

Updated draft budget 2007-08 - Changes From Draft Budget Approved For  
Consultation December 19th, 2006

Summary

|   | £'000s      |              |            |            |
|---|-------------|--------------|------------|------------|
|   | 07/08       | 08/09        | 09/10      | 10/11      |
| <b>Expenditure changes:</b>   |             |              |            |            |
| <b>Permanent Virements</b>  |             |              |            |            |
| L&D Non Schools Virement  | -128        | -128         | -128       | -128       |
| <b>Reversal of Prior Year Decision</b>  |             |              |            |            |
| Add back Corporate Subscriptions  | 10          | 10           | 10         | 10         |
| <b>Volume Changes</b>   |             |              |            |            |
| Volumetric Changes re Council Tax benefit   | 100         | 100          | 100        | 100        |
| <b>Unavoidable Growth</b>   |             |              |            |            |
| Increase capacity for Rev's & Bens to recover council Tax   | 60          | 60           | 60         | 60         |
| Increase capacity for Audit & Standards Investigations  | 50          | 50           | 50         | 50         |
| <b>Investment in Priority Services</b>  |             |              |            |            |
| Book Fund Increase proposed by Labour group   | 50          | 50           | 50         | 50         |
| <b>Annual Efficiency (Gershon Savings)</b>  |             |              |            |            |
| Remove Mobile Phone Savings   | 57          | 57           | 57         | 57         |
| Removal of Theatre Maintenance Option   | 300         | 300          | 300        | 300        |
| Youth Worker Add back savings   | 25          | 25           | 25         | 25         |
| Streetlights - Switch off on Dual Carriageways after 12.30am as proposed by the Conservative group                |             | -120         | -120       | -120       |
| Remove Saving in Chief Exec's Budget for Improving cash flow as already taken into account in Debt Finance budget | 60          | 60           | 60         | 60         |
| <b>Other Expenditure Changes</b>  |             |              |            |            |
| Reduction in Levies from original estimate  | -8          | -8           | -7         | -6         |
| Environment - Access Mk Change to Budget  |             | -235         | -156       | 6          |
| Environment - Waste Updated costs   |             | 156          | 582        | 197        |
| Debt Financing changes as a result of review of Interest Rates and Capital Programme                              | -490        | -687         | 94         | -97        |
| <b>Total</b>  | <b>86</b>   | <b>-310</b>  | <b>977</b> | <b>564</b> |
| <b>Income changes</b>   |             |              |            |            |
| Reduction In Collection Fund Deficit  | -171        |              |            |            |
| Increase in Council Tax collection  | -60         | -60          | -60        | -60        |
| <b>Total</b>  | <b>-231</b> | <b>-60</b>   | <b>-60</b> | <b>-60</b> |
| Changes to use of reserves  | 145         | 1,500        |            |            |
| <b>Overall Movement</b>   | <b>0</b>    | <b>1,130</b> | <b>917</b> | <b>504</b> |

**2007/08 and 2008/09 Proposed Budget and 2009/10 and 2010/11 Projections**

|  | <b>2007/08<br/>Budget<br/>Proposal</b> | <b>Projected<br/>2008/09 Budget</b> | <b>Projected<br/>2009/10<br/>Budget</b> | <b>Projected<br/>2010/11<br/>Budget</b> |
|--|--|-------------------------------------|---|---|
|  | <b>£ '000s</b>                         | <b>£ '000s</b>                      | <b>£ '000s</b>                          | <b>£ '000s</b>                          |
| <b>Service Expenditure - Continuation Budgets</b>                                      |  |                                     |   |   |
| Learning & Development - Schools*  | 1,909                                  | 145                                 | 0                                       | 0                                       |
| Learning & Development - Non -Schools  | 67,316                                 | 68,393                              | 70,071                                  | 71,893                                  |
| Environment  | 47,600                                 | 50,945                              | 56,824                                  | 60,892                                  |
| Neighbourhood Services   | 43,294                                 | 46,236                              | 49,410                                  | 52,883                                  |
| Chief Executive  | 10,651                                 | 11,292                              | 11,872                                  | 12,153                                  |
| <b>Total Service Expenditure</b>   | <b>170,770</b>                         | <b>177,011</b>                      | <b>188,177</b>                          | <b>197,821</b>                          |
| Levies   | 367                                    | 378                                 | 390                                     | 402                                     |
| Debt Financing   | 16,939                                 | 21,310                              | 24,651                                  | 27,267                                  |
| Additional Support for Growth  | 1,000                                  | 1,000                               | 1,000                                   | 1,000                                   |
| Grant to fund additional support for growth  | (1,000)                                | (1,000)                             | (1,000)                                 | (1,000)                                 |
| Earmarked Contributions  | (150)                                  | (150)                               | 0                                       | 0                                       |
| Lloyds Court Dilapidations Provision   | 150                                    | 0                                   | 0                                       | 0                                       |
| Asset Rentals  | (30,219)                               | (30,219)                            | (30,219)                                | (30,220)                                |
| Use of Reserves  | (2,850)                                | (1,500)                             | 0                                       | 0                                       |
| Gershon Efficiency Targets   | 0                                      | (3,198)                             | (7,676)                                 | (12,628)                                |
| Further Efficiencies/Service Adjustments   | 0                                      | 0                                   | (2,583)                                 | (150)                                   |
| Capital Project Grant  | (2,000)                                | 0                                   | 0                                       | 0                                       |
| Alternative Government Support   | 0                                      | (2,000)                             | (2,000)                                 | (2,000)                                 |
| <b>Budget Requirement</b>  | <b>153,007</b>                         | <b>161,632</b>                      | <b>170,740</b>                          | <b>180,492</b>                          |
| <b>Funded By:</b>  |  |                                     |   |   |
| RSG/NNDR   | (73,626)                               | (77,357)                            | (81,479)                                | (86,069)                                |
| Collection Fund Surplus/Deficit (est)  | 85                                     | 0                                   | 0                                       | 0                                       |
| Council Tax in Previous Years  | (75,131)                               | (79,466)                            | (84,276)                                | (89,261)                                |
| Council Tax - Increased Taxbase**  | (1,575)                                | (1,883)                             | (1,886)                                 | (1,883)                                 |
| Increase in Council Tax***   | (2,760)                                | (2,926)                             | (3,099)                                 | (3,279)                                 |
| <b>Total Revenue Support Grant, National Non - Domestic Rates &amp; Local Taxation</b> | <b>(153,007)</b>                       | <b>(161,632)</b>                    | <b>(170,740)</b>                        | <b>(180,492)</b>                        |
| 1% is Equal to   | (767)                                  | (813)                               | (862)                                   | (911)                                   |

\* Phasing of Costs of Change of Age of Transfer

\*\* Based upon current Estimate of Tax Base

\*\*\* Assumes a 3.6% council tax increase in each year.

## 2007/08 BUDGET - SUMMARY ANALYSIS OF CHANGES

|  | L&D<br>Non Schools<br>Block | Environ.<br>£'000 | Neigh.<br>£'000 | Chief Exec.<br>£'000 | Service<br>Total<br>Ex Schools | L&D<br>Schools<br>£000 | Service<br>Total<br>Inc Schools |
|--|-----------------------------|-------------------|-----------------|----------------------|--------------------------------|------------------------|---------------------------------|
| <b>Control Totals 2006/07</b>          | 60,721                      | 42,785            | 41,971          | 10,202               | 155,679                        | 1,381                  | 157,060                         |
| <b>ADJUSTED BUDGET 2006/07</b>         | 60,721                      | 42,785            | 41,971          | 10,202               | 155,679                        | 1,381                  | 157,060                         |
| <b>Permanent Virements</b>             | (128)                       | (35)              | 0               | 35                   | (128)                          | 128                    | (0)                             |
| <b>Inflation</b>                       |                             |                   |                 |                      |                                |                        |                                 |
| Pay                                    | 811                         | 389               | 796             | 325                  | 2,321                          | 319                    | 2,640                           |
| Contractual                            | 566                         | 3,163             | 975             | 535                  | 5,239                          | 338                    | 5,577                           |
| Recharge                               | 232                         | 67                | 150             | (620)                | (171)                          | 23                     | (148)                           |
| Non Pay                                | 334                         | 195               | 90              | 600                  | 1,219                          | 64                     | 1,283                           |
| Income                                 | (96)                        | (80)              | (295)           | 0                    | (471)                          | (10,400)               | (10,871)                        |
|  | 1,847                       | 3,734             | 1,716           | 840                  | 8,137                          | (9,655)                | (1,518)                         |
| <b>Effects of Prior Year Decisions</b> |                             |                   |                 |                      |                                |                        |                                 |
| Supplies & Services Efficiencies       | (334)                       | (195)             | (61)            | (600)                | (1,190)                        | (64)                   | (1,254)                         |
| Prior Year Budget Decisions            | (285)                       | (840)             | 0               | (155)                | (1,280)                        | 710                    | (570)                           |
|  | (619)                       | (1,035)           | (61)            | (755)                | (2,470)                        | 646                    | (1,824)                         |
| <b>Volume Changes</b>                  | 1,423                       | 285               | 1,288           | 244                  | 3,240                          | 9,682                  | 12,922                          |
| Unavoidable Growth                     | 854                         | 2,050             | 0               | 209                  | 3,113                          | 128                    | 3,241                           |
| <b>Sub-Total Continuation Budget</b>   | 64,098                      | 47,784            | 44,914          | 10,775               | 167,571                        | 2,309                  | 169,881                         |
| <b>GROWTH BUDGET</b>                   |                             |                   |                 |                      |                                |                        |                                 |
| Investment in Priority Services        | 118                         | 400               | 105             | 70                   | 693                            | 0                      | 693                             |
|  | 118                         | 400               | 105             | 70                   | 693                            | 0                      | 693                             |
| <b>Saving</b>                          |                             |                   |                 |                      |                                |                        |                                 |
| Annual Efficiency (Gershon) Savings    | (1,836)                     | (1,382)           | (1,783)         | (189)                | (5,190)                        | (400)                  | (5,590)                         |
| Income                                 | (68)                        | (91)              | (15)            | (130)                | (304)                          | 0                      | (304)                           |
| Adjustments in Service Levels          | (248)                       | (76)              | 0               | (90)                 | (414)                          | 0                      | (414)                           |
| Repayments to VFM Fund                 | 61                          | 163               | 46              | 196                  | 466                            | 0                      | 466                             |
|  | (2,091)                     | (1,386)           | (1,752)         | (213)                | (5,442)                        | (400)                  | (5,842)                         |
| <b>Capital Programme</b>               |                             |                   |                 |                      |                                |                        |                                 |
| Changes to Capital Charges             | 5,191                       | 802               | 27              | 19                   | 6,039                          | 0                      | 6,039                           |
|  | 5,191                       | 802               | 27              | 19                   | 6,039                          | 0                      | 6,039                           |
| <b>Sub Total Options Budget</b>        | 3,100                       | (584)             | (1,725)         | (194)                | 597                            | (400)                  | 197                             |
| <b>DRAFT BUDGET 2007/08</b>            | 67,316                      | 47,600            | 43,294          | 10,651               | 168,861                        | 1,909                  | 170,770                         |

## 2008/09 BUDGET - SUMMARY ANALYSIS OF CHANGES

|  | L&D<br>Non Schools<br>Block | Environ.<br>£'000 | Neigh.<br>£'000 | Chief Exec.<br>£'000 | Service<br>Total<br>Ex Schools | L&D<br>Schools<br>£000 | Service<br>Total<br>Inc Schools |
|--|-----------------------------|-------------------|-----------------|----------------------|--------------------------------|------------------------|---------------------------------|
| <b>Control Totals 2007/08</b>          | 67,316                      | 47,600            | 43,294          | 10,651               | 168,861                        | 1,909                  | 170,770                         |
| Previous Years Changes                 | (6,595)                     | (4,815)           | (1,323)         | (449)                | (13,182)                       | (528)                  | (13,710)                        |
| <b>ADJUSTED BUDGET 2007/08</b>         | 60,721                      | 42,785            | 41,971          | 10,202               | 155,679                        | 1,381                  | 157,060                         |
| <b>Permanent Virements</b>             | 0                           | 0                 | 0               | 0                    | 0                              | 0                      | 0                               |
| <b>Inflation</b>                       |                             |                   |                 |                      |                                |                        |                                 |
| Pay                                    | 1,068                       | 653               | 1,089           | 372                  | 3,182                          | 384                    | 3,566                           |
| Contractual                            | 548                         | 3,366             | 1,010           | 540                  | 5,464                          | 270                    | 5,734                           |
| Recharge                               | 241                         | 69                | 156             | (645)                | (179)                          | 24                     | (155)                           |
| Non Pay                                | 339                         | 198               | 81              | 18                   | 636                            | 66                     | 702                             |
| Income                                 | (99)                        | (62)              | (308)           | 0                    | (469)                          | (4,397)                | (4,866)                         |
|  | 2,097                       | 4,224             | 2,028           | 285                  | 8,634                          | (3,654)                | 4,980                           |
| <b>Effects of Prior Year Decisions</b> |                             |                   |                 |                      |                                |                        |                                 |
| Supplies & Services Efficiencies       | (334)                       | (198)             | (63)            | (18)                 | (613)                          | (66)                   | (679)                           |
| Prior Year Budget Decisions            | (452)                       | (288)             | 157             | (11)                 | (594)                          | (1,764)                | (2,358)                         |
|  | (786)                       | (486)             | 94              | (29)                 | (1,207)                        | (1,830)                | (3,037)                         |
| <b>Volume Changes</b>                  | 126                         | 346               | 1,139           | 256                  | 1,867                          | 3,720                  | 5,587                           |
| Unavoidable Growth                     | 64                          | (93)              | 0               | 0                    | (29)                           | 0                      | (29)                            |
| <b>Sub-Total Continuation Budget</b>   | 62,222                      | 46,776            | 45,232          | 10,714               | 164,944                        | (383)                  | 164,561                         |
| <b>Previous Years Changes</b>          | 6,595                       | 4,815             | 1,323           | 449                  | 13,182                         | 528                    | 13,710                          |
| <b>GROWTH BUDGET</b>                   |                             |                   |                 |                      |                                |                        |                                 |
| Investment in Priority Services        | 68                          | (200)             | 5               | 0                    | (127)                          | 0                      | (127)                           |
|  | 68                          | (200)             | 5               | 0                    | (127)                          | 0                      | (127)                           |
| <b>Saving</b>                          |                             |                   |                 |                      |                                |                        |                                 |
| Annual Efficiency (Gershon) Savings    | (475)                       | (441)             | (358)           | (171)                | (1,445)                        | 0                      | (1,445)                         |
| Income                                 | (10)                        | 0                 | 0               | 0                    | (10)                           | 0                      | (10)                            |
| Adjustments in Service Levels          | (53)                        | (15)              | 0               | (20)                 | (88)                           | 0                      | (88)                            |
| Repayments to VFM Fund                 | 46                          | 10                | 34              | 320                  | 410                            | 0                      | 410                             |
|  | (492)                       | (446)             | (324)           | 129                  | (1,133)                        | 0                      | (1,133)                         |
| <b>Capital Programme</b>               |                             |                   |                 |                      |                                |                        |                                 |
| Changes to Capital Charges             | 0                           | 0                 | 0               | 0                    | 0                              | 0                      | 0                               |
|  | 0                           | 0                 | 0               | 0                    | 0                              | 0                      | 0                               |
| <b>Sub Total Options Budget</b>        | (492)                       | (446)             | (324)           | 129                  | (1,133)                        | 0                      | (1,133)                         |
| <b>DRAFT BUDGET 2008/09</b>            | 68,393                      | 50,945            | 46,236          | 11,292               | 176,866                        | 145                    | 177,011                         |

## 2009/10 BUDGET ILLUSTRATION - SUMMARY ANALYSIS OF CHANGES

|  | L&D<br>Non Schools<br>Block | Environ.<br>£'000 | Neigh.<br>£'000 | Chief Exec.<br>£'000 | Service<br>Total<br>Ex Schools | L&D<br>Schools<br>£000 | Service<br>Total<br>Inc Schools |
|--|-----------------------------|-------------------|-----------------|----------------------|--------------------------------|------------------------|---------------------------------|
| <b>Control Totals 2008/09</b>          | 68,393                      | 50,945            | 46,236          | 11,292               | 176,866                        | 145                    | 177,011                         |
| Previous Years Changes                 | (7,672)                     | (8,160)           | (4,265)         | (1,090)              | (21,187)                       | 1,236                  | (19,951)                        |
| <b>ADJUSTED BUDGET 2008/09</b>         | 60,721                      | 42,785            | 41,971          | 10,202               | 155,679                        | 1,381                  | 157,060                         |
| <b>Permanent Virements</b>             | 0                           | 0                 | 0               | 0                    | 0                              | 0                      | 0                               |
| <b>Inflation</b>                       |                             |                   |                 |                      |                                |                        |                                 |
| Pay                                    | 998                         | 647               | 1,011           | 362                  | 3,018                          | 359                    | 3,377                           |
| Contractual                            | 534                         | 3,056             | 1,045           | 568                  | 5,203                          | 271                    | 5,474                           |
| Recharge                               | 250                         | 72                | 163             | (671)                | (186)                          | 25                     | (161)                           |
| Non Pay                                | 348                         | 198               | 76              | 0                    | 622                            | 68                     | 690                             |
| Income                                 | (101)                       | (67)              | (322)           | 0                    | (490)                          | (4,533)                | (5,023)                         |
|  | 2,029                       | 3,906             | 1,973           | 259                  | 8,167                          | (3,811)                | 4,356                           |
| <b>Effects of Prior Year Decisions</b> |                             |                   |                 |                      |                                |                        |                                 |
| Supplies & Services Efficiencies       | (348)                       | (198)             | (66)            | 0                    | (612)                          | (68)                   | (680)                           |
| Prior Year Budget Decisions            | (22)                        | 1,549             | 0               | (65)                 | 1,462                          | (145)                  | 1,317                           |
|  | (370)                       | 1,351             | (66)            | (65)                 | 850                            | (213)                  | 637                             |
| <b>Volume Changes</b>                  | 81                          | 320               | 1,382           | 378                  | 2,161                          | 3,879                  | 6,040                           |
| Unavoidable Growth                     | 52                          | 386               | 0               | 0                    | 438                            | 0                      | 438                             |
| <b>Sub-Total Continuation Budget</b>   | 62,513                      | 48,748            | 45,260          | 10,774               | 167,295                        | 1,236                  | 168,531                         |
| <b>Previous Years Changes</b>          | 7,672                       | 8,160             | 4,265           | 1,090                | 21,187                         | (1,236)                | 19,951                          |
| <b>GROWTH BUDGET</b>                   |                             |                   |                 |                      |                                |                        |                                 |
| Service Improvement                    | 0                           | 0                 | 5               | 0                    | 5                              | 0                      | 5                               |
|  | 0                           | 0                 | 5               | 0                    | 5                              | 0                      | 5                               |
| <b>Saving</b>                          |                             |                   |                 |                      |                                |                        |                                 |
| Annual Efficiency (Gershon) Savings    | (94)                        | (38)              | (120)           | (32)                 | (284)                          | 0                      | (284)                           |
| Income                                 | (20)                        | 0                 | 0               | 0                    | (20)                           | 0                      | (20)                            |
| Adjustments in Service Levels          | 0                           | (74)              | 0               | 40                   | (34)                           | 0                      | (34)                            |
| Repayments to VFM Fund                 | 0                           | 28                | 0               | 0                    | 28                             | 0                      | 28                              |
|  | (114)                       | (84)              | (120)           | 8                    | (310)                          | 0                      | (310)                           |
| <b>Capital Programme</b>               |                             |                   |                 |                      |                                |                        |                                 |
| Changes to Capital Charges             | 0                           | 0                 | 0               | 0                    | 0                              | 0                      | 0                               |
|  | 0                           | 0                 | 0               | 0                    | 0                              | 0                      | 0                               |
| <b>Sub Total Options Budget</b>        | (114)                       | (84)              | (120)           | 8                    | (310)                          | 0                      | (310)                           |
| <b>DRAFT BUDGET 2009/10</b>            | 70,071                      | 56,824            | 49,410          | 11,872               | 188,177                        | 0                      | 188,177                         |

## 2010/11 BUDGET ILLUSTRATION - SUMMARY ANALYSIS OF CHANGES

|  | L&D<br>Non Schools<br>Block | Environ.<br>£'000 | Neigh.<br>£'000 | Chief Exec.<br>£'000 | Service<br>Total<br>Ex Schools | L&D<br>Schools<br>£000 | Service<br>Total<br>Inc Schools |
|--|-----------------------------|-------------------|-----------------|----------------------|--------------------------------|------------------------|---------------------------------|
| <b>Control Totals 2009/10</b>          | <b>70,071</b>               | <b>56,824</b>     | <b>49,410</b>   | <b>11,872</b>        | <b>188,177</b>                 | <b>0</b>               | <b>188,177</b>                  |
| Previous Years Changes                 | (9,350)                     | (14,039)          | (7,439)         | (1,670)              | (32,498)                       | 1,381                  | (31,117)                        |
| <b>ADJUSTED BUDGET 2009/10</b>         | <b>60,721</b>               | <b>42,785</b>     | <b>41,971</b>   | <b>10,202</b>        | <b>155,679</b>                 | <b>1,381</b>           | <b>157,060</b>                  |
| <b>Permanent Virements</b>             | <b>0</b>                    | <b>0</b>          | <b>0</b>        | <b>0</b>             | <b>0</b>                       | <b>0</b>               | <b>0</b>                        |
| <b>Inflation</b>                       |                             |                   |                 |                      |                                |                        |                                 |
| Pay                                    | 970                         | 643               | 1,017           | 359                  | 2,989                          | 352                    | 3,341                           |
| Contractual                            | 558                         | 2,950             | 1,082           | 511                  | 5,101                          | 280                    | 5,381                           |
| Recharge                               | 261                         | 76                | 169             | (698)                | (192)                          | 26                     | (166)                           |
| Non Pay                                | 357                         | 189               | 78              | 0                    | 624                            | 69                     | 693                             |
| Income                                 | (104)                       | (65)              | (336)           | 0                    | (505)                          | (4,673)                | (5,178)                         |
|  | <b>2,042</b>                | <b>3,793</b>      | <b>2,010</b>    | <b>172</b>           | <b>8,017</b>                   | <b>(3,945)</b>         | <b>4,072</b>                    |
| <b>Effects of Prior Year Decisions</b> |                             |                   |                 |                      |                                |                        |                                 |
| Supplies & Services Efficiencies       | (358)                       | (189)             | (68)            | 0                    | (615)                          | (69)                   | (684)                           |
| Prior Year Budget Decisions            | (20)                        | (517)             | 0               | 53                   | (484)                          | 0                      | (484)                           |
| PY Efficiency Savings                  | (378)                       | (706)             | (68)            | 53                   | (1,099)                        | (69)                   | (1,168)                         |
| <b>Volume Changes</b>                  | <b>91</b>                   | <b>329</b>        | <b>1,526</b>    | <b>54</b>            | <b>2,000</b>                   | <b>4,015</b>           | <b>6,015</b>                    |
| Unavoidable Growth                     | 67                          | 765               | 0               | 0                    | 832                            | 0                      | 832                             |
| <b>Sub-Total Continuation Budget</b>   | <b>62,543</b>               | <b>46,966</b>     | <b>45,439</b>   | <b>10,481</b>        | <b>165,429</b>                 | <b>1,381</b>           | <b>166,810</b>                  |
| <b>Previous Years Changes</b>          | <b>9,350</b>                | <b>14,039</b>     | <b>7,439</b>    | <b>1,670</b>         | <b>32,498</b>                  | <b>(1,381)</b>         | <b>31,117</b>                   |
| <b>GROWTH BUDGET</b>                   |                             |                   |                 |                      |                                |                        |                                 |
| Service Improvement                    | 0                           | 0                 | 5               | 0                    | 5                              | 0                      | 5                               |
|  | <b>0</b>                    | <b>0</b>          | <b>5</b>        | <b>0</b>             | <b>5</b>                       | <b>0</b>               | <b>5</b>                        |
| <b>Saving</b>                          |                             |                   |                 |                      |                                |                        |                                 |
| Annual Efficiency (Gershon) Savings    | 0                           | (31)              | 0               | 2                    | (29)                           | 0                      | (29)                            |
| Income                                 | 0                           | 0                 | 0               | 0                    | 0                              | 0                      | 0                               |
| Adjustments in Service Levels          | 0                           | (129)             | 0               | 0                    | (129)                          | 0                      | (129)                           |
| Repayments to VFM Fund                 | 0                           | 47                | 0               | 0                    | 47                             | 0                      | 47                              |
|  | <b>0</b>                    | <b>(113)</b>      | <b>0</b>        | <b>2</b>             | <b>(111)</b>                   | <b>0</b>               | <b>(111)</b>                    |
| <b>Capital Programme</b>               |                             |                   |                 |                      |                                |                        |                                 |
| Changes to Capital Charges             | 0                           | 0                 | 0               | 0                    | 0                              | 0                      | 0                               |
|  | <b>0</b>                    | <b>0</b>          | <b>0</b>        | <b>0</b>             | <b>0</b>                       | <b>0</b>               | <b>0</b>                        |
| <b>Sub Total Options Budget</b>        | <b>0</b>                    | <b>(113)</b>      | <b>0</b>        | <b>2</b>             | <b>(111)</b>                   | <b>0</b>               | <b>(111)</b>                    |
| <b>DRAFT BUDGET 2010/11</b>            | <b>71,893</b>               | <b>60,892</b>     | <b>52,883</b>   | <b>12,153</b>        | <b>197,821</b>                 | <b>0</b>               | <b>197,821</b>                  |

**LEARNING AND DEVELOPMENT - SCHOOLS**  
**CONTINUATION BUDGET - SUMMARY**

**ANNEX G1**

|                                     | 2007/08          | 2008/09          | 2009/10          | 2010/11          |
|-------------------------------------|------------------|------------------|------------------|------------------|
|                                     | £                | £                | £                | £                |
| <b>Base Budget (inc Virements)</b>  | <b>1,508,700</b> | <b>1,508,700</b> | <b>1,508,700</b> | <b>1,508,700</b> |
| Inflation                           | (9,654,956)      | (13,308,514)     | (17,119,464)     | (21,064,880)     |
| Effects of Previous Years Decisions | 645,859          | (1,184,155)      | (1,396,885)      | (1,466,376)      |
| Volume Changes                      | 9,681,813        | 13,401,385       | 17,280,066       | 21,294,973       |
| Total Unavoidable Growth            | 127,894          | 127,894          | 127,894          | 127,894          |
| <b>Total Continuation Budget</b>    | <b>2,309,310</b> | <b>545,310</b>   | <b>400,310</b>   | <b>400,310</b>   |
| Investment in Priority Services     | 0                | 0                | 0                | 0                |
| Savings                             | (400,310)        | (400,310)        | (400,310)        | (400,310)        |
| Changes to Capital Charges          | 0                | 0                | 0                | 0                |
| <b>Budget Projections</b>           | <b>1,909,000</b> | <b>145,000</b>   | <b>0</b>         | <b>0</b>         |

| FORECAST BUDGET 2006/2007            |   | 1,381,000      | 1,381,000      | 1,381,000        | 1,381,000        |  |
|--------------------------------------|---|----------------|----------------|------------------|------------------|--|
| CONTINUATION BUDGET                  |   |                |                |                  |                  |  |
| PERMANENT VIREMENTS BETWEEN SERVICES |   | 2007/08 Latest | 2008/09 Latest | 2009/10          | 2010/11          | COMMENTS   |
|                                      |   | £              | £              | £                | £                |  |
| LDV001                               |   | 127,700        | 127,700        | 127,700          | 127,700          | Effect of virements between Schools/Non Schools  |
| <b>TOTAL PERMANENT VIREMENTS</b>     |   | <b>127,700</b> | <b>127,700</b> | <b>127,700</b>   | <b>127,700</b>   |  |
| INFLATION                            |   | 2007/08 Latest | 2008/09 Latest | 2009/10          | 2010/11          | COMMENTS   |
|                                      |   | £              | £              | £                | £                |  |
| <b>Payroll Adjustments</b>           |   |                |                |                  |                  |  |
| LDP001                               | Pay Inflation (superann at planned level)                   | 203,337        | 418,089        | 643,519          | 879,410          | Based on 2.75% for all years   |
| LDP002                               | Salary Increments (superann at planned level)               | 111,974        | 243,148        | 345,991          | 430,956          | Based on increment entitlement of current establishment  |
| -                                    | Additional Superann as a result in pension fund performance | 11,497         | 57,486         | 95,810           | 134,134          | Increase in employers costs of .3% of basic pay in 2007/8, 1.2% in 2008/9, 1% in 2009/10 and 2010/11.                        |
| LDP004                               | Vacancy Provision inflation                                 | (7,450)        | (15,621)       | (23,376)         | (30,955)         | Based on increase in salary costs  |
| LDP005                               | Vacancy Provision increase                                  | (2,483)        | (5,207)        | (7,792)          | (10,318)         | Based on increase in salary costs  |
| LDP006                               | Recruitment Costs   | 2,483          | 5,207          | 7,792            | 10,318           | Based on increase in salary costs  |
| <b>Total Payroll Adjustments</b>     |   | <b>319,358</b> | <b>703,102</b> | <b>1,061,944</b> | <b>1,413,545</b> |  |
| <b>Contractual Inflation</b>         |   |                |                |                  |                  |  |
| LDC001                               | Electricity   | 13,326         | 19,323         | 21,621           | 24,035           | 50% 2007/08, 15% 2008/09, 5% 2009/10, 5% 2010/2011   |
| LDC002                               | Gas   | 13,952         | 22,024         | 25,119           | 28,368           | 35% 2007/08, 15% 2008/09, 5% 2009/10, 5% 2010/2011   |
| LDC003                               | Water   | 700            | 1,435          | 2,207            | 3,017            | 5% 2007/08, 5% 2008/09, 5% 2009/10, 5% 2010/2011   |
| LDC004                               | NNDR  | 1,031          | 2,089          | 3,174            | 4,288            | 2.61% 2007/08, 2.61% 2008/09, 2.61% 2009/10, 2.61% 2010/2011   |
| LDC005                               | Insurance   | 190            | 385            | 585              | 791              | 2.66% 2007/08, 2.66% 2008/09, 2.66% 2009/10, 2.66% 2010/2011   |
| LDC008                               | Cleansing Contracts   | 880            | 1,786          | 2,719            | 3,679            | 2.95% 2007/08, 2.95% 2008/09, 2.95% 2009/10, 2.95% 2010/2011   |
| LDC010                               | SEN - Speech Therapy Contract                               | 4,606          | 9,350          | 14,237           | 19,270           | Contract is subject to increased pay rates for speech therapists (increase of 3% in 2007/08 onwards)                         |
| LDC011                               | SEN - Independent Schools                                   | 77,120         | 155,782        | 236,018          | 317,858          | Increase as per South Central Regional Inclusion Partnership (SCRIP) - 3%  |
| LDC012                               | SEN - OLEA  | 15,000         | 30,150         | 45,005           | 59,551           | Increases are in line with increased School Running costs and a figure of 3% is applied                                      |
| LDC016                               | Alternatives Project  | 30,000         | 60,900         | 92,727           | 125,509          | Estimated Inflation at 3%  |
| LDC017                               | Employee Insurance  | 895            | 1,814          | 2,758            | 3,727            | Inflation calculated centrally   |
|                                      | Payments to PVI Nursery Providers                           | 169,132        | 280,058        | 397,111          | 520,631          | Based on increasing payments to providers by 4.5% to bring in line with Nursery AWPU in 2007/8 and 2.75% from 2008/9 onwards |
|                                      | Qualified Teachers Childrens Centres                        | 4,400          | 8,920          | 13,570           | 18,340           | Based on 3% increase in salaries   |
|                                      | Day Nursery Running costs                                   | 7,200          | 14,700         | 22,500           | 30,650           | Catering and cleaning contracts  |
| <b>Total Contractual Inflation</b>   |   | <b>338,432</b> | <b>608,716</b> | <b>879,350</b>   | <b>1,159,713</b> |  |



| INFLATION                                   |  | 2007/08 Latest     | 2008/09 Latest      | 2009/10             | 2010/11             | COMMENTS  |
|---|--|--------------------|---------------------|---------------------|---------------------|---|
|   |  | £                  | £                   | £                   | £                   |   |
| <b>Recharge Inflation</b>                   |  |                    |                     |                     |                     |   |
| LDR001                                      | Corporate Recharges  | 22,963             | 46,844              | 71,681              | 97,511              | 4% inflation includes PPP recharges at 4%   |
| <b>Total Recharge Inflation</b>             |  | 22,963             | 46,844              | 71,681              | 97,511              |   |
| <b>Non Pay Inflation</b>                    |  |                    |                     |                     |                     |   |
| LDZ001                                      | Inflation On Supplies & Services                                   | 64,341             | 130,355             | 198,085             | 267,576             | Taken out as efficiency saving at LDT001  |
| <b>Total Non Pay Inflation</b>              |  | 64,341             | 130,355             | 198,085             | 267,576             |   |
| <b>Income</b>                               |  |                    |                     |                     |                     |   |
| LDA001                                      | Fees & Charges Multi Cultural Service                              | (40,000)           | (80,960)            | (122,903)           | (165,853)           | 3% Increase in charges and standards fund   |
| LDA002                                      | SEN - OLEA Provision   | (11,760)           | (23,873)            | (36,349)            | (49,199)            | 3% increase   |
|   | Fees and Charges Day Nurseries                                     | (46,690)           | (94,770)            | (144,290)           | (195,310)           | 3% Increase for Day Nurseries income.   |
|   | SEN LSC Post 16 funding  | (33,600)           | (68,200)            | (103,840)           | (140,549)           | Estimated 3% in LSC funding   |
|   | Dedicated Schools Grant  | (10,268,000)       | (14,529,728)        | (18,923,143)        | (23,452,315)        | 2007/8 DfES revised provisional allocation, 2008/9 onwards based on 3% inflation and 3% demographic growth  |
| <b>Total Income</b>                         |  | (10,400,050)       | (14,797,531)        | (19,330,525)        | (24,003,226)        |   |
| <b>TOTAL INFLATION</b>                      |  | <b>(9,654,956)</b> | <b>(13,308,514)</b> | <b>(17,119,464)</b> | <b>(21,064,880)</b> |   |
| <b>EFFECTS OF PREVIOUS YEARS DECISIONS</b>  |  |                    |                     |                     |                     |   |
|   |  | £                  | £                   | £                   | £                   |   |
| <b>Supplies &amp; Services Efficiencies</b> |  |                    |                     |                     |                     |   |
| LDT001                                      | Inflation On Supplies & Services                                   | (64,341)           | (130,355)           | (198,085)           | (267,576)           | Efficiency savings linked to LDZ001   |
| <b>Total Efficiencies</b>                   |  | (64,341)           | (130,355)           | (198,085)           | (267,576)           |   |
| <b>Prior Year Budget Decisions</b>          |  |                    |                     |                     |                     |   |
| LDB002                                      | Area SENCO's   | 0                  | 0                   | 0                   | 0                   | Movement into budget following closure of units attached to schools<br>To bring budget to full year effect of Cost of prudential borrowing for Walnuts school<br>Contribution from General Fund to meet the costs of Schools System Review in schools |
| LDB005                                      | Professional Development Centre                                    | 0                  | 0                   | 0                   | 0                   |   |
|   | Independent Special School Fees                                    | 52,000             | 52,000              | 52,000              | 52,000              |   |
|   | Prudential Borrowing   | 130,200            | 130,200             | 130,200             | 130,200             |   |
|   | Schools system review - Support for staff costs - In excess of DSG | 528,000            | (1,236,000)         | (1,381,000)         | (1,381,000)         |   |
| <b>Total PY Budget Decisions</b>            |  | 710,200            | (1,053,800)         | (1,198,800)         | (1,198,800)         |   |
| <b>TOTAL EFFECTS</b>                        |  | <b>645,859</b>     | <b>(1,184,155)</b>  | <b>(1,396,885)</b>  | <b>(1,466,376)</b>  |   |

| VOLUME CHANGES                   |                                   | 2007/08 Latest   | 2008/09 Latest | 2009/10        | 2010/11        | COMMENTS  |
|----------------------------------|-----------------------------------|------------------|----------------|----------------|----------------|---|
|                                  |                                   | £                | £              | £              | £              |   |
| <b>Volume Changes</b>            |                                   |                  |                |                |                |   |
| LDD004                           | Early years and Childcare         | 20,500           | 45,040         | 70,320         | 96,360         | Matching increase in number of pupils (as per NOR data) - 2.57% in 2007/08 & 3% in 2008/09 onwards  |
| LDD011                           | Other Miscellaneous Budgets       | 25,311           | 25,311         | 25,311         | 25,311         | Minor demographic growth  |
| LDD012                           | Tuition Service                   | 40,000           | 40,000         | 40,000         | 40,000         | Additional sessional Tutor time to ensure full 25 hour provision to excluded pupils   |
| LDD                              | Payments to PVI Nursery Providers | (390,500)        | (284,455)      | (172,551)      | (54,485)       | Reassessment of payments to be made to Private, Voluntary and Independent nursery providers based on current uptake of grants and allowance for growth in numbers of 3% in future years |
| LDD010                           | ISB Delegated To Schools          | 8,533,168        | 12,280,367     | 16,143,354     | 20,125,707     | Based on formula allocation 2007/8 based on provisional recalculation of pupil number 2008/9 onwards 3% inflation and 3% demographic growth   |
|                                  | SEN - OLEA Provision              | (227,100)        | (238,100)      | (249,100)      | (260,100)      | Reassessment of Expenditure and Income based on current numbers of pupils and prices  |
|                                  | SEN Speech Therapy Contract       | 37,692           | 37,692         | 37,692         | 37,692         | Greater levels of integration into mainstream schools requiring insitu support  |
|                                  | Primary PRU                       | 35,000           | 35,000         | 35,000         | 35,000         | Costs of establishing primary PRU at Romansfield School and support for nurture groups  |
|                                  | SEN AER Contingency               | (200,000)        | (200,000)      | (200,000)      | (200,000)      | Reduction in numbers of statements resulting in lower demand on the contingency   |
|                                  | SEN AER Under 5 s                 | 100,000          | 100,000        | 100,000        | 100,000        | Growth in demand and earlier intervention   |
|                                  | AER EBD pupils                    | 11,000           | 11,000         | 11,000         | 11,000         | Growth in demand  |
|                                  | SEN Equipment                     | 30,717           | 30,717         | 30,717         | 30,717         | Growth in demand  |
|                                  | SEN Outreach Project              | 36,080           | 36,080         | 36,080         | 36,080         | Additional support to mainstream schools from Walnuts project   |
|                                  | Independent Special schools       | 300,000          | 300,000        | 300,000        | 300,000        | Based on current costs of placements  |
|                                  | Unallocated Headroom              | 1,329,945        | 1,182,733      | 1,072,243      | 971,691        | To be allocated pending consultation with the Schools Forum   |
| <b>Total Volume Changes</b>      |                                   | 9,681,813        | 13,401,385     | 17,280,066     | 21,294,973     |   |
| <b>ESSENTIAL GROWTH ( New)</b>   |                                   |                  |                |                |                |   |
|                                  |                                   | £                | £              | £              | £              |   |
| <b>Unavoidable Growth</b>        |                                   |                  |                |                |                |   |
|                                  | Galley Hill Education Centre      | 80,000           | 80,000         | 80,000         | 80,000         | Costs of servicing the building not included in budget, IT recharges postage etc  |
|                                  | NNDR                              | 1,689            | 1,689          | 1,689          | 1,689          | Bring budget inline with known actual charges   |
|                                  | Premises Insurance                | (7,819)          | (7,819)        | (7,819)        | (7,819)        | Bring budget inline with known actual charges   |
|                                  | Employee Insurance                | 34,024           | 34,024         | 34,024         | 34,024         | Bring budget inline with known actual charges   |
|                                  | SENDIS Team Conditions of Service | 20,000           | 20,000         | 20,000         | 20,000         | Estimate of costs required to move SENDIS teaching staff on to Soulbury conditions  |
|                                  |                                   |                  | 0              | 0              | 0              |   |
| <b>Total Unavoidable Growth</b>  |                                   | 127,894          | 127,894        | 127,894        | 127,894        |   |
| <b>TOTAL CONTINUATION BUDGET</b> |                                   | <b>2,309,310</b> | <b>545,310</b> | <b>400,310</b> | <b>400,310</b> |   |

Learning and Development - Schools

ANNEX G1

| SAVINGS                                    |  | 2007/08 Latest   | 2008/09 Latest   | 2009/10          | 2010/11          | COMMENTS  |
|--|--|------------------|------------------|------------------|------------------|---|
|  |  | £                | £                | £                | £                |   |
| <b>Annual Efficiency (Gershon) Savings</b> |  |                  |                  |                  |                  | Budget will be replaced by standards fund<br>Reduction in matched funding for Primary and Secondary strategy coordination following reduction in standards fund allocation<br>Previous level of budget no longer required |
| LDE001                                     | LEA Initiatives                                  | (86,810)         | (86,810)         | (86,810)         | (86,810)         |   |
|  | Reduction in contribution to Standards Fund      | (277,500)        | (277,500)        | (277,500)        | (277,500)        |   |
|  | SEN Training                                     | (36,000)         | (36,000)         | (36,000)         | (36,000)         |   |
|  | <b>Total Annual Efficiency (Gershon) Savings</b> | <b>(400,310)</b> | <b>(400,310)</b> | <b>(400,310)</b> | <b>(400,310)</b> |   |
| <b>TOTAL Savings</b>                       |  | <b>(400,310)</b> | <b>(400,310)</b> | <b>(400,310)</b> | <b>(400,310)</b> |   |
| <b>TOTAL Budget</b>                        |  | <b>1,909,000</b> | <b>145,000</b>   | <b>0</b>         | <b>0</b>         |   |

**LEARNING AND DEVELOPMENT - NON SCHOOLS**  
**CONTINUATION BUDGET - SUMMARY**

**ANNEX G2**

|                                     | 2007/08                  | 2008/09                  | 2009/10                  | 2010/11                  |
|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|                                     | £                        | £                        | £                        | £                        |
| <b>Base Budget (inc Virements)</b>  | <b>60,593,758</b>        | <b>60,593,758</b>        | <b>60,593,758</b>        | <b>60,593,758</b>        |
| Inflation                           | 1,846,664                | 3,942,561                | 5,972,075                | 8,014,977                |
| Effects of Previous Years Decisions | (619,364)                | (1,404,653)              | (1,775,070)              | (2,152,993)              |
| Volume Changes                      | 1,423,277                | 1,549,201                | 1,630,172                | 1,720,748                |
| Unavoidable Growth                  | 854,132                  | 918,583                  | 970,790                  | 1,038,055                |
| <b>Total Continuation Budget</b>    | <b><u>64,098,467</u></b> | <b><u>65,599,450</u></b> | <b><u>67,391,725</u></b> | <b><u>69,214,545</u></b> |
| Investment in Priority Services     | 117,500                  | 185,000                  | 185,000                  | 185,000                  |
| Savings                             | (2,091,326)              | (2,582,904)              | (2,697,225)              | (2,697,225)              |
| Changes to Capital Charges          | 5,191,117                | 5,191,117                | 5,191,117                | 5,191,117                |
| <b>Budget Projections</b>           | <b><u>67,315,758</u></b> | <b><u>68,392,663</u></b> | <b><u>70,070,617</u></b> | <b><u>71,893,437</u></b> |

| FORECAST BUDGET 2006/2007            |  | 60,721,458       | 60,721,458       | 60,721,458       | 60,721,458       |   |
|--------------------------------------|--|------------------|------------------|------------------|------------------|---|
| CONTINUATION BUDGET                  |  |                  |                  |                  |                  |   |
| PERMANENT VIREMENTS BETWEEN SERVICES |  | 2007/08 Latest   | 2008/09 Latest   | 2009/10          | 2010/11          | COMMENTS  |
|                                      |  | £                | £                | £                | £                |   |
| LDV002                               |  | (127,700)        | (127,700)        | (127,700)        | (127,700)        | Effect of Virements between Schools/Non Schools   |
| <b>TOTAL PERMANENT VIREMENTS</b>     |  | <b>(127,700)</b> | <b>(127,700)</b> | <b>(127,700)</b> | <b>(127,700)</b> |   |
| INFLATION                            |  | 2007/08 Latest   | 2008/09 Latest   | 2009/10          | 2010/11          | COMMENTS  |
|                                      |  | £                | £                | £                | £                |   |
| <b>Payroll Adjustments</b>           |  |                  |                  |                  |                  |   |
| LDP001                               | Pay Inflation (superann at planned level)                          | 632,228          | 1,299,628        | 2,000,490        | 2,734,271        | Budgeted at 2.75% per annum 2007-2011. Awaiting agreement of 07/08 LG pay settlement.   |
| LDP002                               | Salary Increments (superann at planned level)                      | 404,459          | 809,521          | 1,145,608        | 1,425,293        | Calculated as per SAP HR salary forecasts   |
| LDP003                               | Additional Superann as a result of pension fund performance        | 45,511           | 227,554          | 379,257          | 530,960          | Inflation on added years pension costs, payable to BCC as a result of early year retirements pre and post LGR   |
| LDP004                               | Vacancy Provision inflation  | (19,230)         | (41,472)         | (62,560)         | (82,624)         | Increase in vacancy provision in line with pay assumptions  |
| LDP007                               | Funded Posts - reducing net effect of pay inflation and increments | (156,127)        | (317,650)        | (484,320)        | (656,350)        | Costs of pay awards, increments and additional superannuation costs directly funded by government grant or other income reducing effect of pay inflation and increments               |
| LDP008                               | Increase Vacancy Provision   | (96,129)         | (98,772)         | (101,488)        | (104,279)        |   |
| <b>Total Payroll Adjustments</b>     |  | <b>810,712</b>   | <b>1,878,809</b> | <b>2,876,987</b> | <b>3,847,271</b> |   |
| <b>Contractual Inflation</b>         |  |                  |                  |                  |                  |   |
| LDC001                               | Electricity  | 59,348           | 86,055           | 96,292           | 107,042          | 50% 2007/08, 15% 2008/09, 5% 2009/10, 5% 2010/2011  |
| LDC002                               | Gas  | 26,139           | 41,262           | 47,060           | 53,147           | 35% 2007/08, 15% 2008/09, 5% 2009/10, 5% 2010/2011  |
| LDC003                               | Water  | 2,199            | 4,508            | 6,932            | 9,478            | 5% 2007/08, 5% 2008/09, 5% 2009/10, 5% 2010/2011  |
| LDC004                               | NNDR   | 8,122            | 16,456           | 25,007           | 33,782           | 2.61% 2007/08, 2.61% 2008/09, 2.61% 2009/10, 2.61% 2010/2011  |
| LDC005                               | Insurance - Premises   | 5,543            | 11,319           | 17,338           | 23,610           | 2.66% 2007/08, 2.66% 2008/09, 2.66% 2009/10, 2.66% 2010/2011  |
| LDC007                               | Landscaping Contracts  | 0                | 7,276            | 16,803           | 26,574           | 0% 2007/08 due to contract retendering, 2.56% 2008/09, .2.56% 2009/10, 2.56% 2010/2011  |
| LDC008                               | Cleansing Contracts  | 5,703            | 11,574           | 17,618           | 23,840           | 2.95% 2007/08, 2.95% 2008/09, 2.95% 2009/10, 2.95% 2010/2011  |
| LDC009                               | Bucks CC SLA for Museums & Archives                                | 3,880            | 7,880            | 11,990           | 16,230           | 3% 2007/08, 3% 2008/09, 3% 2009/10, 3% 2010/11  |
| LDC010                               | Home to School Transport   | 119,160          | 248,414          | 385,360          | 531,381          | RIP plus 1%. The +1% allows the demand for contracts/tenders to be met (re-tendering exercises means increase in prices). The RIP rate used is 2.66% for 2007/08 and 2.7% thereafter. |

| INFLATION                          |  | 2007/08 Latest | 2008/09 Latest   | 2009/10          | 2010/11          | COMMENTS   |
|------------------------------------|--|----------------|------------------|------------------|------------------|--|
|                                    |  | £              | £                | £                | £                |  |
| LDC011                             | Internal Placements  | 75,105         | 153,493          | 235,412          | 321,235          | 3% inflation included each year, as implications of new national minimum rates being considered. From April 2007 the national minimum allowance for Foster Carers will rise to £100 - £116 per week rising to £151 to £176 for a teenager. Public allowances rates will be monitored through inspection. Government will consider enforcing minimum through regulation if the rates are not complied with. None of the fostering allowances reach the minimum allowances. There are a number of options we can pursue to bring allowances up and those options were explored with L&D Policy and Development Committee in March 06. Options 6 and 7 of the proposed changes to the Fostering Finance Policy were to be recommended to cabinet for consideration, on the grounds that these options provided the most cohesive and innovative options available and were related directly to experience and training for Foster Carers. |
| LDC012                             | External Placements  | 105,942        | 214,003          | 324,224          | 436,651          | Assumes 2.0% for Residential, 2% for Permanent Fostering and 2% for Short-Term Fostering, based on changes in daily rates for continuing placements between 2004/05 and 2005/06.   |
| LDC013                             | Children's Social Care - Slaps with voluntary and charitable organisations | 31,420         | 63,790           | 97,120           | 131,450          | 3% Inflation each year. These are Slaps with organisations and not grants to voluntary organisations. We have to inflate these budgets in line with information from the organisations in respect of predicted increases (contractually agreed).   |
| LDC014                             | Theatre & Gallery Maintenance contract                                     | 10,504         | 21,689           | 33,713           | 46,639           | Assumes 7.15% inflation pa. Linked to NED price adjustment formula for calculating increases in maintenance costs based on costs of labour & materials. 2002 increase was 7.13%.   |
| LDC015                             | Bletchley Leisure Centre Contract  | 10,504         | 21,449           | 32,690           | 44,234           | RIP increase as 2.66% 2007/08, 2.7% remaining years  |
| LDC016                             | Bucks CC Student Support SLA   | 6,030          | 12,211           | 18,547           | 25,041           | Bucks County Council Service Level Agreement for Student Support inflationary increases 2.5%. Bucks CC confirmed the necessity for inflation 11.8.06.  |
| LDC017                             | Bucks CC Library Service SLA   | 14,210         | 29,157           | 44,881           | 61,422           | Bucks CC SLA for the Library Services inflation increased by 5.2% to meet contractual requirements as previously indicated. Bucks CC confirmed the necessity for inflation 11.8.06.  |
| LDC018                             | Leisure Services Premises Contracts  | 4,420          | 9,180            | 14,180           | 19,430           | Refuse collection increase 8.75% on leisure facilities properties.   |
| LDC020                             | Youth Centre Grants to Voluntary Management Committees for Premises Costs  | 10,498         | 22,046           | 34,749           | 48,722           | 10% average inflation increase to cover the costs, including utilities, of running Youth Centre Premises .   |
| LDC021                             | Archaeology Collection   | 2,000          | 2,000            | 2,000            | 2,000            | Anticipated increase of rental of controlled storage space for archaeological collection   |
| LDC022                             | Early Years - Grants to Voluntary Org.                                     | 0              | 5,150            | 10,430           | 15,840           | 2.5% increase for grants to voluntary organisations.( Double inflated 2006/7 therefore nil 2007/8)   |
| LDC023                             | Inclusion - Contracted Services  | 552            | 1,672            | 3,377            | 5,685            | Contract with PCT is to increase in line with NHS pay, estimated to be 3% across all years   |
| LDC024                             | Insurance - Employee   | 3,472          | 7,037            | 10,696           | 14,453           | Inflation calculated centrally.  |
| LDC025                             | Libraries Rent Reviews-Woburn Sands and Westcroft                          | 19,500         | 19,500           | 19,500           | 19,500           | Woburn Sands and Westcroft Libraries lease increases (Woburn Sands £6.5k and Westcroft £13k)   |
| LDC026                             | Milton Keynes Theatre - Grant  | 7,441          | 15,123           | 22,992           | 31,453           | Average 2.44% per annum  |
| LDC027                             | Mobile Library New lease   | 0              | 10,000           | 10,000           | 10,000           | Current Mobile Library lease due to finish in 2008/09 expected to be an increase in new lease.   |
| LDC028                             | Wolverton & Watling Way Pools  | 2,580          | 5,269            | 8,030            | 10,866           | RPI increase as 2.66% 2007/08, 2.7% remaining years  |
| LDC029                             | Grants to Voluntary Organisations - Leisure, Learning and Culture          | 32,562         | 66,101           | 100,647          | 136,228          | Partnership agreements with two organisations commits to a 3% increase which has been applied to total budget in line with a previous decision   |
| <b>Total Contractual Inflation</b> |  | <b>566,834</b> | <b>1,113,614</b> | <b>1,647,588</b> | <b>2,205,932</b> |  |
| <b>Recharge Inflation</b>          |  |                |                  |                  |                  |  |
| LDR001                             | Recharges  | 231,545        | 472,352          | 722,791          | 983,248          | Recharge Inflation included at 4% per annum, calculated to take into account average PPP and employee costs. (Internal charge only)  |
| <b>Total Recharge Inflation</b>    |  | <b>231,545</b> | <b>472,352</b>   | <b>722,791</b>   | <b>983,248</b>   |  |

| INFLATION                                   |   | 2007/08 Latest   | 2008/09 Latest   | 2009/10          | 2010/11          | COMMENTS   |
|---|---|------------------|------------------|------------------|------------------|--|
|   |   | £                | £                | £                | £                |  |
| <b>Non Pay Inflation</b>                    |   |                  |                  |                  |                  |  |
| LDZ001                                      | Inflation On Supplies & Services  | 333,762          | 672,543          | 1,020,472        | 1,377,795        | Inflation calculated centrally @ 2.6% and reversed back as Efficiency Saving under supplies & services.  |
| <b>Total Non Pay Inflation</b>              |   | 333,762          | 672,543          | 1,020,472        | 1,377,795        |  |
| <b>Income</b>                               |   |                  |                  |                  |                  |  |
| LDA001                                      | Fees & Charges - Charges to Schools etc   | (31,686)         | (64,132)         | (97,358)         | (131,380)        | 2.4% Inflation increase applied each year  |
| LDA002                                      | Fees & Charges -Music Services  | (22,348)         | (45,232)         | (68,666)         | (92,662)         | 2.4% Inflation increase applied each year  |
| LDA003                                      | Fees & Charges - Children and Play  | (1,259)          | (2,548)          | (3,868)          | (5,220)          | 2.4% Inflation increase applied each year  |
| LDA005                                      | Fees & Charges Leisure Services   | (11,555)         | (23,387)         | (35,504)         | (47,911)         | 2.4% Inflation increase applied each year  |
| LDA007                                      | Children's Homes - Client Fees  | (586)            | (1,186)          | (1,801)          | (2,430)          | 2.4% Inflation increase applied each year  |
| LDA008                                      | Fees & Charges - Library Service  | (16,985)         | (34,378)         | (52,188)         | (70,425)         | 2.4% Inflation increase applied each year  |
| LDA009                                      | Children's Rights Joint Funding   | (1,330)          | (2,700)          | (4,111)          | (5,564)          | 3% Increase on core joint funding  |
| LDA012                                      | Youth Offending Team  | (10,440)         | (21,193)         | (32,268)         | (43,676)         | 3% Increase on core joint funding  |
| <b>Total Income</b>                         |   | (96,189)         | (194,757)        | (295,763)        | (399,268)        |  |
| <b>TOTAL INFLATION</b>                      |   | <b>1,846,664</b> | <b>3,942,561</b> | <b>5,972,075</b> | <b>8,014,977</b> |  |
| <b>EFFECTS OF PREVIOUS YEARS DECISIONS</b>  |   |                  |                  |                  |                  |  |
|   |   | 2007/08 Latest   | 2008/09 Latest   | 2009/10          | 2010/11          | COMMENTS   |
|   |   | £                | £                | £                | £                |  |
| <b>Supplies &amp; Services Efficiencies</b> |   |                  |                  |                  |                  |  |
| LDT001                                      | Inflation On Supplies & Services  | (333,762)        | (667,543)        | (1,015,472)      | (1,373,395)      | Inflation calculated centrally @ 2.6% and reversed back as Efficiency Saving under supplies & services.  |
| <b>Total Efficiencies</b>                   |   | (333,762)        | (667,543)        | (1,015,472)      | (1,373,395)      |  |
| <b>Prior Year Budget Decisions</b>          |   |                  |                  |                  |                  |  |
| LDS001                                      | SEN - reduce requirement for Home to School Transport for Special Schools to reflect tighter eligibility criteria | 10,000           | 10,000           | 10,000           | 10,000           | As the needs of the special school population become increasingly complex so the ability to sustain this position will become more difficult.  |
| LDS002                                      | Children's Trust Development Manager  | 0                | (34,462)         | (45,950)         | (45,950)         | Project Manager Children's Trust MKC9/10 for 2 years. Needed to take forward the agenda expected by the forthcoming Children's Act. Post not filled until June 06, therefore project delayed.                                  |
| LDS006                                      | School System Review  | (195,000)        | (251,000)        | (262,000)        | (282,000)        | Home to School Transport & admin, LEA costs, SEN casework and additional admin for double intake no longer required.   |
| LDS007                                      | Income generation from Schools  | (100,000)        | (100,000)        | (100,000)        | (100,000)        | Final phase of stepped increase in income generation target, previously set.   |
| LDS027                                      | Close Westminster Drive   | 0                | (355,330)        | (355,330)        | (355,330)        | Potential cost of new places for the 2 young people currently in the home could be substantial, thus reducing saving until they reach 19 (2006-2007 and 2009-2010). There could also be an opportunity for other Council uses. |
| LDE103                                      | School Support Team   | (602)            | (6,318)          | (6,318)          | (6,318)          | Reversal of figure shown under demographic growth, hence need to deliver the service to an expanding population (10% more pupils over three years) with the same level of resources.   |

Learning and Development - Non Schools

|                           |           |             |             |             |
|---------------------------|-----------|-------------|-------------|-------------|
| Total PY Budget Decisions | (285,602) | (737,110)   | (759,598)   | (779,598)   |
| TOTAL EFFECTS             | (619,364) | (1,404,653) | (1,775,070) | (2,152,993) |

| VOLUME CHANGES                  |   | 2007/08 Latest | 2008/09 Latest | 2009/10   | 2010/11   | COMMENTS   |
|---------------------------------|---|----------------|----------------|-----------|-----------|--|
|                                 |   | £              | £              | £         | £         |  |
| <b>Volume Changes</b>           |   |                |                |           |           |  |
| LDD004                          | School Support Team   | 602            | 6,318          | 17,751    | 30,086    | Step increase to match increase in number of Schools as per D Gamble's data ( .1% in 2007/08, 1.4% for 2008/09, 2.7% in 2009/10 and 2.9% in 2010/11). <b>(Reversed out as an efficiency saving in 2007/8 and 2008/9).</b><br>Increased no. of school days - 2006/07 189 days, 2007/08 188 days, 2008/09 191 days and assumed 191 in 2009/10 and 2010/11<br>Increase in line with the increase in child population (aged 0 - 19): 1.03% in 2007/8, 1.33% in 2008/09, 1.46% in 2009/10 and 1.71% in 2010/11.<br>Based on forecast overspend in P3 2006/07<br>Matching increase in number of pupils (as per NOR data) - 2.57% in 2007/08 & 3% in 2008/09 onwards<br>Approximately 2.1% Increase matching increase in Number of pupils (as per NOR data) in 2007/08, 3.1% in 2008/09 , 2.80% in 2009/10 and 3.3*in 2010/11.  |
| LDD009                          | Home to School Transport                                      | (16,913)       | 36,495         | 36,495    | 36,495    |  |
| LDD011                          | Children's Social Care Internal Placements                    | 25,401         | 59,714         | 99,032    | 147,265   |  |
| LDD012                          | Children's Social Care External Placements                    | 1,400,000      | 1,428,000      | 1,456,560 | 1,485,691 |  |
| LDD016                          | Early Years - Grant to Voluntary Org.                         | 5,170          | 11,360         | 17,730    | 24,290    |  |
| LDD017                          | Home to School Transport                                      | 9,017          | 7,314          | 2,604     | (3,079)   |  |
| <b>Total Volume Changes</b>     |   | 1,423,277      | 1,549,201      | 1,630,172 | 1,720,748 |  |
| <b>UNAVOIDABLE GROWTH</b>       |   |                |                |           |           |  |
|                                 |   | 2007/08 Latest | 2008/09 Latest | 2009/10   | 2010/11   | COMMENTS   |
|                                 |   | £              | £              | £         | £         |  |
| <b>Unavoidable Growth</b>       |   |                |                |           |           |  |
| LDD019                          | NNDR Shortfall In Base Budget                                 | 16,250         | 16,250         | 16,250    | 16,250    | NNDR budgets out of step with charges<br>Premises Insurance Budgets out of step with actual charges<br>Employee Insurance charges out of step with actual charges<br>Previously set income target not being met in full, due to limited demand.<br>Income generation target imposed on Home Farm industrial estate in 2005/06 unattainable due to poor state of property and no funds to repair.<br>Recent changes in legislation giving increased responsibilities to Laws<br>Recent changes in legislation giving increased responsibilities to Laws<br>Recent changes in legislation giving increased responsibilities to Laws<br>Impact of Increases of New Minimum Fostering Allowances<br>Employ a post which will drive forward the Olympic agenda for Milton Keynes whilst also being involved in the 40 <sup>th</sup> Anniversary for Milton Keynes and other cultural (including sports) events in the borough The post holder would need to generate income from external sources (government, commercial business) to continue funding of the post.<br>By employing an administrator, it will enable the Sports Development Team and PE Consultant to begin putting in place a programme of potential savings e.g. reduce costs for facility hire and transport, plus a review of the current award scheme and implementation of quality assurance framework |
| LDD020                          | Premises Insurance Shortfall In budget                        | 115,860        | 115,860        | 115,860   | 115,860   |  |
| LDD021                          | Employee Insurance Shortfall                                  | 31,358         | 31,358         | 31,358    | 31,358    |  |
| LDD022                          | Libraries Rental Income not achievable                        | 28,250         | 28,250         | 28,250    | 28,250    |  |
| LDD024                          | Home Farm not achievable rental income                        | 7,000          | 12,592         | 18,307    | 24,147    |  |
| LDU002                          | Special Guardianship Orders                                   | 159,850        | 205,846        | 253,181   | 301,978   |  |
| LDU003                          | Adoption Support  | 85,850         | 88,426         | 91,079    | 93,811    |  |
| LDU004                          | Private Fostering   | 74,700         | 76,941         | 79,249    | 81,626    |  |
| LDU005                          | Fostering   | 270,000        | 278,100        | 286,443   | 295,036   |  |
| LDG101                          | Sports Development - Employ MK40 and Olympic Coordinator Post | 40,000         | 40,000         | 40,000    | 40,000    |  |
|                                 | School Swimming   | 25,014         | 24,960         | 10,813    | 9,739     |  |
| <b>Total Unavoidable Growth</b> |   | 854,132        | 918,583        | 970,790   | 1,038,055 |  |



| Learning and Development - Non Schools                       |                       |                       |                   |                   | ANNEX G2  |
|--|-----------------------|-----------------------|-------------------|-------------------|---|
| <b>TOTAL CONTINUATION BUDGET</b>                             | <b>64,098,467</b>     | <b>65,599,450</b>     | <b>67,391,725</b> | <b>69,214,545</b> |   |
| <b>GROWTH BUDGET</b>   |                       |                       |                   |                   |   |
| <b>ESSENTIAL GROWTH ( New)</b>                               | <b>2007/08 Latest</b> | <b>2008/09 Latest</b> | <b>2009/10</b>    | <b>2010/11</b>    | <b>COMMENTS</b>   |
|  | £                     | £                     | £                 | £                 |   |
| <b>Investment in Priority Services</b>                       |                       |                       |                   |                   |   |
| Eastern Flank Library  | 67,500                | 135,000               | 135,000           | 135,000           | Provision of Library in conjunction with major retailer<br>Extra Books for Libraries 9,000 - 10,000 more books  |
| Book Fund  | 50,000                | 50,000                | 50,000            | 50,000            |   |
| <b>Total Investment in Priority Services</b>                 | <b>117,500</b>        | <b>185,000</b>        | <b>185,000</b>    | <b>185,000</b>    |   |
| <b>TOTAL GROWTH BUDGET</b>                                   | <b>117,500</b>        | <b>185,000</b>        | <b>185,000</b>    | <b>185,000</b>    |   |
| <b>Savings</b>   | <b>2007/08 Latest</b> | <b>2008/09 Latest</b> | <b>2009/10</b>    | <b>2010/11</b>    | <b>COMMENTS</b>   |
|  | £                     | £                     | £                 | £                 |   |
| <b>Annual Efficiency (Gershon) Savings</b>                   |                       |                       |                   |                   |   |
| LD1003 Reorganisation of family services, Bean hill          | 0                     | (19,000)              | (19,000)          | (19,000)          | Coordination of services provided at Bean hill Community Centre.  |
| LD1004 Capitalisation of Project Posts                       | (76,000)              | (76,000)              | (76,000)          | (76,000)          | Capitalisation of 3 Capital Project Posts delivering the growth agenda within Leisure Facilities<br>Work with providers ( private, voluntary and LA run) to develop increased placement choice in MK area, fostering, residential and supported lodgings. This will produce reductions in fees for externally provided accommodation and efficiencies for social care services as well as A service with reduced travelling time to visit children and young people. It may also produce improved outcomes for LAC from being nearer to their family. Aim to move 5 from external residential to more local residential and 5 from residential to specialist fostering more locally + 5 from external fostering to LA fostering over years. |
| LD1017 Challenge providers of external placements on charges | (50,000)              | (50,000)              | (50,000)          | (50,000)          |   |
| LD1019 Recruit Contact Workers                               | (40,000)              | (40,000)              | (40,000)          | (40,000)          | Currently using agency workers to monitor contact as the service does not have the capacity to provide. We need to recruit 2 part-time contact workers to increase efficiency and reduce costs.   |
| LD1020 Home to School Transport                              | (200,000)             | (220,000)             | (220,000)         | (220,000)         | Reduce budget by £200,000 in 2007/08 to bring in line with reduced school days in this financial year and further rationalisation of contracts, particularly for pupils with special educational needs. From 2008/09 there could be income generation following a review of charging policy with the public.  |
| LD1021 Capitalise further staff costs                        | (150,000)             | (150,000)             | (150,000)         | (150,000)         | Further capitalisation of part of salary budget. Initial capitalisation introduced for 2006/07 of £150,000. Extend this from 2007/08 to cover full salary costs allowable under "capitalisation rules"  |
| Enterprise Buyer   | (61,037)              | (152,436)             | (244,253)         | (244,253)         | Efficiencies achieved through better procurement.   |
| Telephony Review   | (7,147)               | (7,147)               | (7,147)           | (7,147)           | Gross Savings from VFM Bid not including payback to VFM Fund  |
| Changing Desk Top Printing                                   | (14,338)              | (14,338)              | (14,338)          | (14,338)          | Directorate share of corporate savings  |
| Workforce Costs  | (742,595)             | (1,084,255)           | (1,084,255)       | (1,084,255)       | Restructuring target for savings within directorate   |
| Supplies & Services  | (125,204)             | (125,204)             | (125,204)         | (125,204)         | Following Zero based budgets  |

**Learning and Development - Non Schools**

**ANNEX G2**

|  |                    |                    |                    |                    |
|--|--------------------|--------------------|--------------------|--------------------|
| Procurement                                      | (287,972)          | (290,476)          | (292,980)          | (292,980)          |
| Carbon Management                                | (82,070)           | (82,070)           | (82,070)           | (82,070)           |
| <b>Total Annual Efficiency (Gershon) Savings</b> | <b>(1,836,363)</b> | <b>(2,310,926)</b> | <b>(2,405,247)</b> | <b>(2,405,247)</b> |

a new procurement structure for immediate implementation to enhance the Council's capacity to achieve the existing and new procurement targets  
Following a review

| Savings                              |  | 2007/08 Latest  | 2008/09 Latest  | 2009/10         | 2010/11         | COMMENTS   |
|--------------------------------------|--|-----------------|-----------------|-----------------|-----------------|--|
|                                      |  | £               | £               | £               | £               |  |
| <b>Income</b>                        |  |                 |                 |                 |                 |  |
| LD1001                               | Increase charges in Community Centres and Sports Grounds                         | (2,000)         | (2,000)         | (2,000)         | (2,000)         | Increase charges on community centres and playing pitches in April 06 by a further 2% to 5% on top of inflation.   |
| LD1005                               | Raise income at the Caldecott Centre   | (20,000)        | (20,000)        | (20,000)        | (20,000)        | £16,000 increase charges to individuals, schools and youth groups. £4,000 charge schools services for Outdoor Education Adviser.   |
| LD1006                               | Commercial lettings from Library at Stony Stratford                              | (5,000)         | (5,000)         | (5,000)         | (5,000)         | Depends on success of gaining capital bid to convert existing garage to meeting room.  |
| LD1022                               | Increase income on Governor Clerking   | (20,000)        | (30,000)        | (50,000)        | (50,000)        | Increase in charge for Governor Clerking from an average of £1034 to £1168 in 2007-08, £1402 in 2008-09, £1865 in 2009-10 and £2480 IN 2010-11 per school. This will make the clerking service fully paid for by schools, over a period of 4 years. Service due to be increased already by 10% in September 2006 taking the cost up to £1034.  |
| LD1023                               | Increase Advisory Team Income  | (15,000)        | (15,000)        | (15,000)        | (15,000)        | Increase in number of packages offered, each year, on top of the £150000 income target for 2006-07 and on top of pre-existing income target of £130000.  |
| LD1027                               | Increase income at Galley Hill Education Centre                                  | (6,000)         | (6,000)         | (6,000)         | (6,000)         | Increase charges for use of GEC by 10% and make use of the old hall for conferences. This will depend on the hall being converted (in capital programme 2006/7) and additional parking being created. This is still subject to planning permission   |
|                                      |  |                 | 0               | 0               | 0               |  |
| <b>Total Income</b>                  |  | <b>(68,000)</b> | <b>(78,000)</b> | <b>(98,000)</b> | <b>(98,000)</b> |  |
| <b>Adjustments in Service Levels</b> |  |                 |                 |                 |                 |  |
| LD1002                               | Adjust Leisure facilities and Community Support Grant Aid by inflation provision | (52,000)        | (52,000)        | (52,000)        | (52,000)        | 2 % reduction on a Grant Aid Budget (including wider use) of £836,000. 2% reduction on a Community Centre Grant Aid Budget of £178,664 2% reduction on Leisure Centre Grant Aid Budget of £1,508,000 2% reduction on Sports Grounds Grant Aid Budget of £79,328  |
| LD1008                               | Adjust Student Support delivery  | (5,000)         | (10,000)        | (10,000)        | (10,000)        | Reassess Joint Arrangement to see if there are any savings in future years, particularly if government policy re delivery mechanisms change  |
| LD1009                               | Adjust Learning & Skills lifelong learning Grant aid by inflation provision      | (2,000)         | (2,000)         | (2,000)         | (2,000)         | Saving of 2% Based on a budget of £92,301 and excludes the Theatre which is subject to another saving.   |
| LD1011                               | Adjust Community, Economy & Culture Grant aid by inflation provision             | (6,000)         | (6,000)         | (6,000)         | (6,000)         | Saving of 2% Based on a budget of £307,301 and excludes the Theatre which is subject to another saving.  |
| LD1012                               | Adjust Theatre and Gallery Grant   | (42,000)        | (90,000)        | (90,000)        | (90,000)        | The current grant level expires in October 2007 The Theatre and Gallery Company's proposed business plan indicates a grant of £ 350,000 [indexed linked] from the Council rather than the current £442,000. [not indexed linked] (in addition there is a twice yearly annuity payment of £33,000 to the Gallery until October 2009). The Company also intend to grow their education programme as part of the new arrangement. |
| LD1013                               | Adjust Early years and Childcare Grant aid by inflation provision                | (4,000)         | (4,000)         | (4,000)         | (4,000)         | Saving of 2% Based on a budget of £201,180 and excludes the Theatre which is subject to another saving.  |
| LD1015                               | Adjust Children Youth & Play Grant aid by inflation provision                    | (2,000)         | (2,000)         | (2,000)         | (2,000)         | Saving of 2% Based on a budget of £100,000.  |

Learning and Development - Non Schools

ANNEX G2

| Savings                                    |  | 2007/08 Latest     | 2008/09 Latest     | 2009/10            | 2010/11            | COMMENTS  |
|--|--|--------------------|--------------------|--------------------|--------------------|---|
|  |  | £                  | £                  | £                  | £                  |   |
| LD1016                                     | Provision of more local services for LAC | (100,000)          | (100,000)          | (100,000)          | (100,000)          | Work with providers ( private, voluntary and LA run) to develop increased placement choice in MK area, fostering, residential and supported lodgings. This will produce reductions in fees for externally provided accommodation and efficiencies for social care services as well as A service with reduced travelling time to visit children and young people. It may also produce improved outcomes for LAC from being nearer to their family. Aim to move 5 from external residential to more local residential and 5 from residential to specialist fostering more locally + 5 from external fostering to LA fostering over years. |
| LD2001                                     | Reduction of Non Partnership Staff       | (25,000)           | (25,000)           | (25,000)           | (25,000)           |   |
| LD2002                                     | Adjust Focus Sports Budgets              | (10,000)           | (10,000)           | (10,000)           | (10,000)           |   |
| <b>Total Adjustments in Service Levels</b> |  | <b>(248,000)</b>   | <b>(301,000)</b>   | <b>(301,000)</b>   | <b>(301,000)</b>   |   |
| <b>Repayments to VFM Fund</b>              |  |                    |                    |                    |                    |   |
|  | Marketplace(Enterprise Buyer)            | 61,037             | 107,022            | 107,022            | 107,022            | This represents one FTE from a staff complement of 39 FTE in Children Youth and Play made up 27 Youth Work staff, 1.75 training staff and 9 Play Development staff<br>Decrease in the budgets allocated for the focus sports  |
|  | <b>Total repayments to VFM Fund</b>      | 61,037             | 107,022            | 107,022            | 107,022            |   |
|  |  |                    |                    |                    |                    |   |
| <b>TOTAL Savings</b>                       |  | <b>(2,091,326)</b> | <b>(2,582,904)</b> | <b>(2,697,225)</b> | <b>(2,697,225)</b> |   |
| <b>CAPITAL PROGRAMME</b>                   |  |                    |                    |                    |                    |   |
|  |  | 2007/08 Latest     | 2008/09 Latest     | 2009/10            | 2010/11            | COMMENTS  |
|  |  | £                  | £                  | £                  | £                  |   |
| <b>Changes to Capital Charges</b>          |  | 5,191,117          | 5,191,117          | 5,191,117          | 5,191,117          |   |
|  | <b>Total Capital Charges</b>             | 5,191,117          | 5,191,117          | 5,191,117          | 5,191,117          |   |
|  |  |                    |                    |                    |                    |   |
| <b>TOTAL Capital Programme</b>             |  | <b>5,191,117</b>   | <b>5,191,117</b>   | <b>5,191,117</b>   | <b>5,191,117</b>   |   |
| <b>TOTAL OPTIONS BUDGET</b>                |  | <b>3,099,791</b>   | <b>2,608,213</b>   | <b>2,493,892</b>   | <b>2,493,892</b>   |   |
| <b>TOTAL Budget</b>                        |  | <b>67,315,758</b>  | <b>68,392,663</b>  | <b>70,070,617</b>  | <b>71,893,437</b>  |   |

|                                       | 2007/08           | 2008/09           | 2009/10           | 2010/11           |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                       | £                 | £                 | £                 | £                 |
| <b>Base Budget (inc Virements)</b>    | <b>42,750,017</b> | <b>42,750,017</b> | <b>42,750,017</b> | <b>42,750,017</b> |
| Inflation                             | 3,733,621         | 7,958,197         | 11,864,337        | 15,656,973        |
| Effects of Previous Years Decisions   | (1,035,044)       | (1,521,225)       | (170,114)         | (875,915)         |
| Total Volume Changes                  | 285,084           | 631,214           | 951,638           | 1,280,639         |
| Total Unavoidable Growth              | 2,050,116         | 1,956,803         | 2,341,408         | 3,106,153         |
| <b>Total Continuation Budget</b>      | <b>47,783,794</b> | <b>51,775,006</b> | <b>57,737,286</b> | <b>61,917,867</b> |
| Total Investment in Priority Services | 400,000           | 200,000           | 200,000           | 200,000           |
| TOTAL Savings                         | (1,386,120)       | (1,831,740)       | (1,914,918)       | (2,028,193)       |
| Changes to Capital Charges            | 802,096           | 802,096           | 802,096           | 802,096           |
| <b>Budget Projections</b>             | <b>47,599,770</b> | <b>50,945,362</b> | <b>56,824,464</b> | <b>60,891,770</b> |

| FORECAST BUDGET 2006/2007        |   | 42,784,961      | 42,784,961       | 42,784,961       | 42,784,961       |   |
|----------------------------------|---|-----------------|------------------|------------------|------------------|---|
| CONTINUATION BUDGET              |   |                 |                  |                  |                  |   |
|                                  |   | 2007/08 Latest  | 2008/09 Latest   | 2009/10          | 2010/11          | COMMENTS  |
|                                  |   | £               | £                | £                | £                |   |
| EVV001                           | Environment to COE  | (34,944)        | (34,944)         | (34,944)         | (34,944)         | Transfer of funding from Emergency Planning to Audit  |
| <b>TOTAL PERMANENT VIREMENTS</b> |   | <b>(34,944)</b> | <b>(34,944)</b>  | <b>(34,944)</b>  | <b>(34,944)</b>  |   |
| INFLATION                        |   | 2007/08 Latest  | 2008/09 Latest   | 2009/10          | 2010/11          | COMMENTS  |
|                                  |   | £               | £                | £                | £                |   |
| <b>Payroll Adjustments</b>       |   |                 |                  |                  |                  |   |
| EVP001                           | Pay Inflation (superann at planned level)                   | 340,380         | 701,320          | 1,079,778        | 1,477,420        | Budgeted at 2.75% per annum 2007-2011. Awaiting agreement of 07/08 LG pay settlement.   |
| EVP002                           | Salary Increments (superann at planned level)               | 198,966         | 406,724          | 593,017          | 747,579          | Calculated as per SAP HR salary forecasts   |
| EVP003                           | Additional Superann as a result in pension fund performance | 27,493          | 140,431          | 259,448          | 375,936          | Inflation on added years pension costs, payable to BCC as a result of early year retirements pre and post LGR   |
| EVP004                           | Vacancy Provision   | (178,224)       | (206,474)        | (243,863)        | (269,660)        | Increase in vacancy provision in line with pay assumptions  |
| <b>Total Payroll Adjustments</b> |   | <b>388,616</b>  | <b>1,042,001</b> | <b>1,688,380</b> | <b>2,331,275</b> |   |
| <b>Contractual Inflation</b>     |   |                 |                  |                  |                  |   |
| EVC001                           | Insurance   | 24,544          | 50,118           | 76,383           | 103,358          | 2.66% in 2007-8 & 2.7% for later years in line with budget planning assumptions.  |
| EVC002                           | NNDR  | 22,143          | 44,863           | 68,176           | 92,098           | 3.1% increase for all years in line with budget planning assumptions.   |
| EVC003                           | Gas   | 78,283          | 123,576          | 140,938          | 159,168          | 35% 2007-8, 15% 2008-9 and 5% in later years in line with budget planning assumptions   |
| EVC004                           | Electricity   | 252,762         | 366,505          | 410,106          | 455,888          | 50% 2007/08, 15% 2008/09 and 5% in later years in line with budget planning assumptions.  |
| EVC005                           | Water   | 3,329           | 6,825            | 10,495           | 14,349           | 5% increase for all years in line with budget planning assumptions.   |
| EVC006                           | Audit fees  | 190             | 384              | 584              | 788              | 2.5% increase for all years in line with budget planning assumptions.   |
| EVC007                           | Admin Buildings   | 13,959          | 26,530           | 133,292          | 178,022          | Increase is due to inflation (@ DTI rate between 5% and 7.5%) added across various repairs and maintenance contracts.   |
| EVC008                           | Landscape Services  | 140,316         | 321,116          | 506,632          | 696,988          | Inflation varies according to the contract area, and when tendered. Rates vary between 0%, 2.56% and 6.08% in line with DTI indices for all years.  |
| EVC009                           | Contract cleaning   | 4,287           | 8,754            | 13,342           | 18,054           | Cleansing contract 2.95% increase for all years in line with budget planning assumptions.   |
| EVC010                           | Landscape Services  | 0               | 4,990            | 10,107           | 15,356           | Inflation @ 0%, 2.56% and 6.08% for all years on all other Environment internal landscape contracts. Inflation rates vary depending on the contract area and the date each area was re-entered. (Internal charges net off across the Council) |
| EVC011                           | Environmental Health  | 1,183           | 2,416            | 3,683            | 4,984            | Inflation applied for Dog Kennelling (RIP based) & Grave Digging 2.56% for all years. RIP based on April 06 figures.  |
| EVC012                           | Waste & Energy  | 1,394,153       | 2,923,957        | 4,602,611        | 6,444,598        | Contractual inflation based upon DTI indices of 9.73% Waste Collection, Waste Disposal and Green Waste contracts. (Figures will be reviewed in November to reflect actual indexation to be used for 2007-8)                                   |

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|        |                |         |         |           |           |   |
|--------|----------------|---------|---------|-----------|-----------|---|
| EVC013 | Waste & Energy | 348,069 | 712,641 | 1,105,166 | 1,520,765 | Land Fill Tax escalation of £3 per year per tonne until cost reaches £35 per tonne. Based on current tonnage (88k tonnes) x growth in population (2.05%) x social growth of waste (1.5%) x £3. This incorporates an offset of unavoidable costs for improvement in recycling performance. |
|--------|----------------|---------|---------|-----------|-----------|---|

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| INFLATION                          |                                  | 2007/08 Latest | 2008/09 Latest | 2009/10   | 2010/11     | COMMENTS  |
|------------------------------------|----------------------------------|----------------|----------------|-----------|-------------|---|
|                                    |                                  | £              | £              | £         | £           |   |
| EVC014                             | Highways                         | 234,308        | 489,164        | 766,371   | 1,067,890   | Highway maintenance schedule of rates inflation allowance of 8.77% being the average of the last 3 year indices .   |
| EVC015                             | Passenger Transport              | 427,277        | 901,555        | 1,428,171 | 2,013,084   | Concessionary fares - 11% increase in fares from 18th June 06 notified by MK Metro. Prior to this increase the average fare was £1.19, which the Council must reimburse to bus operators for each free journey made, less an allowance for generated travel. Costs of providing bus services is set to rise well above RIP over the coming years due to rising fuel, labour and insurance costs, plus the cost of meeting tougher regulations. Local Bus Contracts - Recent tendering by MKC has resulted in increases of approx 12.5%. |
| EVC016                             | Highway Network                  | 3,180          | 6,551          | 10,124    | 13,911      | Labour element of works undertaken using B1 Schedule contract for bridge and watercourse maintenance. Inflation based on 10% pa   |
| EVC017                             | Street Lighting                  | 51,935         | 441,947        | 699,720   | 979,900     | Maintenance increased by 4%. Assumptions based on NED indices. Energy increase in line with new tendered price in 2006/07, 0% in 2007/08, 20% in 2008/09 and 10% in 2009/10 and 20010/11  |
| EVC018                             | Highways                         | 23,422         | 48,268         | 74,625    | 98,047      | Verge cutting on grid roads based on national indices for landscaping contracts at 6.08% in line with soft landscaping indices  |
| EVC019                             | Safer Communities                | 5,555          | 11,343         | 17,287    | 23,392      | Contractual inflation based upon RIP increase of 2.56% in all years for Graffiti Removal and Abandoned Vehicles contracts.  |
| EVC022                             | Waste & Energy                   | 134,017        | 37,108         | (493,384) | (1,366,153) | Inflation on waste disposal (landfill) of £2.95 in 07/08 inflated by 9.73% for future years.  |
| <b>Total Contractual Inflation</b> |                                  | 3,162,912      | 6,528,611      | 9,584,429 | 12,534,486  |   |
| <b>Recharge Inflation</b>          |                                  |                |                |           |             |   |
| EVR001                             | Recharges                        | 66,883         | 136,441        | 208,781   | 284,015     | Recharge Inflation included at 4% per annum, calculated to take into account average PPP and employee costs. (Internal charge only)   |
| <b>Total Recharge Inflation</b>    |                                  | 66,883         | 136,441        | 208,781   | 284,015     |   |
| <b>Non Pay Inflation</b>           |                                  |                |                |           |             |   |
| EVZ001                             | Inflation On Supplies & Services | 195,263        | 393,395        | 591,711   | 780,692     | Inflation on supplies and services based on 2.66% in 2007-8 and 2.7% in later years, as per the budget planning assumptions (see item <b>EVT001</b> ).  |
| <b>Total Non Pay Inflation</b>     |                                  | 195,263        | 393,395        | 591,711   | 780,692     |   |
| <b>Income</b>                      |                                  |                |                |           |             |   |
| EVN001                             | Landscape Services               | (23,422)       | (58,201)       | (97,291)  | (133,790)   | Increase in internal trading income due to contractual inflation of landscape contracts   |
| EVN002                             | Environmental Health             | (16,330)       | (33,050)       | (50,172)  | (67,705)    | Inflationary increases to discretionary fees for Crematorium and Cemeteries based on 2.4%.  |
| EVN003                             | Development Control              | (10,000)       | (20,000)       | (30,000)  | (40,000)    | Expected fee income increases as advised by Central Government together with growth in MK.  |
| EVN004/5/6                         | Building Control                 | (300)          | (1,000)        | (1,500)   | (2,000)     | Reduction in income from modified charges to recover costs for electrical, replacement windows and boiler applications, Increase charges for non-statutory functions. Charges do not presently reflect the true input of staff time. Continuation from 2006-7 Introduction of Exemption Certificates. New process to aid home owners in the selling process.  |
| EVN009                             | Highway Network                  | (30,000)       | (30,000)       | (30,000)  | (30,000)    | Additional income from Temporary Traffic Order applications (Figures are net of £20k statutory advertising costs)   |
| <b>Total Income</b>                |                                  | (80,052)       | (142,251)      | (208,963) | (273,495)   |   |



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|                 |           |           |            |            |
|-----------------|-----------|-----------|------------|------------|
| TOTAL INFLATION | 3,733,621 | 7,958,197 | 11,864,337 | 15,656,973 |
|-----------------|-----------|-----------|------------|------------|

## ENVIRONMENT

## ANNEX G3

| EFFECTS OF PREVIOUS YEARS DECISIONS         |                                  | 2007/08 Latest | 2008/09 Latest | 2009/10   | 2010/11   | COMMENTS  |
|---|----------------------------------|----------------|----------------|-----------|-----------|---|
|   |                                  | £              | £              | £         | £         |   |
| <b>Supplies &amp; Services Efficiencies</b> |                                  |                |                |           |           |   |
| EVT001                                      | Inflation On Supplies & Services | (195,263)      | (393,395)      | (591,711) | (780,692) | Efficiencies on supplies and services based on 2.66% as per the budget planning assumptions (see item <b>EVZ001</b> ).  |
| <b>Total Efficiencies</b>                   |                                  | (195,263)      | (393,395)      | (591,711) | (780,692) |   |
|   |                                  |                | 0              | 0         | 0         |   |
| <b>Prior Year Budget Decisions</b>          |                                  |                |                |           |           |   |
| EVS002                                      | Waste & Energy                   | 0              | 20,000         | 45,000    | 72,433    | New Community Recycling Centre (4th) - running costs (NB the build of the new CRC has already been approved for the capital programme). Opening Delayed by one year.  |
| EVS003/10                                   | Waste & Energy                   | 0              | (75,000)       | (75,000)  | (75,000)  | £50k added in previous years for costs of a trial for c. 500 properties co-collecting food waste in "green bins". £25k Original costs of food waste trial. The outcome of the trial will be incorporated into the new waste contract.   |
| EVS004                                      | Safer Communities                | (40,000)       | (40,000)       | (40,000)  | (40,000)  | Budget for professional services no longer required due to full complement of staffing.   |
| EVS005                                      | Safer Communities                | 20,000         | 30,000         | 30,000    | 30,000    | Reduction in fixed penalty income as a result of effective enforcement and anticipated 'learning' by offenders to avoid penalties   |
| EVS006/35                                   | Waste & Energy                   | 0              | (118,000)      | (467,000) | (467,000) | Continuation of funding for retendering during current waste contracts procurement project. Additional costs based on latest estimates are included in MAP bid. Delay of one year due to Joint Working feasibility study.   |
| EVS007                                      | Waste & Energy                   | 5,000          | 5,000          | 5,000     | 5,000     | Additional budget required due WEE (Waste Electrical & Electronic Equipment Directive) which gave more statutory duties to MKC.   |
| EVS008                                      | Waste & Energy                   | 0              | 0              | 1,768,433 | 1,252,005 | Landfill Allowance Trading Scheme (LAST) - purchase of allowances to avoid potential fines on landfill. Figures based on latest population projections and improved recycling/composting.   |
| EVS009                                      | Passenger Transport              | (79,150)       | (79,150)       | (79,150)  | (79,150)  | Hans lope Harrier is contracted to operate until Jan07, the Rural Bus Challenge funding is insufficient to cover operating costs, this is partially offset by fuel duty rebate received retrospectively. The service is due to cease in Jan07, therefore no funding is required 2007-08 onwards.  |
| EVS011                                      | NISSWA                           | 42,210         | 42,210         | 42,210    | 42,210    | Implications of the Traffic Management Bill indicate that the income currently received from Section 74 of the New Road & Street Works Act may diminish by as much as 95% from Sept 2006 onwards. Part year savings taken in 2006-7, remainder in 2007-8. Discussions are currently in progress but all the pointers in the professional magazines etc indicate that this will be the case. |
| EVS012                                      | Streetcare Trading               | 0              | (14,060)       | (14,060)  | (14,060)  | Previously identified reduction in streetcar trading surplus due to unachievable target through the loss of in house contracts in Building and Green Waste and the corresponding reduction in Fleet surplus for 2006-7 as been reviewed. Future year savings will be built into the Medium Term Planning options.   |
| EVS013                                      | Streetcare                       | (4,000)        | (4,000)        | (4,000)   | (4,000)   | Refurbishment of MOT bay and introduction of brake tester. TRANSFERRED TO CAPITAL ALLOCATION  |
| EVS014                                      | Highways                         | 700,000        | 700,000        | 700,000   | 700,000   | Capitalisation of structural maintenance of footpaths (£500k) and thin surfacing programme (£200k) from 2006-7. This was offered as a one year only proposal, to be reviewed on an annual basis. Revised capitalisation for future years has been shown in items EVS017-EVS023  |
| EVS015                                      | Architecture MK                  | 50,000         | 50,000         | 50,000    | 50,000    | Reduction in AMOK fee internal income due to decrease in number of new school builds. Usually 75% of fees are allocated from the 1st year of the capital project.   |
| EVS016                                      | Streetcare                       | (8,000)        | (8,000)        | (8,000)   | (8,000)   | Purchase of two new dishwashers to improve efficiency in the Catering Service. Subject to capital bid being accepted. TRANSFERRED TO CAPITAL ALLOCATION   |
| EVS017                                      | Highways                         | (520,000)      | (540,000)      | (540,000) | (540,000) | Capitalisation of Structural Maintenance footways.  |
| EVS018                                      | Highways                         | (220,000)      | (240,000)      | (240,000) | (240,000) | Capitalisation of Thin Surfacing.   |

## ENVIRONMENT

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|  |                      | 2007/08 Latest | 2008/09 Latest | 2009/10   | 2010/11   | COMMENTS   |
|--|----------------------|----------------|----------------|-----------|-----------|--|
| <b>EFFECTS OF PREVIOUS YEARS DECISIONS</b> |                      | £              | £              | £         | £         |  |
| EVS019                                     | Highways             | (250,000)      | (260,000)      | (260,000) | (260,000) | Capitalisation of Surface Dressing.  |
| EVS020                                     | Highways             | (118,000)      | (120,000)      | (120,000) | (120,000) | Capitalisation of Drainage works   |
| EVS021                                     | Highways             | (120,000)      | (130,000)      | (130,000) | (130,000) | Capitalisation of Road Repairs.  |
| EVS022                                     | Highways             | (170,000)      | (180,000)      | (180,000) | (180,000) | Capitalisation of Red way works  |
| EVS023                                     | Highways             | 104,959        | 198,630        | 195,624   | 187,799   | Cost of borrowing on Highways links to EV3017-22 5% spread over the first year and 9.5% future years. FUNDING FOR PRUDENTIAL BORROWING. The effect of capitalising these Highways works is to reduce the revenue costs in year. The additional cost of borrowing is an on going revenue liability, however should the Council find that during the year additional capital funds are available the cost of borrowing could be taken as an additional saving. This is not a sustainable source of revenue funding and will need to be removed in 2011-12. |
| EVS025                                     | Property             | (41,000)       | (41,000)       | (41,000)  | (41,000)  | Potential refund of business rates due to revaluation by Valuation Office Agency (OVA). Risk associated with reduced costs as subject to, timescales of and independent assessment by, OVA.  |
| EVS026                                     | Waste & Energy       | (50,000)       | (50,000)       | (50,000)  | (50,000)  | Budget for management of the MORPH not required  |
| EVS028                                     | Architecture MK      | 0              | (105,660)      | (105,660) | (105,660) | Increase AMOK surplus in fees from Access MK in 2008-9   |
| EVS030                                     | Sponsorship          | (15,000)       | (15,000)       | (15,000)  | (15,000)  | Change levels of service provided and increase charges through increased volume of sales.  |
| EVS031                                     | Street Lighting      | (167,000)      | (123,000)      | (15,000)  | (35,000)  | Scheme to replace street lighting columns will lead to energy savings  |
| EVS034                                     | Landscape Services   | 0              | (71,000)       | (71,000)  | (71,000)  | Retendering of Landscape contract for South Central Area. South Central City Contract quantities to be varied into Central Contract  |
| EVE101                                     | Streetcare           | 43,200         | 43,200         | 43,200    | 43,200    | Reinstatement of reduced Highways index inflation figure from 7.4% to 5%. Saving was one year only for 2006-7 and is not sustainable for future years.   |
| EVE104                                     | Streetcare Trading   | (3,000)        | (3,000)        | (3,000)   | (3,000)   | Benchmark buying effectiveness against other authorities in areas of Taxi Licensing, Catering, Fleet and Construction.   |
| <b>Total PY Budget Decisions</b>           |                      | (839,781)      | (1,127,830)    | 421,597   | (95,223)  |  |
| <b>TOTAL EFFECTS</b>                       |                      | (1,035,044)    | (1,521,225)    | (170,114) | (875,915) |  |
| <b>VOLUME CHANGES</b>                      |                      | 2007/08 Latest | 2008/09 Latest | 2009/10   | 2010/11   | COMMENTS   |
|  |                      | £              | £              | £         | £         |  |
| <b>Volume Changes</b>                      |                      |                |                |           |           |  |
| EVD001                                     | Landscape Services   | 80,585         | 163,738        | 252,725   | 348,064   | Growth factor for 07/08 based on actual growth in contract areas (Kent's Hill -14%, Newport Pagnell-1%, Southern Central City - 0.5%, Tree Management 2%, Walton & Simpson 1.5%, South 7.5%, West 3%).Growth is based on actual increase in areas.   |
| EVD002                                     | Environmental Health | 20,720         | 43,950         | 43,950    | 43,950    | Based on increase in MK population. Additional Enforcement staffing and associated costs required to maintain current service level. (1 fate appointed mid 2006-7 another in mid 2008-9).  |
| EVD003                                     | Highways             | 18,054         | 36,289         | 54,706    | 73,307    | Length of adopted highway increasing by 1% pa, based on average increase in total length of highways between June 1999 and March 2006.   |
| EVD004                                     | Street Lighting      | 29,784         | 59,866         | 90,248    | 120,934   | Increased maintenance/energy costs in line with anticipated growth in adopted lights - figures based on average increase in Highways adopted. Represents a 1% increase.  |
| EVD005                                     | Waste & Energy       | (382,566)      | (382,566)      | (382,566) | (382,566) | Waste Collection contract increase based upon zero demographic growth. Any new contract arrangements will form part of the medium term plan. (See Contractual Inflation - Item <b>EVC012</b> ). One off saving due to "free" contracted demographic growth, likely to be needed again when contract renegotiated.  |

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**ANNEX G3**

|        |                      |         |         |         |         |   |
|--------|----------------------|---------|---------|---------|---------|---|
| EVD006 | Waste & Energy       | 116,524 | 243,982 | 380,804 | 518,905 | Waste Disposal Contract- 1.5% Social Growth of Waste in all years based upon actual MK Figures and 2.095% population growth in 2007-8, 2.25% in 2008-9, 2.38% 2009-10 and 2.27% in 2010-11 (See Contractual Inflation - Item <b>EVC012</b> )<br>Green Waste contract based on an additional 1000 properties per year joining the scheme. (see also Contractual Inflation Item <b>EVC012</b> )<br>Based on additional licensed premises that have come to MKC and will require an enforcement approach. Funding for 0.5 FTEs in 2007/08 onwards. |
| EVD007 | Waste & Energy       | 15,340  | 30,680  | 30,680  | 30,680  |   |
| EVD008 | Environmental Health | 19,230  | 22,500  | 22,500  | 22,500  |   |

| <b>VOLUME CHANGES</b>       |  | <b>2007/08 Latest</b> | <b>2008/09 Latest</b> | <b>2009/10</b> | <b>2010/11</b> | <b>COMMENTS</b>  |
|-----------------------------|--|-----------------------|-----------------------|----------------|----------------|--|
|                             |  | <b>£</b>              | <b>£</b>              | <b>£</b>       | <b>£</b>       |  |
| EVD010                      | Passenger Transport                        | 322,500               | 322,500               | 322,500        | 322,500        | More passengers due to introduction of free off-peak senior concessionary fares in April 2006. Calculations based on 6000 new journeys per week, show that an additional £155k per year (inflated by the fares increase of 11% to £172k in 2007-8) is required over and above the £415k added in 2006-7.<br>Growth in Street Cleansing contract based on 1% increase in road lengths |
| EVD011                      | Waste & Energy - Street Cleansing Contract | 44,913                | 90,275                | 136,091        | 182,365        |  |
| <b>Total Volume Changes</b> |  | 285,084               | 631,214               | 951,638        | 1,280,639      |  |

| <b>UNAVOIDABLE GROWTH</b>       |  | <b>2007/08 Latest</b> | <b>2008/09 Latest</b> | <b>2009/10</b> | <b>2010/11</b> | <b>COMMENTS</b>   |
|---------------------------------|--|-----------------------|-----------------------|----------------|----------------|---|
|                                 |  | <b>£</b>              | <b>£</b>              | <b>£</b>       | <b>£</b>       |   |
| <b>Unavoidable Growth</b>       |  |                       |                       |                |                |   |
| EVU001                          | Access Mk                                | 235,116               | (79,197)              | (162,592)      | (180,847)      | Cost of the Land etc and Joint working<br>Weights & Measures verification of trade equipment (mainly petrol pumps) brings in income that is at Increase in service cost from:1) unavoidable demand for service provision to meet statutory duties 2) Bridges & highway structures must now be inspected on a 2-yrly cycle following the introduction in |
| EVU002                          | Waste Procurement Project                | 1,710,000             | 1,846,000             | 2,229,000      | 3,012,000      |   |
| EVG102                          | Change in legislation on Weights and     | 8,000                 | 8,000                 | 8,000          | 8,000          |   |
| EVG104                          | Unavoidable rise in costs                | 50,000                | 135,000               | 220,000        | 220,000        |   |
| EVG104                          | Bridges & Highway structures must now be | 47,000                | 47,000                | 47,000         | 47,000         |   |
|                                 |  |                       | 0                     | 0              | 0              |   |
| <b>Total Unavoidable Growth</b> |  | 2,050,116             | 1,956,803             | 2,341,408      | 3,106,153      |   |

|                                  |  |                   |                   |                   |                   |  |
|----------------------------------|--|-------------------|-------------------|-------------------|-------------------|--|
| <b>TOTAL CONTINUATION BUDGET</b> |  | <b>47,783,794</b> | <b>51,775,006</b> | <b>57,737,286</b> | <b>61,917,867</b> |  |
|----------------------------------|--|-------------------|-------------------|-------------------|-------------------|--|

|                      |  |  |  |  |  |  |
|----------------------|--|--|--|--|--|--|
| <b>GROWTH BUDGET</b> |  |  |  |  |  |  |
|----------------------|--|--|--|--|--|--|

| <b>ESSENTIAL GROWTH ( New)</b>         |                    | <b>2007/08 Latest</b> | <b>2008/09 Latest</b> | <b>2009/10</b> | <b>2010/11</b> | <b>COMMENTS</b>   |
|--|--------------------|-----------------------|-----------------------|----------------|----------------|---|
|  |                    | <b>£</b>              | <b>£</b>              | <b>£</b>       | <b>£</b>       |   |
| <b>Investment in Priority Services</b> |                    |                       |                       |                |                |   |
| EVG110                                 | Additional Wardens | 60,000                | 60,000                | 60,000         | 60,000         | 2 Additional Community wardens<br>A Community Safety officer to increase Community Safety partnership capacity<br>Lighthouse Project supports victims of domestic violence. This is currently joint-funded by Housing, L&D, police, PCT and the voluntary sector. It will fold in April 2007 unless continuation funding can be obtained. |
| EVG110a                                |                    | 40,000                | 40,000                | 40,000         | 40,000         |   |
| EVG111                                 | Lighthouse Project | 100,000               | 100,000               | 100,000        | 100,000        |   |

**ENVIRONMENT****ANNEX G3**

|  |                |                |                |                |
|--|----------------|----------------|----------------|----------------|
| Waste Management - Street Cleansing          | 200,000        | 0              | 0              | 0              |
| <b>Total Investment in Priority Services</b> | 400,000        | 200,000        | 200,000        | 200,000        |
| <b>TOTAL GROWTH</b>                          | <b>400,000</b> | <b>200,000</b> | <b>200,000</b> | <b>200,000</b> |

Target "hot-spots" and "grot-spots" such as areas near to schools, local centres and through routes.  
One year only as part of extension of existing contract

## ENVIRONMENT

## ANNEX G3

| SAVINGS                                    |  | 2007/08 Latest | 2008/09 Latest | 2009/10   | 2010/11   | COMMENTS  |
|--|--|----------------|----------------|-----------|-----------|---|
|  |  | £              | £              | £         | £         |   |
| <b>Annual Efficiency (Gershon) Savings</b> |  |                |                |           |           |   |
| EV1008                                     | Partnerships   | (5,000)        | (5,000)        | (5,000)   | (5,000)   | The building control service could increase number of high volume, low input partners through the LABC Partner Scheme which would lead to an increase in income with little or no additional resource.  |
| EV1009                                     | Petroleum Partnership with Northampton CC                          | (5,000)        | (5,000)        | (5,000)   | (5,000)   | Enter into Partnership with Northants CC for Petroleum function   |
| EV1010                                     | Premium rate business advice line                                  | (1,000)        | (1,000)        | (1,000)   | (1,000)   | Advertise business advice on food, health and safety or licensing on a premium rate tariff. Core hours could be manned by experts in the appropriate field to give advice as requested.   |
| EV1016                                     | Improved return from Trading Accounts                              | (75,000)       | (75,000)       | (75,000)  | (75,000)  | The financial target set for 2007/08 for the Trading accounts is seen as a target lower than anticipated based on previous years out-turns therefore Streetcare confidently predict that a higher return can be achieved  |
| EV1017                                     | Re tendering of Skip Collection Contract                           | (15,000)       | (15,000)       | (15,000)  | (15,000)  | Since the loss of the Housing Voids Contract there is a reduction in the use of skips which enables us to renegotiate the contract arrangements for 06/07   |
| EV1018                                     | Change of use of kitchen at Queen Eleanor                          | (8,000)        | (8,000)        | (8,000)   | (8,000)   | The school kitchen at Queen Eleanor school will reduce its front of house service and utilise the space more effectively as a distribution centre for other parts of service delivery   |
| EV1019                                     | Positive contribution from depot Team                              | (20,000)       | (20,000)       | (20,000)  | (20,000)  | Since the loss of the Housing Voids Contract there has been a significant reduction in the work force employed by Construction Services. They have, however, built up a large customer base and the indications are that they will be able to make a positive contribution in future years.   |
| EV1020                                     | Continued insurance under spend                                    | (100,000)      | (100,000)      | (100,000) | (100,000) | Achieved by reduction in claims from subsidence and accidents in parks & open spaces  |
| EV1022                                     | Continued insurance under spend                                    | (50,000)       | (50,000)       | (50,000)  | (50,000)  | Savings have been achieved through a reduction in Insurance claims. The number of claims dropped significantly three years ago and has now levelled out. On consideration that the claims have levelled out and up to date are not showing a significant rise then savings in the revenue budget of £50,000 could be achievable. However there is a risk that they could rise and a further risk that we would have to pay substantial damages if we lost a personal injury case. |
| EV1023                                     | Contractual saving efficiencies                                    | (50,000)       | (50,000)       | (50,000)  | (50,000)  | Through the retendering of the highway construction works the in-house provider will achieve efficiency savings of £50,000. These savings will be offered up to the Client as cashable efficiency savings   |
| EV1024                                     | Community Parking Fund   | (25,000)       | (25,000)       | (25,000)  | (25,000)  | Allocate £25k from Community Parking Fund   |
| EV1025                                     | Adoption Income  | (35,000)       | (35,000)       | (35,000)  | (35,000)  | To return adoption income in excess of £265,000 (estimated to be £35, 000 in 1006/7) to Environment budget.   |
| EV1026                                     | Introduction of Purchase Cards                                     | (20,000)       | (20,000)       | (20,000)  | (20,000)  | Purchase cards are charge cards that work in a similar way to personal credit cards and can be used to purchase goods and services. They are used to make purchases on behalf of the council and the council pays the statement. They can be treated like traditional charge cards and can be open to use with any supplier   |
| EV1027                                     | Introduction of energy efficient car pool For all Streetcare Staff | (15,000)       | (15,000)       | (15,000)  | (15,000)  | Replace all casual and essential car mileage claims with the provision of a pool of fuel efficient LPG vehicles. Currently car mileage payments total about 30k per annum. Initial calculation suggest a 50% saving could be made.  |
| EV1032                                     | Landscape  | (10,000)       | (10,000)       | (10,000)  | (10,000)  | Reduce landscape contract to Civic Offices & Saxon Court by removing all interior planters & maintenance thereof.   |
| EV1033                                     | Other savings  | (40,000)       | (40,000)       | (40,000)  | (40,000)  | Savings on Supplies and Services and rent on Saxon Court.   |
| EV2014                                     | Retendering of gully emptying                                      | (20,000)       | (20,000)       | (20,000)  | (20,000)  | Through the utilisation of existing resources there is the opportunity to put in an in-house tender which subject to confirmation has the opportunity to reduce the cost to the Council by 20k (7.5%)   |
| EV3005                                     | Reduction of Security contract to Civic                            | (30,000)       | (30,000)       | (30,000)  | (30,000)  | Match contract to requirements of building.   |

**ENVIRONMENT**

**ANNEX G3**

|                          |  |                       |                       |                    |                    |  |
|--------------------------|--|-----------------------|-----------------------|--------------------|--------------------|--|
| EV2012                   | Transfer of allotment services to the parishes                           | (15,000)              | (15,000)              | (15,000)           | (15,000)           | Achieved by transfer of service to Parish/Town Councils who are the statutory bodies for this service  |
| <b>SAVINGS</b>           |  | <b>2007/08 Latest</b> | <b>2008/09 Latest</b> | <b>2009/10</b>     | <b>2010/11</b>     | <b>COMMENTS</b>  |
|                          |  | <b>£</b>              | <b>£</b>              | <b>£</b>           | <b>£</b>           |  |
| EV2013                   | Introduce tree pruning programme (Dependant upon 100k Spend to Save bid) | (10,000)              | (10,000)              | (10,000)           | (10,000)           | Achieved by catch-up in pruning/thinning programmes allowing normalisation of revenue budget in future   |
| EV2017                   | Rationalisation of Outlying offices                                      | (27,500)              | (27,500)              | (27,500)           | (27,500)           | Rationalisation of all outlying office bases (12, excluding housing offices) across the Council, not covered by Access MK. Disposal or letting of office accommodation surplus to requirements. Some office sites are housing stock in prime locations. Savings made on revenue costs for buildings e.g. business rates and utilities. Costs associated with disposal and rental. Spend to save by re-investing in re-development of Library, brown field site at rear of Library, Civic Offices and highway separating both sites, to release the potential office space and commercial development opportunities. Note: Deeds requested to ascertain whether Civic Offices and Library site are subject to EP clawback |
| EVZ014                   | Appointment of a Grants Officer  | 35,000                | 17,000                | 0                  | (10,000)           | Appointment of a Grants & Funding Officer to maximise the identification of funding opportunities available to services across Environment and to facilitate successful bids against funding streams. The post should require an increasing element of self-funding over time.   |
| EV3001                   | Change Gas supplier for Civic & Saxon                                    | 0                     | 0                     | 0                  | (21,000)           | To change gas energy supplier for Civic and Saxon Court Offices to Milton Keynes Energy Co, who are owned by English Partnerships and Thamesway Energy (Woking Borough Council public company). MK Energy Co will have surplus heating capacity from SRQ community combined heating and power scheme. Phase 1 of the scheme uses gas, phase 2 makes use of biomass.  |
|                          | Change Streetlight Timing  |                       | (120,000)             | (120,000)          | (120,000)          | Turn off streetlights on dual carriageways during the night after 12.30am  |
|                          | Enterprise Buyer   | (13,361)              | (33,369)              | (53,468)           | (53,468)           | Efficiencies achieved through better procurement.  |
|                          | Improve Mobile Contract  | 0                     | 0                     | 0                  | 0                  | Directorate share of corporate savings   |
|                          | Telephony Review   | (25,177)              | (25,177)              | (25,177)           | (25,177)           | Gross Savings from VFM Bid not including payback to VFM Fund   |
|                          | Changing Desk Top Printing   | (9,205)               | (9,205)               | (9,205)            | (9,205)            | Directorate share of corporate savings   |
|                          | Workforce Costs  | (514,895)             | (797,024)             | (797,024)          | (797,024)          | Restructuring target for savings within directorate  |
|                          | Supplies & Services  | (27,408)              | (27,408)              | (27,408)           | (27,408)           | Following Zero based budgets   |
|                          | Procurement  | (63,037)              | (63,586)              | (64,134)           | (64,134)           | a new procurement structure for immediate implementation to enhance the Council's capacity to achieve the existing and new procurement targets   |
|                          | Carbon Management  | (187,898)             | (187,898)             | (187,898)          | (187,898)          | Following a review   |
|                          | <b>Total Annual Efficiency (Gershon) Savings</b>                         | <b>(1,382,481)</b>    | <b>(1,823,167)</b>    | <b>(1,860,814)</b> | <b>(1,891,814)</b> |  |
| <b>Additional Income</b> |  |                       |                       |                    |                    |  |
| EV1012                   | Abandoned vehicles   | (35,000)              | (35,000)              | (35,000)           | (35,000)           | Savings accruing from reduced demand due to "Dial-a-wreck" service introduction and also from combining removal with storage and disposal contract (extension of savings from 06/07)   |
| EV1015                   | Increase Income from Section 38 Developer schemes                        | (35,000)              | (35,000)              | (35,000)           | (35,000)           | Increase level of Bond Sum for Section 38 development schemes. This will generate additional income without increasing the actual level of fees charged  |
| EV1028                   | Additional revenue from MOT bays   | (10,000)              | (10,000)              | (10,000)           | (10,000)           | The original capital bid for the introduction of a second MOT bays recognised the potential for an additional 10k contribution per annum. (EVF 013). This position has been increased by a further 10k per annum.  |
| EV1031                   | Sale of Timber after Tree Pruning  | (6,000)               | (6,000)               | (6,000)            | (6,000)            | Achieved by sale of wood after tree has been removed   |

**ENVIRONMENT**

**ANNEX G3**

EVZ003

Raise Income from charging for permits to erect temp directional signs

|          |          |          |          |
|----------|----------|----------|----------|
| (5,000)  | (5,000)  | (5,000)  | (5,000)  |
| (91,000) | (91,000) | (91,000) | (91,000) |

Introduce a formal procedure to regulate the placing of developers site direction signs on the highway. This will only generate a modest income, but the imposition of suitable conditions will limit the numbers and locations of signs permitted, leading to a less cluttered streetscene.

**Total Additional Income**



## ENVIRONMENT

## ANNEX G3

| SAVINGS                                    |  | 2007/08 Latest     | 2008/09 Latest     | 2009/10            | 2010/11            | COMMENTS  |
|--|--|--------------------|--------------------|--------------------|--------------------|---|
|  |  | £                  | £                  | £                  | £                  |   |
| <b>Adjustments in Service Levels</b>       |  |                    |                    |                    |                    |   |
| EV1011                                     | Zero anti-counterfeiting enforcement at MK bowl  | (3,000)            | (4,000)            | (4,000)            | (4,000)            | Assign zero operational priority to anti-counterfeiting enforcement activity at MK Bowl concerts. Primarily a cash saving in overtime costs, storage charges etc, but a significant saving in staff time (pre and post event) that could be redirected into other high priority areas of operations. Costs are generally recovered if the activity leads to a successful prosecution  |
| EV1021                                     | Reduction in Hanson Centre Staff Budget  | (23,000)           | (23,000)           | (23,000)           | (23,000)           | Achieved by deletion of ODPM funded post erroneously built into budget  |
| EV2009                                     | Refurbishment of Hanson Centre   | (25,000)           | (25,000)           | (25,000)           | (25,000)           | To refurbish the Hanson Centre to enable its use for private lettings to business groups including the provision of refreshments which will form part of the overall package.   |
| EV2010                                     | Closure of Hot Meal Service at Saxon Court   | (25,000)           | (25,000)           | (25,000)           | (25,000)           | To revamp the service provided at both Saxon Court and Civic Offices to substantially reduce the hot meal provision.  |
| EV3002                                     | Reduction in Staff Costs   | 0                  | (4,000)            | (8,000)            | (7,000)            | Highway Network Manager retiring October 2008, recruit replacement at bottom of grade. Possible restructuring based on the future role of this client engineer post could lead to further savings   |
| EV3004                                     | Trading of Architectural, including Landscape Architecture, Building Surveying, Building Control, Urban Design, Sponsorship and Regeneration services through a Company (Local Government Act 2003, section 95). | 0                  | 0                  | (70,000)           | (200,000)          | Trading of Architectural, including Landscape Architecture, Building Surveying, Building Control, Urban Design, Sponsorship and Regeneration services through a Company (Local Government Act 2003, section 95). Introduction of new services e.g. Home Inspection Packs (HIPS). Sponsorship opportunity for trade association branding on packs. Cut in overhead costs, subject to ability to re-negotiate HBS (support services and HR) contracts. Develop crossover surveying skills within Building Surveying and Building Control to take advantage of workload peaks and troughs.   |
| EVZ010                                     | To Integrate the strategic parking function with HBS   | 0                  | (10,000)           | (10,000)           | (10,000)           | There are two elements to the strategic parking function: -development of parking, review of parking charges, review of parking outside CMK and management of the SLA; and management of that part of the PCN process that our own legal advice says should be carried out by the council. The integration of the development of parking strategy would appear to have little benefit and risks operational requirements stifling the development of strategy. However the integration of all the PCN operations would provide a better customer service and potentially efficiencies. If the legal advice changes then this could be achieved by HBS carrying out all the functions. Alternatively the same advantages could be achieved by all the PCN functions being re-integrated into MKC |
| <b>Total Adjustments in Service Levels</b> |  | <b>(76,000)</b>    | <b>(91,000)</b>    | <b>(165,000)</b>   | <b>(294,000)</b>   |   |
| <b>Repayments to VFM Fund</b>              |  |                    |                    |                    |                    |   |
|  | Access   |                    | 0                  | 28,469             | 75,194             |   |
|  | Carbon Management Programme  | 150,000            | 150,000            | 150,000            | 150,000            |   |
|  | Marketplace(Enterprise Buyer)  | 13,361             | 23,427             | 23,427             | 23,427             |   |
|  |  |                    | 0                  | 0                  | 0                  |   |
|  | <b>Total repayments to VFM Fund</b>  | <b>163,361</b>     | <b>173,427</b>     | <b>201,896</b>     | <b>248,621</b>     |   |
| <b>TOTAL Savings</b>                       |  | <b>(1,386,120)</b> | <b>(1,831,740)</b> | <b>(1,914,918)</b> | <b>(2,028,193)</b> |   |

## ENVIRONMENT

## ANNEX G3

| CAPITAL PROGRAMME              | 2007/08 Latest    | 2008/09 Latest     | 2009/10            | 2010/11            | COMMENTS |
|--------------------------------|-------------------|--------------------|--------------------|--------------------|----------|
|                                | £                 | £                  | £                  | £                  |          |
| Changes to Capital Charges     | 802,096           | 802,096            | 802,096            | 802,096            |          |
|                                |                   | 0                  | 0                  | 0                  |          |
| <b>Total Capital Charges</b>   | <b>802,096</b>    | <b>802,096</b>     | <b>802,096</b>     | <b>802,096</b>     |          |
|                                |                   |                    |                    |                    |          |
| <b>TOTAL Capital Programme</b> | <b>802,096</b>    | <b>802,096</b>     | <b>802,096</b>     | <b>802,096</b>     |          |
| <b>TOTAL OPTIONS BUDGET</b>    | <b>(584,024)</b>  | <b>(1,029,644)</b> | <b>(1,112,822)</b> | <b>(1,226,097)</b> |          |
| <b>TOTAL Budget</b>            | <b>47,599,770</b> | <b>50,945,362</b>  | <b>56,824,464</b>  | <b>60,891,770</b>  |          |

|                                       | 2007/08           | 2008/09           | 2009/10           | 2010/11           |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                       | £                 | £                 | £                 | £                 |
| <b>Base Budget (inc Virements)</b>    | <b>41,970,830</b> | <b>41,970,830</b> | <b>41,970,830</b> | <b>41,970,830</b> |
| Inflation                             | 1,716,339         | 3,744,659         | 5,718,003         | 7,727,230         |
| Effects of Previous Years Decisions   | (61,431)          | 31,556            | (34,186)          | (101,703)         |
| Total Volume Changes                  | 1,289,433         | 2,427,839         | 3,810,152         | 5,335,308         |
| Total Unavoidable Growth              | 0                 | 0                 | 0                 | 0                 |
| <b>Total Continuation Budget</b>      | <b>44,915,171</b> | <b>48,174,884</b> | <b>51,464,799</b> | <b>54,931,665</b> |
| Total Investment in Priority Services | 105,000           | 110,000           | 115,000           | 120,000           |
| TOTAL Savings                         | (1,752,054)       | (2,075,220)       | (2,195,694)       | (2,195,694)       |
| Changes to Capital Charges            | 26,467            | 26,467            | 26,467            | 26,467            |
| <b>Budget Projections</b>             | <b>43,294,584</b> | <b>46,236,131</b> | <b>49,410,572</b> | <b>52,882,438</b> |

| FORECAST BUDGET 2006/2007            |   | 41,970,830     | 41,970,830       | 41,970,830       | 41,970,830       |   |
|--------------------------------------|---|----------------|------------------|------------------|------------------|---|
| CONTINUATION BUDGET                  |   |                |                  |                  |                  |   |
| PERMANENT VIREMENTS BETWEEN SERVICES |   | 2007/08 Latest | 2008/09 Latest   | 2009/10          | 2010/11          | COMMENTS  |
|                                      |   | £              | £                | £                | £                |   |
| ddaV001                              |   |                | 0                | 0                | 0                |   |
| <b>TOTAL PERMANENT VIREMENTS</b>     |   | <b>0</b>       | <b>0</b>         | <b>0</b>         | <b>0</b>         |   |
| INFLATION                            |   | 2007/08 Latest | 2008/09 Latest   | 2009/10          | 2010/11          | COMMENTS  |
|                                      |   | £              | £                | £                | £                |   |
| <b>Payroll Adjustments</b>           |   |                |                  |                  |                  |   |
| NSP001                               | Pay Inflation (superann at planned level)                   | 542,782        | 1,110,501        | 1,701,663        | 2,316,370        | Budgeted at 2.75% per annum 2007-2011. Awaiting agreement of 07/08 LG pay settlement.   |
| NSP002                               | Salary Increments (superann at planned level)               | 347,063        | 735,793          | 1,048,721        | 1,336,303        | Calculated as per SAP HR salary forecasts   |
| NSP003                               | Additional Superann as a result in pension fund performance | 46,282         | 240,042          | 408,775          | 585,101          | Inflation on added years pension costs, payable to BCC as a result of early year retirements pre and post LGR   |
| NSP004                               | Vacancy Provision   | (97,398)       | (114,954)        | (132,735)        | (151,316)        | Increase in vacancy provision in line with pay assumptions  |
| NSP007                               | Grant Income  | (42,867)       | (86,318)         | (130,129)        | (174,276)        | Reflects increase in income/reduction in expenditure required to offset above payroll adjustments relating to grant funded posts  |
| <b>Total Payroll Adjustments</b>     |   | <b>795,862</b> | <b>1,885,064</b> | <b>2,896,295</b> | <b>3,912,182</b> |   |
| <b>Contractual Inflation</b>         |   |                |                  |                  |                  |   |
| NSC001                               | Older People Placements (incl. EMH)                         | 503,288        | 1,022,561        | 1,558,334        | 2,111,138        | 3.1%, 3.1%, 3.1%, 3.1% (2007/08, 2008/09, 2009/10, 2010/11) Based on current market pressures 3% is considered to be the minimum fees increase for Residential / Nursing Placements reflecting increase in both pay and utility inflation : an increase of 4% for External Homecare providers is to reflect current recruitment and retention difficulties and increased statutory regulation in this sector. |
| NSC002                               | Learning Disability Placements                              | 265,762        | 542,155          | 829,603          | 1,128,550        | 4%, 4%, 4%, 4% (2007/08, 2008/09, 2009/10, 2010/11) increase. Based on current market demand and pressures, ongoing difficulty is being experienced in securing/ maintaining specialist placements, therefore there is pressure to increase current rates above inflation rate.   |
| NSC003                               | Physical Disability Placements                              | 135,774        | 276,978          | 423,831          | 576,558          | 4%, 4%, 4%, 4% (2007/08, 2008/09, 2009/10, 2010/11) increase. Based on current market demand and pressures, ongoing difficulty is being experienced in securing/ maintaining specialist placements, therefore there is pressure to increase current rates above inflation rate.   |
| NSC004                               | Mental Health Placements                                    | 9,821          | 19,937           | 30,357           | 41,089           | 3%, 3%, 3%, 3% (2007/08, 2008/09, 2009/10, 2010/11) Based on current market demand and pressures, reflecting difficulty in securing/ maintaining specialist placements.   |

## NEIGHBOURHOOD

## ANNEX G4

|                                    |   | 2007/08 Latest | 2008/09 Latest | 2009/10   | 2010/11     | COMMENTS   |
|------------------------------------|---|----------------|----------------|-----------|-------------|--|
|                                    |   | £              | £              | £         | £           |  |
| NSC005                             | Other Adult Services Placements               | 2,733          | 5,548          | 8,448     | 11,435      | 3%, 3%, 3%, 3% (2007/08, 2008/09, 2009/10, 2010/11) Based on current market demand and pressures, reflecting difficulty in securing/ maintaining specialist placements.  |
| <b>INFLATION</b>                   |   |                |                |           |             |  |
| NSC006                             | Commissioning Contracts                       | 50,226         | 101,958        | 155,243   | 210,125     | 3%, 3%, 3%, 3% (2007/08, 2008/09, 2009/10, 2010/11) increase on block contracts and spot contracts with the independent & not for profit sector organisations.   |
| NSC007                             | Housing voluntary & independent sector grants | 7,988          | 16,176         | 24,568    | 33,170      | 2.5% increase in line with corporate guidance. Contractual increases for services provided by Shelter, Age Concern, HIA, Family Mediation Service, MK Energy & Community Mediation Service, ODDS & Youth Housing Network.  |
| <b>Total Contractual Inflation</b> |   | 975,592        | 1,985,313      | 3,030,384 | 4,112,065   |  |
| <b>Recharge Inflation</b>          |   |                |                |           |             |  |
| NSR001                             | Recharges                                     | 150,298        | 306,608        | 469,170   | 638,235     | Recharge Inflation included at 4% per annum, calculated to take into account average PPP and employee costs. (Internal charge only)  |
| <b>Total Recharge Inflation</b>    |   | 150,298        | 306,608        | 469,170   | 638,235     |  |
| <b>Non Pay Inflation</b>           |   |                |                |           |             |  |
| NSZ001                             | Inflation On Supplies & Services              | 61,431         | 125,444        | 191,186   | 258,703     | Based on corporate guidance of 2.66% for 2007/08 & 2.7% for other years - <b>NETTED OFF UNDER SUPPLIES &amp; SERVICES EFFICIENCIES REF NST001.</b>   |
| NSZ002                             | Electricity                                   | 14,154         | 20,523         | 22,965    | 25,529      | Based on corporate guidance of 50% increase 2007/08; 15% increase 2008/09; 5% increase 2009/10 & 2010/11..   |
| NSZ003                             | Gas   | 8,928          | 14,094         | 16,074    | 18,153      | Based on corporate guidance of 35% increase 2007/08; 15% increase 2008/09; 5% increase 2009/10 & 2010/11..   |
| NSZ004                             | Water   | 756            | 1,550          | 2,384     | 3,260       | Based on corporate guidance of 5% increase.  |
| NSZ005                             | NNDR  | 463            | 938            | 1,425     | 1,925       | Based on corporate guidance of 2.61% increase.   |
| NSZ006                             | Insurance                                     | 3,859          | 7,881          | 12,011    | 16,253      | Based on corporate guidance of 2.66% increase.   |
| NSZ007                             | Audit fees                                    | 468            | 948            | 1,440     | 1,944       | Based on corporate guidance of 2.5% increase each year   |
| <b>Total Non Pay Inflation</b>     |   | 90,059         | 171,378        | 247,485   | 325,767     |  |
| <b>Income</b>                      |   |                |                |           |             |  |
| NSA001                             | Residential / Nursing - Physical Disabilities | (13,925)       | (28,477)       | (43,684)  | (59,575)    | Assumes a 2.5% increase in benefits (DWP) plus demographic growth <b>NSD003.</b>   |
| NSA002                             | Residential - Learning Disabilities           | (27,899)       | (57,193)       | (87,952)  | (120,249)   | Assumes a 2.5% increase in benefits (DWP) plus demographic growth <b>NSD002.</b>   |
| NSA003                             | Residential / Nursing - Older People          | (214,446)      | (439,614)      | (676,041) | (924,289)   | Assumes a 2.5% increase in benefits (DWP) plus demographic growth <b>NSD001.</b>   |
| NSA004                             | Other Residential (inc Mental Health)         | (350)          | (716)          | (1,098)   | (1,498)     | Assumes a 2.5% increase in benefits (DWP) plus demographic growth <b>NSD004.</b>   |
| NSA005                             | Transport to Learning Disability Day Centres  | (2,000)        | (4,000)        | (6,000)   | (8,000)     | Increase in current travel charge by 10p (5%) to £2.10 per day and increases of 10p in each subsequent year. This is based on expected number of journeys for 2006/07 and reflects current year underachievement of budget.  |
| NSA006                             | Home Care/ Day Care Charges                   | (28,318)       | (56,636)       | (84,954)  | (113,272)   | Increase in the Homecare/ Day Care notional charge of £1 (8%) from £12 per hour/or day and increases of £1 in each subsequent year. Proposed raise of maximum charge ceiling from £230.00 to £250.00 2007/08, to £270.00 in 2008/09, £290 in 2009/10 and to £310 in 2010/11. |
| NSA007                             | Meals   | (7,700)        | (15,400)       | (23,100)  | (30,800)    | Propose increase in current meals charge of £3.40 by 10p per meal every year   |
| NSA008                             | Laundry                                       | (834)          | (1,668)        | (2,502)   | (3,336)     | Increase of current fee charge of £4.60 per load by 10p per annum every year.  |
| <b>Total Income</b>                |   | (295,472)      | (603,704)      | (925,331) | (1,261,019) |  |

|                 |           |           |           |           |
|-----------------|-----------|-----------|-----------|-----------|
| TOTAL INFLATION | 1,716,339 | 3,744,659 | 5,718,003 | 7,727,230 |
|-----------------|-----------|-----------|-----------|-----------|

## NEIGHBOURHOOD

## ANNEX G4

| EFFECTS OF PREVIOUS YEARS DECISIONS         |  | 2007/08 Latest | 2008/09 Latest | 2009/10   | 2010/11   | COMMENTS  |
|---|--|----------------|----------------|-----------|-----------|---|
|   |  | £              | £              | £         | £         |   |
| <b>Supplies &amp; Services Efficiencies</b> |  |                |                |           |           |   |
| NST001                                      | Inflation On Supplies & Services                             | (61,431)       | (125,444)      | (191,186) | (258,703) | Full removal of inflation at 2.66%/2.7% as efficiency saving per corporate guidance. <b>NETTED OFF UNDER NON PAY INFLATION REF NSZ001.</b>  |
| <b>Total Efficiencies</b>                   |  | (61,431)       | (125,444)      | (191,186) | (258,703) |   |
| <b>Prior Year Budget Decisions</b>          |  |                |                |           |           |   |
| NSS001                                      | Valuing People- Bracken House Re provision                   | 130,000        | 130,000        | 130,000   | 130,000   | Modernisation of service to meet Valuing People requirement for independent living - contract tendered 2005/06. (Agreed as part 2004/05 SIMS/budget process) - commencement delayed until 2007/08 due to planning consent.        |
| NSS002                                      | Implementation of Residential/ Nursing Extracare Strategy    | 50,000         | 100,000        | 100,000   | 100,000   | This reflects the transitional cost Council's strategy to develop an Extracare supported living model and reduce the number of residential/nursing care placements due to open in May 2007.                                       |
| NSS003                                      | Re-provision of new residential/nursing care placements      | (100,000)      | (200,000)      | (200,000) | (200,000) | Expansion of new residential/ nursing contract securing 45 additional placements at the Council's usual rates.  |
| NSS006                                      | Adult Mental Health Services                                 | 50,000         | 100,000        | 100,000   | 100,000   | Additional funding needed to improve accommodation and supported living options.  |
| NSS007                                      | New Day Service for Older People                             | 100,000        | 100,000        | 100,000   | 100,000   | Needed to develop/ update Day Service opportunities for Older People  |
| NSS008                                      | Preserved Rights Grant                                       | 0              | 307,000        | 307,000   | 307,000   | Latest guidance is that the Preserved Rights Grant will end on 31st March 2008, with funds rolling into Formula Spending Share (FSS) from 2008/09.  |
| NSE101                                      | Older People - Internal Home Care Services                   | (50,000)       | (50,000)       | (50,000)  | (50,000)  | This represents improved efficiency through the introduction of more flexible staff working patterns  |
| NSE102                                      | Reduction in Older People residential and nursing placements | (50,000)       | (100,000)      | (100,000) | (100,000) | Older People (Assessment & care management) - commissioning (Excelcare and Extracare village) will reduce residential and nursing placement   |
| NSE103                                      | Physical Disability Services                                 | (50,000)       | (100,000)      | (100,000) | (100,000) | 20 more clients purchasing their own services each year through direct payments rather than conventional service provision.   |
| NSE104                                      | Preventative homecare solutions                              | (50,000)       | (100,000)      | (100,000) | (100,000) | Reduction in traditional homecare services by providing a more rehabilitative intermediate care approach in partnership with the Primary Care Trust.  |
| NSE105                                      | Private Sector Leasing                                       | (30,000)       | (30,000)       | (30,000)  | (30,000)  | Better use of private sector leasing funding  |
| <b>Total PY Budget Decisions</b>            |  | 0              | 157,000        | 157,000   | 157,000   |   |
| <b>TOTAL EFFECTS</b>                        |  | (61,431)       | 31,556         | (34,186)  | (101,703) |   |
| VOLUME CHANGES                              |  | 2007/08 Latest | 2008/09 Latest | 2009/10   | 2010/11   | COMMENTS  |
|   |  | £              | £              | £         | £         |   |
| <b>Volume Changes</b>                       |  |                |                |           |           |   |
| NSD001                                      | Older People (incl. EMH)                                     | 400,945        | 811,914        | 1,233,157 | 1,664,930 | 2.5% increase - based on the expectation that the care needs for a projected 3% increase in population for all adults 65+ can be managed within the resources requested.  |
| NSD002                                      | Learning Disability  | 166,101        | 336,355        | 510,866   | 689,739   | 2.5% increase - based on the expectation that the care needs for a projected 3% increase in population for all adults 18+ can be managed within the resources requested.  |
| NSD003                                      | Physical Disability  | 67,887         | 137,131        | 207,761   | 279,803   | 2.0% increase - based on the expectation that the care needs for a projected 3% increase in population for all adults 18+ can be managed within the resources requested and the recent shift to a supported living model of care. |

## NEIGHBOURHOOD

## ANNEX G4

|  |  |                       |                       |                   |                   |   |
|--|--|-----------------------|-----------------------|-------------------|-------------------|---|
| NSD004                                       | Mental Health  | 6,490                 | 13,110                | 19,850            | 26,730            | 2.0% increase - based on the expectation that the care needs for a projected 3% increase in population for all adults 18+ can be managed within the resources requested.  |
| NSD005                                       | Other Adult Services   | 2,278                 | 4,612                 | 7,005             | 9,458             | 2.5% increase - based on the expectation that the care needs for a projected 3% increase in population for all adults 18+ can be managed within the resources requested.  |
| <b>VOLUME CHANGES</b>                        |  | <b>2007/08 Latest</b> | <b>2008/09 Latest</b> | <b>2009/10</b>    | <b>2010/11</b>    | <b>COMMENTS</b>   |
|  |  | £                     | £                     | £                 | £                 |   |
| NSD006                                       | Learning Disability  | 645,732               | 1,124,717             | 1,831,513         | 2,664,648         | Based on expected transitions from Children's' Services: 36 2007/08 ; 2008/09 24 ; 2009/10 37 ; 2010/11 45 for clients who require expensive specialist/ intensive support packages for up 24 hours a day.                                |
| <b>Total Volume Changes</b>                  |  | 1,289,433             | 2,427,839             | 3,810,152         | 5,335,308         |   |
|  |  |                       |                       |                   |                   |   |
| <b>ESSENTIAL GROWTH ( New)</b>               |  | <b>2007/08 Latest</b> | <b>2008/09 Latest</b> | <b>2009/10</b>    | <b>2010/11</b>    | <b>COMMENTS</b>   |
|  |  | £                     | £                     | £                 | £                 |   |
| <b>Unavoidable Growth</b>                    |  |                       |                       |                   |                   |   |
| <b>Total Unavoidable Growth</b>              |  | 0                     | 0                     | 0                 | 0                 |   |
|  |  |                       |                       |                   |                   |   |
| <b>TOTAL CONTINUATION BUDGET</b>             |  | <b>44,915,171</b>     | <b>48,174,884</b>     | <b>51,464,799</b> | <b>54,931,665</b> |   |
| <b>GROWTH BUDGET</b>                         |  |                       |                       |                   |                   |   |
| <b>ESSENTIAL GROWTH ( New)</b>               |  | <b>2007/08 Latest</b> | <b>2008/09 Latest</b> | <b>2009/10</b>    | <b>2010/11</b>    | <b>COMMENTS</b>   |
|  |  | £                     | £                     | £                 | £                 |   |
| <b>Investment in Priority Services</b>       |  |                       |                       |                   |                   |   |
| NSG101                                       | Contribution to Fletcher House running costs                         | 80,000                | 85,000                | 90,000            | 95,000            | Current grant from Home Office/DH does not cover the running costs of Fletcher House. The Council does not currently make a contribution to these costs<br>Additional staff to support HIMO work.   |
| NS   | Houses In Multiple Occupation (HIMO)                                 | 25,000                | 25,000                | 25,000            | 25,000            |   |
| <b>Total Investment in Priority Services</b> |  | 105,000               | 110,000               | 115,000           | 120,000           |   |
| <b>TOTAL GROWTH BUDGET</b>                   |  | <b>105,000</b>        | <b>110,000</b>        | <b>115,000</b>    | <b>120,000</b>    |   |
| <b>SAVINGS</b>                               |  | <b>2007/08 Latest</b> | <b>2008/09 Latest</b> | <b>2009/10</b>    | <b>2010/11</b>    | <b>COMMENTS</b>   |
|  |  | £                     | £                     | £                 | £                 |   |
| <b>Annual Efficiency (Gershon) Savings</b>   |  |                       |                       |                   |                   |   |
| NS1001                                       | Older People - match residential bed days to reduced level of demand | (200,000)             | (250,000)             | (300,000)         | (300,000)         | This will be achieved by supporting more people in their own homes and using more intermediate care. However, this is dependant upon the capacity of MKC and the independent sector home care providers to meet levels of service demand. |



**NEIGHBOURHOOD****ANNEX G4**

|        |  |           |           |           |           |  |
|--------|--|-----------|-----------|-----------|-----------|--|
| NS1002 | Homecare - improve efficiency                  | (100,000) | (100,000) | (100,000) | (100,000) | More flexible working patterns introduced which will deliver improved performance monitoring and improved efficiency in the medium term  |
| NS1003 | Physical Disability - improved care management | (100,000) | (100,000) | (100,000) | (100,000) | Delivery of more cost effective packages of care seeking, for example, to make greater use of direct payments  |
| NS1004 | Reprovision of Bracken House                   | (100,000) | (100,000) | (100,000) | (100,000) | Replace institutional, expensive model of care with supported living model of care and support. Delivers cost benefits in the medium term and better outcomes for service users. |

## NEIGHBOURHOOD

## ANNEX G4

| SAVINGS                       |   | 2007/08 Latest     | 2008/09 Latest     | 2009/10            | 2010/11            | COMMENTS   |
|-------------------------------|---|--------------------|--------------------|--------------------|--------------------|--|
|                               |   | £                  | £                  | £                  | £                  |  |
| NS1005                        | Reduce contribution to pooled budgets for Learning Disability and Mental Health to bring in line with PCT reduction | (60,000)           | (60,000)           | (60,000)           | (60,000)           | Seek agreement of Joint Health and Social Care Board & Cabinet to reduce funding to the pooled budgets in proportion to PCT reductions.  |
| NS1007                        | Restructure of Performance & Information Services   | (100,000)          | (100,000)          | (100,000)          | (100,000)          | Through re-structure of performance & information services in HRA & GRF, bringing together teams across Housing Revenue Account & General Fund                                   |
| NS1008                        | Reduction in bed and Breakfast costs  | (60,000)           | (60,000)           | (60,000)           | (60,000)           | Reduce reliance on bed and breakfast accommodation. This reduces costs and provides a better outcome for service users.  |
| NS2005                        | Review arrangements for Growth Agenda   | (60,000)           | (60,000)           | (60,000)           | (60,000)           | Stop activity and spending on growth agenda. Deletion of posts will significantly reduce the ability to deliver the Housing Strategic agenda and partnership working with RSL's. |
|                               | Enterprise Buyer  | (45,606)           | (113,897)          | (182,500)          | (182,500)          | Efficiencies achieved through better procurement.  |
|                               | Telephony Review  | (9,443)            | (9,443)            | (9,443)            | (9,443)            | Gross Savings from VFM Bid not including payback to VFM Fund   |
|                               | Changing Desk Top Printing  | (3,909)            | (3,909)            | (3,909)            | (3,909)            | Directorate share of corporate savings   |
|                               | Workforce Costs   | (562,801)          | (800,164)          | (800,164)          | (800,164)          | Restructuring target for savings within directorate  |
|                               | Supplies & Services   | (93,550)           | (93,550)           | (93,550)           | (93,550)           | Following Zero based budgets   |
|                               | Procurement   | (215,164)          | (217,035)          | (218,906)          | (218,906)          | a new procurement structure for immediate implementation to enhance the Council's capacity to achieve the existing and new procurement targets                                   |
|                               | Carbon Management   | (72,187)           | (72,187)           | (72,187)           | (72,187)           | Following a review   |
|                               |   |                    | 0                  | 0                  | 0                  |  |
|                               | <b>Total Annual Efficiency (Gershon) Savings</b>  | <b>(1,782,660)</b> | <b>(2,140,185)</b> | <b>(2,260,659)</b> | <b>(2,260,659)</b> |  |
| <b>Additional Income</b>      |   |                    |                    |                    |                    |  |
| NS1006                        | Income from HIMO licensing  | (15,000)           | (15,000)           | (15,000)           | (15,000)           | Charges for management of Houses in Multiple Occupation (HIMO) licensing.  |
|                               | <b>Total Additional Income</b>  | <b>(15,000)</b>    | <b>(15,000)</b>    | <b>(15,000)</b>    | <b>(15,000)</b>    |  |
| <b>Repayments to VFM Fund</b> |   |                    |                    |                    |                    |  |
|                               | Marketplace(Enterprise Buyer)   | 45,606             | 79,965             | 79,965             | 79,965             |  |
|                               | <b>Total repayments to VFM Fund</b>   | <b>45,606</b>      | <b>79,965</b>      | <b>79,965</b>      | <b>79,965</b>      |  |
|                               |   |                    |                    |                    |                    |  |
|                               | <b>TOTAL Savings</b>  | <b>(1,752,054)</b> | <b>(2,075,220)</b> | <b>(2,195,694)</b> | <b>(2,195,694)</b> |  |

## NEIGHBOURHOOD

## ANNEX G4

| CAPITAL PROGRAMME          | 2007/08 Latest<br>£ | 2008/09 Latest<br>£ | 2009/10<br>£ | 2010/11<br>£ | COMMENTS |
|----------------------------|---------------------|---------------------|--------------|--------------|----------|
| Changes to Capital Charges | 26,467              | 26,467<br>0         | 26,467<br>0  | 26,467<br>0  |          |
| Total Capital Charges      | 26,467              | 26,467              | 26,467       | 26,467       |          |
| TOTAL Capital Programme    | 26,467              | 26,467              | 26,467       | 26,467       |          |
| TOTAL OPTIONS BUDGET       | (1,725,587)         | (2,048,753)         | (2,169,227)  | (2,169,227)  |          |
| TOTAL Budget               | 43,294,584          | 46,236,131          | 49,410,572   | 52,882,438   |          |

|                                       | 2007/08           | 2008/09           | 2009/10           | 2010/11           |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                       | £                 | £                 | £                 | £                 |
| <b>Base Budget (inc Virements)</b>    | <b>10,237,244</b> | <b>10,237,244</b> | <b>10,237,244</b> | <b>10,237,244</b> |
| Inflation                             | 839,588           | 1,125,032         | 1,385,003         | 1,556,874         |
| Effects of Previous Years Decisions   | (755,001)         | (783,970)         | (848,910)         | (795,970)         |
| Total Volume Changes                  | 244,178           | 500,247           | 877,849           | 931,393           |
| Total Unavoidable Growth              | 209,000           | 209,000           | 209,000           | 209,000           |
| <b>Total Continuation Budget</b>      | <b>10,775,009</b> | <b>11,287,553</b> | <b>11,860,186</b> | <b>12,138,541</b> |
| Total Investment in Priority Services | 70,000            | 70,000            | 70,000            | 70,000            |
| TOTAL Savings                         | (213,300)         | (84,498)          | (76,833)          | (74,482)          |
| Changes to Capital Charges            | 19,003            | 19,003            | 19,003            | 19,003            |
| <b>Budget Projections</b>             | <b>10,650,712</b> | <b>11,292,058</b> | <b>11,872,356</b> | <b>12,153,062</b> |

| FORECAST BUDGET 2006/2007            |                                 | 10,202,300     | 10,202,300     | 10,202,300  | 10,202,300  |   |
|--------------------------------------|---------------------------------|----------------|----------------|-------------|-------------|---|
| CONTINUATION BUDGET                  |                                 |                |                |             |             |   |
| PERMANENT VIREMENTS BETWEEN SERVICES |                                 | 2007/08 Latest | 2008/09 Latest | 2009/10     | 2010/11     | COMMENTS  |
|                                      |                                 | £              | £              | £           | £           |   |
| CEV001                               | Environment                     | 34,944         | 34,944         | 34,944      | 34,944      | Transfer of funding from Emergency Planning to Internal Audit   |
| <b>TOTAL PERMANENT VIREMENTS</b>     |                                 | 34,944         | 34,944         | 34,944      | 34,944      |   |
| INFLATION                            |                                 | 2007/08 Latest | 2008/09 Latest | 2009/10     | 2010/11     | COMMENTS  |
|                                      |                                 | £              | £              | £           | £           |   |
| <b>Payroll Adjustments</b>           |                                 |                |                |             |             |   |
| CEP001                               | Pay Inflation                   | 182,734        | 370,297        | 568,104     | 775,685     | Budgeted at 2.75% per annum 2007-2011. Awaiting agreement of 07/08 LG pay settlement.   |
| CEP002                               | Salary Increments               | 118,525        | 229,927        | 332,340     | 416,488     | Calculated as per SAP HR salary forecasts   |
| CEP003                               | Vacancy Provision               | (34,051)       | (69,465)       | (106,305)   | (144,630)   | Increase in vacancy provision in line with pay assumptions  |
| CEP006                               | Pensions Inflation              | 22,118         | 44,900         | 68,366      | 92,535      | Inflation on added years pension costs, payable to BCC as a result of early year retirements pre and post LGR   |
| CEP007                               | Members and Mayor Allowances    | 20,385         | 40,968         | 62,117      | 83,847      |   |
| CEP008                               | Increase in Employers Pension % | 15,712         | 81,101         | 136,457     | 195,833     | Increase in employers pension contributions of 0.3% for 07-08 and 1.2% for 08-09 as agreed by BCC actuarial valuation. Next review due in 2 years time therefore assuming 1% increase in 2009-10 and 2010-11. |
| <b>Total Payroll Adjustments</b>     |                                 | 325,424        | 697,728        | 1,061,079   | 1,419,758   |   |
| <b>Contractual Inflation</b>         |                                 |                |                |             |             |   |
| CEC007                               | Discretionary Rate Relief       | 7,840          | 15,886         | 24,141      | 32,611      | Budgeted @ 2.61% in line with Business rates estimates  |
| CEC013                               | Software Maintenance            | 14,082         | 18,327         | 22,742      | 27,333      | Software maintenance for GIS mapping services @ 4% of £52040 and MKWeb calculated at 4% of £50k. General contract price for MKWeb has increased from £40k to £50k following recent tendering exercise.        |
| CEC014                               | Unitary Charge                  | 510,019        | 1,034,658      | 1,586,338   | 2,080,951   | Inflation on unitary charge based on 3% pay inflation and RPIX of 2.5%  |
| CEC015                               | Corporate Subscriptions         | 3,278          | 6,694          | 10,202      | 13,805      | Budgeted at 2.66% - 07/08 and 2.7% for 08/11.   |
| <b>Total Contractual Inflation</b>   |                                 | 535,220        | 1,075,565      | 1,643,423   | 2,154,700   |   |
| <b>Recharge Inflation</b>            |                                 |                |                |             |             |   |
| CER001                               | Recharges                       | (620,596)      | (1,266,016)    | (1,937,253) | (2,635,339) | Recharge Inflation included at 4% per annum, calculated to take into account average PPP and employee costs. (Internal charge only)   |
| <b>Total Recharge Inflation</b>      |                                 | (620,596)      | (1,266,016)    | (1,937,253) | (2,635,339) |   |

**CHIEF EXECUTIVES**

**ANNEX G5**

| INFLATION                                   |   | 2007/08 Latest | 2008/09 Latest   | 2009/10          | 2010/11          | COMMENTS  |
|---|---|----------------|------------------|------------------|------------------|---|
|   |   | £              | £                | £                | £                |   |
| <b>Non Pay Inflation</b>                    |   |                |                  |                  |                  |   |
| CEZ001                                      | Inflation On Supplies & Services                      | 599,541        | 617,755          | 617,755          | 617,755          | Inflated at 2.66% for 07/08 and 2.7% for 08/09. <b>NETTED OFF SEE REFERENCE CET001.</b>   |
| <b>Total Non Pay Inflation</b>              |   | 599,541        | 617,755          | 617,755          | 617,755          |   |
| <b>Income</b>                               |   |                |                  |                  |                  |   |
| <b>Total Income</b>                         |   | 0              | 0                | 0                | 0                |   |
| <b>TOTAL INFLATION</b>                      |   | <b>839,588</b> | <b>1,125,032</b> | <b>1,385,003</b> | <b>1,556,874</b> |   |
| <b>Supplies &amp; Services Efficiencies</b> |   |                |                  |                  |                  |   |
| CET001                                      | Inflation On Supplies & Services                      | (599,541)      | (617,755)        | (617,755)        | (617,755)        | Removal of supplies and services Inflation. <b>NETTED OFF SEE REFERENCE CEZ001.</b>   |
| <b>Total Efficiencies</b>                   |   | (599,541)      | (617,755)        | (617,755)        | (617,755)        |   |
|   |   |                |                  |                  |                  |   |
| <b>EFFECTS OF PREVIOUS YEARS DECISIONS</b>  |   |                |                  |                  |                  |   |
|   |   | £              | £                | £                | £                |   |
| <b>Prior Year Budget Decisions</b>          |   |                |                  |                  |                  |   |
| CES002                                      | Elections   | 6,100          | 6,345            | (52,595)         | 6,345            | Budget reworked following an audit report. New budget was calculated taking into account the recommendations. Savings on election costs in 2009/10 to be reinstated in 2010-11  |
| CES010                                      | Centralising the contracts and procurement function   | (7,000)        | (10,000)         | (10,000)         | (10,000)         |   |
| CES012                                      | Best Value survey budget                              | (10,000)       | 0                | 0                | 0                | One off saving due to Best Value citizen survey not required in 2007-8.   |
| CES013                                      | Hardware maintenance                                  | (17,000)       | (17,000)         | (17,000)         | (17,000)         | Reduction in Hardware maintenance budget following advice from supplier, and knowledge that some equipment can be removed from service  |
| CES014                                      | Microsoft Software Licenses                           | 80,000         | 80,000           | 80,000           | 80,000           | Reinstatement of 2006-7 one off saving from temporary non renewal of Microsoft licenses   |
| CES015                                      | Centralise lease circuit budgets                      | (30,000)       | (35,000)         | (35,000)         | (35,000)         | Budgets to be transferred from other services to IT. Risks on the IT budget if the savings cannot be realised.  |
| CES016                                      | Corporate Subscriptions                               | (11,000)       | (11,000)         | (11,000)         | (11,000)         | Withdrawal from Association of Councils in the Thames Valley (ACTVaR) (£11.5k).   |
| CES018                                      | Konica printer copiers - extension of lease           | 40,000         | 40,000           | 40,000           | 40,000           | Reinstatement of 2006-7 one off saving from temporary non renewal of Konica printer copier leases for one year  |
| CES019                                      | Sustainable Development Grants                        | (5,000)        | (5,000)          | (5,000)          | (5,000)          | Deletion of the Sustainable Development Grants  |
| CES021                                      | Staff savings in Democratic Services Division         | (52,000)       | (52,000)         | (52,000)         | (52,000)         | There will be a reduction in the quality of servicing meetings and in the number of meetings that the Division can support. Directorates will be expected to provide their own support to bodies that are not "core" to the service provided by the Division. Partnerships will also need to be supported from within the lead Directorates. Alternatively, the continued provision of the Division's services will be the subject of agreed charges. |
| CEE102                                      | Development of a telecommunications Partnership       | (20,000)       | (30,000)         | (30,000)         | (30,000)         | Savings dependant upon the contract being formally agreed and signed with Pipex in 06/07 and traded operations being commenced  |
| CEE103                                      | Implement a new contract for voice calls with Energis | (5,000)        | (5,000)          | (5,000)          | (5,000)          | Implement a new contract for voice calls with Energis.  |
| CEE104                                      | Additional procurement savings                        | (18,000)       | (15,000)         | (15,000)         | (15,000)         | Release additional procurement savings beyond those guaranteed by HBS. Maximise procurement savings opportunities across the Council.   |
| CEE105                                      | IT recharges  | (80,000)       | (80,000)         | (80,000)         | (80,000)         | Increase in IT recharges budget in line with actual income received   |

**CHIEF EXECUTIVES**

**ANNEX G5**

|  |                                      |                       |                       |                   |                   |   |
|--|--------------------------------------|-----------------------|-----------------------|-------------------|-------------------|---|
| CET002                                     | Procurement Savings                  | (26,560)              | (32,560)              | (38,560)          | (44,560)          | Guaranteed minimum procurement savings as per HBS contract.   |
| <b>Total PY Budget Decisions</b>           |                                      | <b>(155,460)</b>      | <b>(166,215)</b>      | <b>(231,155)</b>  | <b>(178,215)</b>  |   |
| <b>EFFECTS OF PREVIOUS YEARS DECISIONS</b> |                                      | <b>2007/08 Latest</b> | <b>2008/09 Latest</b> | <b>2009/10</b>    | <b>2010/11</b>    | <b>COMMENTS</b>   |
|  |                                      | £                     | £                     | £                 | £                 |   |
| <b>TOTAL EFFECTS</b>                       |                                      | <b>(755,001)</b>      | <b>(783,970)</b>      | <b>(848,910)</b>  | <b>(795,970)</b>  |   |
| <b>Volume Changes</b>                      |                                      | <b>2007/08 Latest</b> | <b>2008/09 Latest</b> | <b>2009/10</b>    | <b>2010/11</b>    | <b>COMMENTS</b>   |
|  |                                      | £                     | £                     | £                 | £                 |   |
| <b>Volume Changes</b>                      |                                      |                       |                       |                   |                   |   |
| CED001                                     | Elections & Registration of Electors | 5,675                 | 12,031                | 18,906            | 25,619            | Demographic growth at 2.05%, 2.25%, 2.38% & 2.27%. Based on April population bulletin                         |
| CED006                                     | Unitary Charge                       | (181,447)             | (273,138)             | (266,919)         | (602,528)         | Based on Contract and Pension Price movement calculations.  |
| CED009                                     | Rent Allowances                      | 493,065               | 722,388               | 970,379           | 1,231,542         | Increase in charge from HBS for rise in caseload - 2007/08 large increase as 2006/07 budget was not increased |
| CED010                                     | Rent Allowances                      | (75,839)              | (6,511)               | 65,973            | 141,838           | Net effect of changes to rent allowances taking into account inflation and volume changes                     |
| CED011                                     | Rent Rebates                         | 31,683                | 60,361                | 89,174            | 118,128           | Net effect of changes to rent rebates taking into account inflation and volume changes                        |
| CED012                                     | Council Tax Benefits                 | (79,894)              | (68,033)              | (55,204)          | (41,328)          | Net effect of changes to Council Tax benefits taking into account inflation and volume changes                |
| CED013                                     | War Widows Benefits Payments         | (49,065)              | (46,851)              | (44,460)          | (41,877)          | Net effect of changes to war widows benefit payments taking into account inflation and volume changes         |
|  | Council Tax Benefit                  | 100,000               | 100,000               | 100,000           | 100,000           | Increase in charge from HBS for rise in caseload  |
| <b>Total Volume Changes</b>                |                                      | <b>244,178</b>        | <b>500,247</b>        | <b>877,849</b>    | <b>931,393</b>    |   |
| <b>GROWTH</b>                              |                                      | <b>2007/08 Latest</b> | <b>2008/09 Latest</b> | <b>2009/10</b>    | <b>2010/11</b>    | <b>COMMENTS</b>   |
|  |                                      | £                     | £                     | £                 | £                 |   |
| <b>Unavoidable Growth</b>                  |                                      |                       |                       |                   |                   |   |
| CEG114                                     | Unachievable Income target           | 99,000                | 99,000                | 99,000            | 99,000            | The income target resulted from the transfer of staff from L&D to Chief Execs and it cannot be met.           |
|  | Internal Audit                       | 50,000                | 50,000                | 50,000            | 50,000            | Increase in Audit & Standards Investigations capability   |
|  | Council Tax                          | 60,000                | 60,000                | 60,000            | 60,000            |   |
| <b>Total Unavoidable Growth</b>            |                                      | <b>209,000</b>        | <b>209,000</b>        | <b>209,000</b>    | <b>209,000</b>    |   |
| <b>TOTAL CONTINUATION BUDGET</b>           |                                      | <b>10,775,009</b>     | <b>11,287,553</b>     | <b>11,860,186</b> | <b>12,138,541</b> |   |
| <b>GROWTH BUDGET</b>                       |                                      |                       |                       |                   |                   |   |
| <b>GROWTH</b>                              |                                      | <b>2007/08 Latest</b> | <b>2008/09 Latest</b> | <b>2009/10</b>    | <b>2010/11</b>    | <b>COMMENTS</b>   |
|  |                                      | £                     | £                     | £                 | £                 |   |
| <b>Investment in Priority Services</b>     |                                      |                       |                       |                   |                   |   |

**CHIEF EXECUTIVES**

**ANNEX G5**

|                     |  |               |               |               |               |   |
|---------------------|--|---------------|---------------|---------------|---------------|---|
| CEG113              | Democratic Services                          | 20,000        | 20,000        | 20,000        | 20,000        | Additional Support for Overview and Scrutiny function<br>Additional post to address legislative demands |
|                     | Community Cohesion                           | 50,000        | 50,000        | 50,000        | 50,000        |   |
|                     | <b>Total Investment in Priority Services</b> | 70,000        | 70,000        | 70,000        | 70,000        |   |
| <b>TOTAL GROWTH</b> |  | <b>70,000</b> | <b>70,000</b> | <b>70,000</b> | <b>70,000</b> |   |

| Savings  |   | 2007/08 Latest   | 2008/09 Latest   | 2009/10          | 2010/11          | COMMENTS   |
|--|---|------------------|------------------|------------------|------------------|--|
|  |   | £                | £                | £                | £                |  |
| <b>Annual Efficiency (Gershon) Savings</b>       |   |                  |                  |                  |                  |  |
| CE1002   | Admin Post in Partnership and Procurement       | (7,000)          | (7,000)          | (7,000)          | (7,000)          | Permanently delete vacant part time administrative post. Fulfil need for admin support by a) team doing most of admin work itself, b) sharing resource within wider directorate and b) purchasing some support from HBS as and when required.  |
| CE1005   | Reduce Consultancy Budget                       | (20,000)         | (20,000)         | (20,000)         | (20,000)         | Will not engage consultants to advise and support on issues such as medium term planning, Gershon, CPA, Spending Reviews etc.  |
| CE1008   | Unix Servers                                    | (40,000)         | (40,000)         | (40,000)         | (40,000)         | We have 15 Unix systems (large system servers) and costs for these are being reduced as we have been buying only second hand servers since 2003 and are continuing to do so, giving much lower hardware acquisition costs and steadily reducing our costs in this area. Normally buying second hand servers would lead to higher maintenance costs but we have been successful in keeping these down as well.  |
| CE1010   | Rent Allowance increase subsidy confidence      | (186,000)        | (186,000)        | (186,000)        | (186,000)        | Rent Allowance increased subsidy confidence 98.2%  |
| CE1011   | Council Tax increased subsidy confidence        | (145,000)        | (145,000)        | (145,000)        | (145,000)        | Council Tax increased subsidy confidence 100%  |
| CE1015   | Staff restructuring following Best Value review | (30,000)         | (30,000)         | (30,000)         | (30,000)         | The two teams will examine and reallocate the existing tasks to reduce the establishment by one post. This will produce some efficiencies but also a reduction in services provided.   |
| CE2002   | Reduction to cost of External audit             | (70,000)         | (70,000)         | (70,000)         | (70,000)         | The improved risk profile of MKC and its CPA score allows the Audit Commission to adopt a "lighter touch". Also the last 3 years have seen an alignment of budgets to costs that has seen the cost of audit brought forward to the year being audited by AC (as opposed to the year the work is done). Both these processes produce a reduced call on financial cost of the audit in 2007/8. The improved risk profile also reduces the burden on MKC staff to field concerns / queries by AC. |
| CEY001   | Enterprise Buyer                                | (26,246)         | (65,548)         | (105,029)        | (105,029)        | Efficiencies achieved through better procurement.  |
| CEY005   | Telephony Review                                | (8,233)          | (8,233)          | (8,233)          | (8,233)          | Gross Savings from VFM Bid not including payback to Vfm Fund   |
| CEY006   | Changing Desk Top Printing                      | (2,548)          | (2,548)          | (2,548)          | (2,548)          | Directorate share of corporate savings   |
| CEY009   | HR Costs to Schools                             | (39,000)         | (39,000)         | (39,000)         | (39,000)         | Fairer Apportionment of HR Costs to Schools  |
| CEY010   | Workforce Costs                                 | (179,709)        | (318,557)        | (318,557)        | (318,557)        | Restructuring target for savings within directorate  |
| CEY011   | Supplies & Services                             | (53,838)         | (53,838)         | (53,838)         | (53,838)         | Following Zero based budgets   |
|  | Procurement Efficiencies                        | 566,173          | 571,097          | 576,020          | 576,020          |  |
|  | Procurement                                     | 54,000           | 56,254           | 58,477           | 60,828           | a new procurement structure for immediate implementation to enhance the Council's capacity to achieve the existing and new procurement targets   |
|  | Carbon Management                               | (2,145)          | (2,145)          | (2,145)          | (2,145)          | Following a review   |
| <b>Total Annual Efficiency (Gershon) Savings</b> |   | <b>(189,546)</b> | <b>(360,518)</b> | <b>(392,853)</b> | <b>(390,502)</b> |  |
| <b>Additional Income</b>                         |   |                  |                  |                  |                  |  |



**CHIEF EXECUTIVES**

**ANNEX G5**

|  |   |                       |                       |                   |                   |   |
|--|---|-----------------------|-----------------------|-------------------|-------------------|---|
| CE1009                                     | Increased income from Anti fraud team         | (130,000)             | (130,000)             | (130,000)         | (130,000)         | This arises from increased income produced by the Anti Fraud team. Any reduction to posts would both undermine this extra income and existing levels of income as well as undermine the service standards recently complemented by BFI.             |
| <b>Total Additional Income</b>             |   | (130,000)             | (130,000)             | (130,000)         | (130,000)         |   |
| <b>Adjustments in Service Levels</b>       |   |                       |                       |                   |                   |   |
| CE1013                                     | Reduction in professional fees                | (7,000)               | (7,000)               | (7,000)           | (7,000)           | Reduction in resources available to buy-in additional professional capacity   |
| <b>Savings</b>                             |   | <b>2007/08 Latest</b> | <b>2008/09 Latest</b> | <b>2009/10</b>    | <b>2010/11</b>    | <b>COMMENTS</b>   |
|  |   | £                     | £                     | £                 | £                 |   |
| CE1014                                     | Reduction in Internal Fees                    | (20,000)              | (40,000)              | 0                 | 0                 | Improvement in case management system and other IT support will increase the speed flow of work without reducing quality. Capacity created will be taken up by increase in external work and work referred internally or a reduction in staff time. |
| CE1016                                     | Delete part of the Secondment Exchange Budget | (50,000)              | (50,000)              | (50,000)          | (50,000)          | Permanently delete £50k from the Secondment Exchange budget.  |
| CE2001                                     | Cut to subscription service                   | (2,000)               | (2,000)               | (2,000)           | (2,000)           | Possible to cut subscription budget by £1k and benchmark service every 3 years. NB this means cost performance would not be compared every year.  |
| CE2003                                     | Part reduction in service                     | (11,000)              | (11,000)              | (11,000)          | (11,000)          | Reduced administration support allocation and reduced community capacity funding  |
| <b>Total Adjustments in Service Levels</b> |   | (90,000)              | (110,000)             | (70,000)          | (70,000)          |   |
| <b>Repayments to VFM Fund</b>              |   |                       |                       |                   |                   |   |
| Every Child Matters                        |   | 170,000               | 470,000               | 470,000           | 470,000           |   |
| Marketplace(Enterprise Buyer)              |   | 26,246                | 46,020                | 46,020            | 46,020            |   |
| <b>Total repayments to VFM Fund</b>        |   | 196,246               | 516,020               | 516,020           | 516,020           |   |
| <b>TOTAL Savings</b>                       |   | <b>(213,300)</b>      | <b>(84,498)</b>       | <b>(76,833)</b>   | <b>(74,482)</b>   |   |
| <b>CAPITAL PROGRAMME</b>                   |   |                       |                       |                   |                   |   |
|  |   | <b>2007/08 Latest</b> | <b>2008/09 Latest</b> | <b>2009/10</b>    | <b>2010/11</b>    | <b>COMMENTS</b>   |
|  |   | £                     | £                     | £                 | £                 |   |
| <b>Changes to Capital Charges</b>          |   | 19,003                | 19,003                | 19,003            | 19,003            |   |
| <b>Total Capital Charges</b>               |   | 19,003                | 19,003                | 19,003            | 19,003            |   |
| <b>Total Capital Programme</b>             |   | <b>19,003</b>         | <b>19,003</b>         | <b>19,003</b>     | <b>19,003</b>     |   |
| <b>TOTAL OPTIONS BUDGET</b>                |   | <b>(194,297)</b>      | <b>(65,495)</b>       | <b>(57,830)</b>   | <b>(55,479)</b>   |   |
| <b>TOTAL Budget</b>                        |   | <b>10,650,712</b>     | <b>11,292,058</b>     | <b>11,872,356</b> | <b>12,153,062</b> |   |