on uncertainty it is the opinion of the Head of Finance that in the budgetary process all reasonable steps have been taken to ensure the robustness of the budget.

### **Reserves**

19. A risk assessment has been undertaken to determine the level of general reserves required by the Council. In making a recommendation for the level of reserves the Head of Finance has followed guidance in the CIPFA LAAP Bulletin 77 – Guidance notes on Local Authorities Reserves and Balances.
20. The requirement for financial reserves is acknowledged in statute. Sections 32 and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.
21. Earmarked reserves remain legally part of the General Fund although they are accounted for separately.
22. There are also a range of safeguards in place that help to prevent local authorities over-committing themselves financially. These include:
  - the balanced budget requirement (England, Scotland and Wales) (sections 32, 43 and 93 of the Local Government Finance Act 1992)
  - Chief finance officers' duty to report on robustness of estimates and adequacy of reserves (under section 25 of the Local Government Act 2003 when the authority is considering its budget requirement (England and Wales))
  - the requirements of the Prudential Code
  - auditors will consider whether audited bodies have established adequate arrangements to ensure that their financial position is soundly based.

23. Whilst it is primarily the responsibility of the local authority and its chief financial officer to maintain a sound financial position, external auditors will, as part of their wider responsibilities, consider whether audited bodies have established adequate arrangements to ensure that their financial position is soundly based. However, it is not the responsibility of auditors to prescribe the optimum or minimum level of reserves for individual authorities or authorities in general.

### **Role of the Chief Finance Officer**

24. Within the existing statutory and regulatory framework, it is the responsibility of the chief finance officer to advise local authorities about the level of reserves that they should hold and to ensure that there are clear protocols for their establishment and use. Reserves should not be held without a clear purpose.

25. The risk analysis shows that an adequate level of reserves for the Council will be in the order of £4,541,800 see appendix 5.



## Savings

## Annex 1

Service	Subjective Description	Budget (£)	Variation
Asset Management	Wages Other	(700)	General establishment changes
	Salaries Full Time	(96,016)	General establishment changes
	Street Ltng Mtce Bulk Work	(26,520)	City Care contract savings
	Rechge from GMO main contract	(5,605)	City Care contract savings
	Schedule of Rates/Dayworks	(1,040)	City Care contract savings
	Rents General	(13,095)	Rents reductions
	Contract Cleaning	(2,000)	City Care contract savings
	Adjudication Service	(12,000)	Budget Reduction
	Performing Rights Society Levy	(6,500)	
	Cleansing Contracts	(18,310)	City Care contract savings
	Capital Charge Depreciation	(8,900)	Non-cash budget reduction
	Savings Proposals	(300,000)	Reduction in R&M, Income from Blue Badge other than in designated parking area and savings from deleted posts
		<b>(490,686)</b>	
Service	Subjective Description	Budget (£)	Variation
Chief Executive	Agency Staff	(13,700)	
		<b>(13,700)</b>	

## Savings

## Annex 1

Service	Subjective Description	Budget (£)	Variation
Citizen Services	Salaries Full Time	(73,133)	General establishment changes
	Litter Bins	(300)	Saving achievable on litter bins
	Schedule of Rates/Dayworks	(4,956)	City Care contract savings
	Rechargeable S+S Accy Use Only	(100)	
	Centralised Print Recharges	(4,600)	Reduced costs for printing
	Op.Lease Rentals (Comp.Equip.)	(250)	Saving on Computer lease rentals
	Refreshments	(100)	Saving on refreshments
	Promotions & Publicity	(100,030)	Savings on promotions & publicity
	Other Contractual Services	(147,700)	Reduced costs on contractual services
	Capital Chge Notional Interest	(7,570)	Non-cash budget reduction
	Savings Proposals	(200,500)	General savings proposals
		<b>(539,239)</b>	
Service	Subjective Description	Budget (£)	Variation
Communications & Culture	Salaries Full Time	(117,581)	General establishment changes
	Car and Cycle Allowances	(300)	Budget reduction as not used
	Office Equip/Machines Reps/Mtc	(500)	Costs transferred to Steria
	Postages General	(1,000)	Decreasing postal charges
	Other Contractual Services	(10,000)	Savings on Riverside contract
	Savings Proposals	(220,600)	General savings proposals
		<b>(349,981)</b>	

## Savings

## Annex 1

Service	Subjective Description	Budget (£)	Variation
Community Services	Salaries Full Time	(8,398)	General establishment changes
	Schedule of Rates/Dayworks	(17,122)	City Care contract savings
	Rents General	(5,000)	Rent reductions
	Op Lease Rentals Contract Hire	(4,000)	Lease cost reductions
	Taxi Contract	(300)	Budget saving
	Grants Discret Rate Relief	(39,000)	Grant received, so budget received
	Savings Proposals	(487,360)	General savings proposals
		<b>(561,180)</b>	
Service	Subjective Description	Budget (£)	Variation
Customer Contact	Salaries Full Time	(8,420)	General establishment changes
	Savings Proposals	(77,000)	General savings proposals
		<b>(85,420)</b>	
Service	Subjective Description	Budget (£)	Variation
Director of Regeneration & Development	Other Contractual Services	(4,000)	Savings on contractors
		<b>(4,000)</b>	



## Savings

## Annex 1

Service	Subjective Description	Budget (£)	Variation
Economic Development	Salaries Full Time	(754)	General establishment changes
	Grounds General Mtce & Upkeep	(360)	Savings n General Maintenance
	Savings Proposals	(45,466)	General savings proposals
		<b>(46,580)</b>	
Service	Subjective Description	Budget (£)	Variation
Finance	Salaries Full Time	(47,180)	General establishment changes
	Staff Travelling Expenses	(1,250)	Savings on Travel Expenses
	Car and Cycle Allowances	(2,100)	Savings on Allowances
	Taxi Contract	(100)	Budget not required
	Office Equip/Machines Reps/Mtc	(100)	Budget not required
	Rechargeable S+S Accy Use Only	(13,400)	Reduction in budget
	Newspapers and Periodicals	(300)	Budget not required
	Postages General	(1,800)	Budget not required
	Mobile Phone Rentals & Calls	(400)	Reduction in budget
	Schedule of proposed savings	(30,000)	Reduction in budget
	Staff Subsistence	(100)	Reduction in budget
	Refreshments	(200)	Budget not required
		<b>(96,930)</b>	

## Savings

## Annex 1

Service	Subjective Description	Budget (£)	Variation
HR & Learning	Salaries Full Time	(39,893)	General establishment changes
	NCC Employees Nursery	(6,000)	Saving on NCC Employees Nursery costs
	Other Contractual Services	(26,300)	Saving on payroll contract
	Savings Proposals	(70,000)	General savings proposals
		<b>(142,193)</b>	
Service	Subjective Description	Budget (£)	Variation
Legal & Democratic Services	Wages - Permanent 1055	(40,000)	General establishment changes
	Salaries Full Time	(34,769)	General establishment changes
	Rechge from GMO main contract	(8,503)	City Care contract savings
	Schedule of Rates/Dayworks	(2,112)	City Care contract savings
	Rents General	(6,000)	Rents reduction
	Contract Cleaning	(3,500)	City Care contract savings
	Legal Expenses	(14,913)	Savings on external advice
	Postages General	(24,000)	One-off saving because no election 09/10
	Internet Connection/Installation	(5,000)	Savings on internet connection.
	Other Contractual Services	(14,392)	One-off saving because no election 09/10
	Savings Proposals	(147,557)	General savings proposals
		<b>(300,746)</b>	

## Savings

## Annex 1

Service	Subjective Description	Budget (£)	Variation
Planning	Salaries Full Time	(109,317)	General establishment changes
	Specialist Supplies	(40)	Savings on specialist supplies
	Staff Subsistence	(600)	Savings on subsistence
	Insurances Other	(946)	Savings on insurance
		(200)	
	Professional Advice / Fees	(200)	Budget not required
	Savings Proposals	(320,000)	General savings proposals
	Day to Day Reps (ES/Prop Grp)	(10,000)	General savings proposals
		<b>(441,103)</b>	
Service	Subjective Description	Budget (£)	Variation
Procurement & Service Improvement	Salaries Full Time	(21,541)	General establishment changes
	Insurance Premium Plant/Vehic	(17,900)	Savings on insurance
	Staff Travelling Expenses	(350)	Savings on travel
	Car and Cycle Allowances	(450)	Savings on allowances
	Newspapers and Periodicals	(400)	Savings on periodicals
	Postages General	(550)	Savings on postage
	Telephones General	(13,000)	Savings from new BT agreement
	Savings Proposals	(85,000)	General savings proposals
		<b>(139,191)</b>	

## Savings

## Annex 1

Service	Subjective Description	Budget (£)	Variation
Strategic Housing	Salaries Full Time	(145,270)	General establishment changes
	General Repairs & Maintenance	(13,800)	Savings due to risk of no Home Office grant support
	Interior Decorations	(4,400)	Savings due to risk of no Home Office grant support
	Rents General	(134,140)	Rent reductions
	Car and Cycle Allowances	(100)	Savings on allowances
	Legal Expenses	(1,950)	Saving due to lower legal costs
	Fees Doctors/Consultants	(750)	Reduced budget
	Staff Subsistence	(500)	Reduced budget
	HAMA Bond	(2,000)	Decreased provision for HAMA bond payments
	Professional Advice / Fees	(29,000)	Reduced budget
	Savings Proposals	(20,000)	General savings proposals
		<b>(351,910)</b>	
Service	Subjective Description	Budget (£)	Variation
Transformation	Salaries Full Time	(87,486)	General establishment changes
		<b>(87,486)</b>	

## Savings

## Annex 1

Service	Subjective Description	Budget (£)	Variation
Transportation & Landscape	Salaries Full Time	(14,302)	General establishment changes
	Street Furniture Maintenance	(950)	Cost efficiency - better utilisation of contractors
	Rechge from GMO main contract	(600)	City Care contract savings
	Schedule of Rates/Dayworks	(40)	City Care contract savings
	Hired Plant / Transport	(1,000)	Reduced budget
	Op Lease Rentals Contract Hire	(2,400)	Reduced budget
	Car and Cycle Allowances	(100)	Savings on allowances
	Taxi Contract	(450)	Savings on taxi contract
	Pool Car Expenditure	(200)	Reduced budget
	Office Equip/Machines Reps/Mtc	(500)	Reduced budget
	Equipment - Purchase	(1,900)	Improved working approaches
	Rechargeable S+S Accy Use Only	(2,100)	Reduced budget
	Mobile Phone Rentals & Calls	(500)	Reduced budget
	Payments to Bus Operators	(40,751)	Reduced budget
	Rail Permits	(3,284)	Reduced budget
	Other Contractual Services	(3,623)	Reduced budget
	Savings Proposals	(158,000)	General savings proposals
		<b>(230,700)</b>	

<b>TOTAL FOR SAVINGS</b>	<b>(3,881,045)</b>
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## Increased Income

## Annex 2

Service	Subjective Description	Budget (£)	Variation
Asset Management	Other Costs Recovered	(1,500)	Call out systems
	General Serv Costs Recovered	(19,700)	Additional service charge income
	Performing Rights Society Fees	(6,500)	Additional PR income
	On Street Fees	(57,734)	Additional on street fees
	Car Parks Season Ticket	(80,000)	Additional income from season tickets
	Fees & Charges Misc Other	(130,000)	Additional service charge income
	Admin Charge	(2,000)	Additional admin charge
	Residents Only Parking Schemes	(80,000)	Additional ROPS
	Contract Parking Income	(64,300)	Additional contract parking income
	Farmers Market	(2,500)	Additional farmers market income
	Rents Shops,Garages,Commercial	(36,659)	Additional rents
	Other Rents	(850)	Additional rents
		<b>(481,743)</b>	
Service	Subjective Description	Budget (£)	Variation
Citizen Services	Other Grants,Reimbs & Contribs	(24,180)	Internal income recharges
	Fees & Charges Misc Other	(41,000)	Additional fees and charges
	Flea Infestation Treatment	(1,000)	Additional fees and charges
		<b>(66,180)</b>	

## Increased Income

## Annex 2

Service	Subjective Description	Budget (£)	Variation
Communications & Culture	Admission Fees	(10,000)	Additional admission fees
	Advertising Income	(3,600)	Additional advertising income
	Guided Tours	(1,000)	Additional usage and fee income
	Lettings	(10,000)	Additional lettings income
	Fees & Charges Misc Other	(3,300)	Additional fees and charges income
	Publications General	(25,000)	Additional income from sale of stock
	National Express Tickets	(2,000)	Additional income from better foot fall
		<b>(54,900)</b>	
Service	Subjective Description	Budget (£)	Variation
Community Services	Departmental Contributions	(5,950)	Contribution from HRA
	Pitch And Putt	(10,000)	Additional fees and charges income
	Intra Directorate Recharges 999	(504)	Internal income recharges
		<b>(16,454)</b>	
Service	Subjective Description	Budget (£)	Variation
Finance	Other Grants	2,000	Increase in hereditaments
	Grant/Sponsorship - Outside Bodies	(22,500)	Additional grant income
	Audit Fee Recharges	(23,020)	Additional HRA contribution
		<b>(43,520)</b>	

## Increased Income

## Annex 2

Service	Subjective Description	Budget (£)	Variation
Legal & Democratic Services	Other Grants,Reimbs & Contribs	(1,700)	Increased contribution from Norfolk CC
	Licences - Taxi	(5,700)	Additional licences income
	Sale of Graves	(1,100)	Additional fees and charges
		<b>(8,500)</b>	
Service	Subjective Description	Budget (£)	Variation
Neighbourhood Housing	General Serv Costs Recovered	(680)	Additional service charges
		<b>(680)</b>	
Service	Subjective Description	Budget (£)	Variation
Planning	Salaries Full Time	(9,524)	Additional grant income to fund post
	Intra Serv Recharges-Devel't	(228)	Internal income recharges
	Other Grants,Reimbs & Contribs	1,980	Additional grant income to fund project
	Fees & Charges Misc Other	(32,620)	Additional fees and charges
	Inter Directorate Recharges 999	(3,344)	Internal income recharges
		<b>(43,736)</b>	



## Increased Income

## Annex 2

Service	Subjective Description	Budget (£)	Variation
Strategic Housing	Other Grants	(114,020)	Additional income from contributors
	Other Grants,Reimbs & Contribs	(22,920)	Additional income from contributors
	Other Costs Recovered	(63,220)	Additional client charges
	Fees & Charges Misc Other	(34,400)	Additional management fee income
	Other Licences & Fees	(2,900)	Additional HMO licence income
		<b>(237,460)</b>	
Service	Subjective Description	Budget (£)	Variation
Transformation	Other Grants,Reimbs & Contribs	(16,500)	Additional grant income
		<b>(16,500)</b>	
Service	Subjective Description	Budget (£)	Variation
Transportation & Landscape	Other Grants	(13,430)	Additional grant income and S.106 contribution
	Admin Fee	(16,023)	Additional management fee income
	Supervision Fee	(43,402)	Increased contribution from Norfolk CC
		<b>(72,855)</b>	
<b>TOTAL FOR INCREASED INCOME</b>		<b>(1,042,528)</b>	

## Decreased income

## Annex 3

Service	Subjective Description	Budget (£)	Variation
Asset Management	Membership Fees	13,000	Coding adjustment
	PCN Offences Decrim	149,385	Reduction in PCN income
	Car Parks Fees	352,168	Reduction in Off-Street Income
	Fees & Charges Misc Other	6,900	Budget reduction
	External Bodies Staff Parking	48,600	Loss of contract parking income
	Contract Parking Income	18,500	Loss of contract parking income
	Catering Concessions	620	Budget reduction
	Sale of Scrap Metal/Materials	3,000	
	Rents Shops,Garages,Commercial	312,019	Reduction in income from investment properties
	Rents Other Commerc Land/Bldgs	14,000	Building sold, therefore income stream lost
	Car Parks Rents	3,155	Budget reduction
	Inter Directorate Recharges 999	(14,500)	Internal cost recharge
		<b>906,847</b>	
Service	Subjective Description	Budget (£)	Variation
Citizen Services	Other Grants,Reimbs & Contribs	75,160	Budget reduction
	Fees & Charges Misc Other	510,000	Budget reduction
	Wasp Nests Removals	2,000	Budget reflecting part performance
	Sale of Scrap Metal/Materials	(216,900)	Increase in recycling credits
	Waste Paper	29,200	Budget reflecting part performance
	Garden waste income	(281,050)	Additional garden waste income
		<b>118,410</b>	

## Decreased income

## Annex 3

Service	Subjective Description	Budget (£)	Variation
Communications & Culture	Other Grants,Reimbs & Contribs	22,200	Grant funding discontinued
	Charity Collections	6,000	Charity collections now stopped
	Other Costs Recovered	20,500	End of FT retail agreement
	Locker Hire	800	Lockers no longer operational
	Fees & Charges Misc Other	12,200	Grant funding discontinued
	Printing	34,500	Reduction in internal recharge income
		<b>96,200</b>	
Service	Subjective Description	Budget (£)	Variation
Community Services	Home Office Contributions	39,000	Grant funding discontinued
		<b>39,000</b>	
Service	Subjective Description	Budget (£)	Variation
Finance	Other Grants	88,500	Grant funding discontinued
	Fees & Charges Misc Other	196,900	Grant funding discontinued
	Interest Earned,Invested Funds	1,188,000	Reduced investment interest
	Interest Recharge to HRA	(188,250)	Reduced investment interest
		<b>1,285,150</b>	

## Decreased income

## Annex 3

Service	Subjective Description	Budget (£)	Variation
Legal & Democratic Services	Search Fees	140,000	Reduced income flow
		<b>140,000</b>	
Service	Subjective Description	Budget (£)	Variation
Neighbourhood Housing	Mortgages Building Insurances	300	Reduced insurance contribution
	Rents Dwelling	34,900	Reduced rent income
	Int HAA Vari Mortgages Post'80	50	Reduced interest
		<b>35,250</b>	
Service	Subjective Description	Budget (£)	Variation
Planning	Copy Document Charge	1,500	Income stream ceased, change in activity
	Publications General	1,500	Income stream ceased, change in activity
	Other Costs Recovered	20,000	Income stream ceased, change in activity
	Other Grants,Reimbs & Contribs	18,140	Contributions ceased
	Planning Application Fees	359,660	Reduction in fee income
		<b>400,800</b>	

## Decreased income

## Annex 3

Service	Subjective Description	Budget (£)	Variation
Strategic Housing	Other Grants	112,510	Grants discontinued
	Home Office Contributions	30,800	Grants discontinued
	Fees & Charges Misc Other	13,100	Management Fee income ceased
	Rents Dwelling	121,540	Rents decreased because less properties in scheme
	Interest, Hsg Assoc Advances	75	Mortgages paid by Hassoc decreased.
		<b>278,025</b>	
Service	Subjective Description	Budget (£)	Variation
Transportation & Landscape	Concessionary Rail Permits	3,716	Reduced permit income
		<b>3,716</b>	
<b>TOTAL FOR DECREASED INCOME</b>		<b>3,303,398</b>	

## Unavoidable Growth

## Annex 4

Service	Subjective Description	Budget (£)	Variation
Asset Management	Salaries Full Time	125,933	General establishment changes
	Agency Staff	5,031	Additional agency support
	General Repairs & Maintenance	33,100	General buildings maintenance
	Security Systems	750	Call out system
	Electricity	86,375	Electricity price rises
	Gas	1,900	Gas price rises
	RatesGeneral	86,720	Rates cost increases
	EmptyRating	4,040	Empty Rating cost increases
	WaterCharges Metered	800	Water charge increases
	FixedFurniture/Fittings	600	Price increases for Tyco BT
	Toilet Rolls/Towels/Requisites	5,200	Roller Towels
	Contract Cleaning	15,210	Contract cleaning cost increases
	Repairs & Maintenance	2,100	R&M costs for new vans
	Skips(Mtce)/Provision of Signs	300	New van additional costs
	Car and Cycle Allowances	500	New operational users
	LooseFurniture & Fittings 32	5,000	Equipment
	SiteSecurity	750	Security for Waterloo Pavillion
	Security/Cash in Transit	10,872	Cash Security cost increase
	Telephone Equip/Line Rental	356	Telephone links price increase
	Licences	367	Steria charge increases by 5.2% pa
	Miscellaneous Other	10,000	EPC - cost of compliance
	Fees	40,000	Cost of property sales
		<b>435,904</b>	

## Unavoidable Growth

## Annex 4

Service	Subjective Description	Budget (£)	Variation
Chief Executive	Salaries Full Time	40,237	General establishment changes
	Subscriptions CPU Use Only	18,000	LGA, East of England
		<b>58,237</b>	
Service	Subjective Description	Budget (£)	Variation
Citizen Services	Bedding Sponsorship	25,000	Sponsorship Planting, to be offset by income
	Cleansing Contracts	403,689	Increase in Citycare contracts
	Variations to Database	5,590	Citycare Contract C Street cleaning variations
	InterDirectorate Recharges 5	16,087	Cross recharging to services for Parking Services
		<b>450,366</b>	
Service	Subjective Description	Budget (£)	Variation
City Growth & Dev't	Salaries Full Time	0	General establishment changes
		<b>0</b>	
Service	Subjective Description	Budget (£)	Variation
Communications & Culture	Salaries Full Time	33,605	General establishment changes
	Newspapers and Periodicals	70	Cost increase
	Council Newspaper	44,000	Citizen mag moved to 10 editions
	InterDirectorate Recharges 99	(1,587)	Cross recharging to services for Parking Services
		<b>76,088</b>	

## Unavoidable Growth

## Annex 4

Service	Subjective Description	Budget (£)	Variation
Community Services	Salaries Full Time	50,745	Community Engagement
	Health & Safety	6,500	Play area inspections
	Fuel/Petrol	1,000	Fuel cost
	HRA Recharges 5046	(132,047)	Cross recharging to services for Parking Services
		<b>(73,802)</b>	
Service	Subjective Description	Budget (£)	Variation
Customer Contact	Salaries Full Time	249,246	General establishment changes
	Centralised Print Recharges 35	1,000	Corporate leaflet printing
	Advertising General	2,500	BT phone advert
		<b>252,746</b>	
Service	Subjective Description	Budget (£)	Variation
Director of Regeneration & Development	Salaries Full Time	183,893	General establishment changes
		<b>183,893</b>	



## Unavoidable Growth

## Annex 4

Service	Subjective Description	Budget (£)	Variation
Economic Development	Salaries Full Time	182,202	General establishment changes - grant funded
	Staff Travelling Expenses	600	Grant funded project, costs off set by the grant income
	Taxi Contract	1,550	Grant funded project, costs off set by the grant income
	Pool Car Expenditure	450	Grant funded project, costs off set by the grant income
	Other Grants	(184,202)	Grant funding to off set additional costs
		<b>600</b>	
Service	Subjective Description	Budget (£)	Variation
Finance	Salaries Full Time	31,840	General establishment changes
	Pension Deficit	200,000	Provision for CityCare pension deficit funding
	Grants Discret Rate Relief	2,810	Continuation of additional relief granted in 2008/09.
	AuditFee	70,000	Anticipated intensive audit.
	OtherContractual Services	50,000	IFRS Implementation costs
	Bailiffs Fees 4104	139,200	Additional costs due to legislative changes
	RentAllowances New System	7,686,645	Additional Rent Allowances Costs
	Council Tax Benefits	(11,774)	Additional Council Tax Costs
	RentAllowance Subsidy Certif	(7,566,480)	Additional Subsidy to meet cost of Rent Allowance
		<b>602,241</b>	
Service	Subjective Description	Budget (£)	Variation
HR & Learning	Salaries Full Time	84,516	General establishment changes
		<b>84,516</b>	

## Unavoidable Growth

## Annex 4

Service	Subjective Description	Budget (£)	Variation
Legal & Democratic Services	Salaries Full Time	230,335	General establishment changes
		<b>230,335</b>	
Service	Subjective Description	Budget (£)	Variation
Neighbourhood Housing	Gas Cent Heating Repairs C Wks	200	Responsive gas repairs
	Electricity	17,470	Electricity system repairs
	RatesGeneral	310	Rates cost increase
	WaterCharges Unmetered	20	Water cost increase
		<b>18,000</b>	
Service	Subjective Description	Budget (£)	Variation
Planning	Salaries Full Time	89,761	General establishment changes
	Miscellaneous Other	51,550	Public Examination on NCCAAP
	OtherContractual Services	17,616	Additional costs for contract
		<b>158,927</b>	

## Unavoidable Growth

## Annex 4

Service	Subjective Description	Budget (£)	Variation
Strategic Housing	Salaries Full Time	73,260	General establishment changes
	Pool Car Expenditure	750	Increased inspections
	Office Equip/Machines Purchase	4,900	Inflation increase & CBL public access PC
	Funding paid to ext agencies	3,380	Increase in funding to external agencies
	Grants - Partnership Agree	1,420	Increase in payments to Partners
	Contrib to SQA with RSL's	2,100	Increase in RSL payments
	Intra Serv Recharges-Hsg&Rev	125,300	Management Charge for running scheme
		<b>211,110</b>	
Service	Subjective Description	Budget (£)	Variation
Transportation & Landscape		30,642	General establishment changes
		450	Increased software maintenance charges
		746072	Increase in works costs
		14,800	Cost of issuing bus passes
		1,403,791	Cost of administering the Concessionary Fares Scheme
		17,000	Cycling initiatives
		<b>1,466,683</b>	
<b>TOTAL FOR UNAVOIDABLE GROWTH</b>		<b>4,578,291</b>	

## Prudent level of Reserves

## Annex 5

	2009/10	2010/11	2011/12	2012/13
Description				
Employee costs	24,116,000	25,321,800	26,587,890	27,917,285
risk %	0.5%	0.5%	0.5%	0.5%
risk amount	120,580	126,609	132,939	139,586
Supplies and Services	24,047,000	25,249,350	26,511,818	27,837,408
risk %	0.5%	0.5%	0.5%	0.5%
risk amount	120,235	126,247	132,559	139,187
Premises costs	8,179,000	8,587,950	9,017,348	9,468,215
risk %	0.5%	0.5%	0.5%	0.5%
risk amount	40,895	42,940	45,087	47,341
Transport costs	730,000	766,500	804,825	845,066
risk %	0.5%	0.5%	0.5%	0.5%
risk amount	3,650	3,833	4,024	4,225
Fees and Charges	12,000,000	12,600,000	13,230,000	13,891,500
risk %	2.0%	2.0%	2.0%	2.0%
risk amount	240,000	252,000	264,600	277,830
Investment income	1,200,000	1,260,000	1,323,000	1,389,150
risk %	0.3%	0.3%	0.3%	0.3%
risk amount	3,000	3,150	3,308	3,473
<b>Annual risk</b>	<b>528,360</b>	<b>554,778</b>	<b>582,517</b>	<b>611,643</b>
<b>allow five years to cover operational risk</b>	<b>2,641,800</b>	<b>2,773,890</b>	<b>2,912,585</b>	<b>3,058,214</b>
Balance Sheet risks	400000	250000	250000	250000
Contingency	500000	500000	500000	500000
Reserves required for 2010/11	600000			
Risks of failing to meet savings targets	400000	400000	300000	150000
<b>Prudential level of reserves</b>	<b>4,541,800</b>	<b>3,923,890</b>	<b>3,962,585</b>	<b>3,958,214</b>

## Risk estimates

Employee costs			
overspend %	1.0%	2.0%	5.0%
Probabilty %	50.0%	25.0%	10.0%
risk level %	0.5%	0.5%	0.5%
Supplies and Services			
overspend %	1.0%	2.5%	5.0%
Probabilty %	50.0%	20.0%	10.0%
risk level %	0.5%	0.5%	0.5%
Premises costs			
overspend %	1.0%	2.5%	5.0%
Probabilty %	50.0%	20.0%	10.0%
risk level %	0.5%	0.5%	0.5%
Transport costs			
overspend %	1.0%	2.5%	5.0%
Probabilty %	50.0%	20.0%	10.0%
risk level %	0.5%	0.5%	0.5%
Fees and Charges			
drop in income %	5.0%	10.0%	15.0%
Probabilty %	25.0%	20.0%	10.0%
risk level %	1.3%	2.0%	1.5%
Investment income			
drop in income %	5.0%	10.0%	15.0%
Probabilty %	5.0%	1.0%	0.5%
risk level %	0.3%	0.1%	0.1%