

**BUDGET 2019/20 AND THE MEDIUM TERM FINANCIAL PLAN**

**Councillor Mordue**

**Cabinet Member for Finance and Resources**

**1 Purpose**

This report covers two areas of budget determination for 2019-20. It presents the proposals for the budget, as recommended by Cabinet on 16 January 2019. It also contains the Chief Financial Officer's report on the robustness of the budget proposals and the adequacy of reserves.

**2 Recommendations/for decision**

Council is recommended to:

- 2.1 Note the contents of the statement of the Chief Financial Officer in Appendix A.
- 2.2 Agree a budget package which;
  - a. Increases the annual Council Tax by the maximum permissible, £5.00 (3.35%) at Band D for district councils
  - b. Includes a General Fund budget that results in net expenditure of £14,671,100 and a District precept of £11,314,900.
  - c. Approves a pay award for staff, which meets the Living Wage and provides for 2.5% being payable across all grades for 2019/20, for which provision has been made in these budget proposals.
  - d. Includes the use of £1.48m of New Homes Bonus to meet the costs of the Connected Knowledge Programme in 2019-20
  - e. Has an expenditure total of £902,300 and a precept of £849,300 in respect of Aylesbury Special Expenses giving an unchanged band D Special Expense Council Tax of £45.00 for 2019-20.
  - f. Sets a proposed General Fund net expenditure for each of the following years as the basis of future budget planning as follows:  
2020-21:£14.62m 2021-22: £14.57m 2022-23: £14.53m

**3 Background**

- 3.1 The report to Cabinet on 18 December 2018 presented a set of initial budget proposals for Cabinet's consideration.
- 3.2 On 16 January 2019, Cabinet reconsidered its initial budget proposals in light of the provisional Government Grant Settlement and the comments made by the Finance and Services Scrutiny Committee. Based upon this additional information it made minor amendments consistent with the approach proposed in its initial report. The final budget is presented now for consideration and agreement.

**4 The Cabinet's Budget Recommendation**

- 4.1 Cabinet considered the development of the budget at 3 separate meetings in November, December and January. The latter meeting being informed by the views of Finance and Service Scrutiny Committee.

- 4.2 The report to Cabinet on 20 November 2018 set out the context for 2019/20 budget planning and outlined a series of issues facing the Council when developing budget proposals and updating the financial plans.
- 4.3 With the announcement of a single Unitary District Council for Buckinghamshire, the medium term plan has been constructed largely on the basis of a continuing authority, even though this is clearly not the situation. This approach provides the new unitary authority with an understanding of the pressures and opportunities facing Aylesbury Vale and its proposed solutions.
- 4.4 In setting a medium term financial plan and developing budget proposals for the future there will be uncertainties particularly in relation to levels of Government Grant, the financial impact from retained business rates, the levels of New Home Bonus, Brexit and general economic conditions.
- 4.5 The MTFP sets out both the service based operational income and expenditure expectations and the proposed financing arrangements. The position presented represents a best view of the known financial landscape now and for future years.
- 4.6 The Budget proposal and Medium Term Financial Plan is attached as Appendix B1. An analysis of changes from the 2018-19 budget is provided in Appendix B2. Further detail on the plan is provided within the report.
- 4.7 A balanced budget is presented for the years to 2022/23. Assumptions on income spend and efficiencies are very challenging to make for future years. The general principles of reducing costs and increasing income will remain the fundamental approach to addressing financial issues going forward.
- 4.8 The budget process has been similar to that adopted in the previous years.
- 4.9 As highlighted in previous years, the Council Strategy for balancing the budget is an ongoing process and not an annual exercise purely undertaken once a year. The ongoing work across the Council in terms of its commercial and transformation agenda has avoided the need to take lists of potential service reductions through scrutiny committees.

## **5 Government Grant and Impact on Budgets for 2019-20 and beyond**

- 5.1 The Government announced the draft Grant settlement for councils in the Finance Settlement on 13<sup>th</sup> December 2018. The local government finance settlement is the annual determination of funding to local government from central government.
- 5.2 Despite some indications that there might be significant changes, to reflect ongoing pressures on the wider local government sector, the Government largely honoured its commitments contained within the 4-year settlement and left the pre-announced Grant numbers mostly unchanged.

### Revenue Support Grant

- 5.3 The important numbers of Revenue Support Grant and Baseline Business Rates were virtually the same as those announced for 2019/20 within the 4-year

settlement. In the Settlement, 2019/20 represents the final year of the 4-year settlement.

- 5.4 As anticipated, the Government has also provided extra resources in 2019/20 to cancel the 'negative RSG' adjustment to tariffs and top-up. The confirmed financial impact of the change will benefit the Council by £687,000. This budget assumes that this will be a non-recurrent re-alignment of funding.

#### Retained Business Rates and Business Rates Pooling

- 5.5 Since 2016/17, AVDC have benefited from the existing 50% retention scheme and pooling arrangements. An initial target of £476,000 has been included in the Budget for 2019/20 as the AVDC retained share of the Business Rates Growth. This presents a prudent position given risks, such as valuation appeals.

- 5.6 Since the Rates Retention scheme was introduced variations in actual growth income have been managed within the Business Rates Equalisation Reserve. Cabinet has previously agreed that the equalisation funds for business rates be repurposed and made available to offset the transition costs associated with local government reorganisation, subject to any demands being placed upon them in 2018/19. It is considered that the risks of non achievement in 2019/20 are relatively small and the risks can therefore be managed within the General Fund working balance during that year.

- 5.7 As part of the Finance Settlement the Government has confirmed that a third phase of business rate retention pilots will go ahead from April 2019 with a 75% retention scheme offered to selected areas.

- 5.8 Buckinghamshire has been awarded Pilot Status for 75% Business Rates Retention in 2019/20.

- 5.9 The actual gain from the revised rates initiative won't be known with any certainty until after the financial year has finished but it is estimated that the financial benefit to AVDC will be circa £1.6 million for AVDC.

#### New Homes Bonus

- 5.10 The New Homes Bonus baseline growth requirement will remain fixed at 0.4%, with NHB only paid on growth above this. AVDC will therefore receive £5.9 million next year under this scheme based upon housing growth already delivered

- 5.11 2019-20 represents the final year of funding agreed through the Spending Review 2015. In the light of this, it is considered likely that the Government will explore again how to incentivise housing growth most effectively, for example by using the Housing Delivery Test results to reward delivery or incentivising plans that meet or exceed local housing need. It is expected the Government will consult widely on any changes prior to implementation.

#### Change in Future Funding

- 5.12 After 2019/20 the Government is committed to a new Spending Review and a fundamental redesign on the local government finance system. Preparations and

consultations preceding the new system of funding (known as The Fair Funding Review) have been on-going for 18 months.

- 5.13 It is expected that the review will be far reaching and is intended to fundamentally rebalance the distribution of funding between, areas and tiers of local government. Without knowing the outcome of this, or the outcome of the Spending Review, any prediction of the impact of this change is challenging at best. Whatever changes are implemented, it is expected that transitional arrangements will apply, softening the initial impact on individual authorities.
- 5.14 The budget proposals presented here assume that the downwards trajectory of grant received will continue in more or less a straight line, with the one year abolition of 'negative RSG' representing only a temporary respite.
- 5.15 Alongside the Grant settlement the government has also announced consultations on;
- The further progression of the Fair Funding Review in advance of Provisional Settlement 2019/20; and
  - The redesign of business rates retention by the end of the year.
- 5.16 The final funding allocation for 2019-20 settlement will be laid before the House of Commons in February 2019.

## **6 Pressures**

- 6.1 A list of the significant budgetary pressures included in the financial plan for 2019-20 are set out within Appendix C to this report.
- 6.2 A total of £2.354m of budgetary pressures have been identified and include;
- Additional budget pressures of £1.481m for 2019-20 in relation to service delivery
  - Cost pressures in relation to inflation and pay related costs of £0.873m
- 6.3 The budget reflects the 2.5% pay increase agreed by Staff Side and Unions.
- 6.4 The Member and the Joint Unions and Employee Representatives Pay Negotiating Team met during Autumn 2018 to discuss and to recommend a pay award for staff with effect from 1st April 2019. The outcome of this process is an increase for all staff grades of 2.5% for the 2019/20 financial year, and an agreement that all staff will be paid at least the living wage, meaning £9ph for our lowest paid staff. Staff have been balloted on this offer and have indicated they are willing to accept this offer.
- 6.5 A more general inflationary increase of 2% for non-pay related expenditure and 2.5% in relation to spend on contracts has been included in the budgets for 2019/20.

- 6.6 Elsewhere on the agenda is a Capital Programme update report that includes all the recent schemes that have been agreed. The revenue consequences of these schemes have also been included within these budget proposals.
- 6.7 The pressures represented in the budget reflect the outcomes of discussions with budget managers across the Organisation.

## **7 Savings and Income Identification Options**

- 7.1 As set out in the report to Cabinet in November the approach adopted for setting the budget for 2019/20 is similar to that followed in recent years and relies primarily on capturing the savings delivered via reorganisation, income generation and restructuring in previous years in anticipation of the Government Grant reductions.
- 7.2 A list of the significant savings to be incorporated into budget planning is set out in Appendix D to this report.
- 7.3 A total of £1.905m of savings has been identified for 2019/20 and include:
- Further savings opportunities arising from continued review of staffing requirements, (£0.317m)
  - Savings arising from identification of improved income opportunities (£1.099m)
  - Proposed improvements in efficiencies with savings budgeted at £0.489m

## **8 Fees and Charges**

- 8.1 Fees and charges are reviewed as part of the annual budget setting review process and these were agreed by Cabinet at its meeting on 16<sup>th</sup> January 2019.

## **9 Reserves and Balances**

- 9.1 Earmarked reserves represent the prudent saving of sums against the recognition of future financial events which, if not prepared for, would be difficult to deal with at the point they occur. In short, earmarked reserves are an essential part of sound financial planning.
- 9.2 The reserves are held for legitimate reasons and the balances are reasonable given a fair assessment of the budgetary pressures that they are held against.
- 9.3 It is expected that the total balance held in reserves will dip significantly over the next 2 years as the pressures against which they are held materialise and the infrastructure schemes, for which the New Homes Bonus is held, are delivered.
- 9.4 The Council also holds general working balances as insurance against unexpected financial events. This includes failure to generate expected income as well as financial claims against the Council.

9.5 The current minimum assessed level of balances is £2.0 million which has been arrived at based upon a risk and probability assessment of potential budgetary factors during 2019/20.

9.6 Appendix E provides detail on forecast General Reserve balances.

## **10 Capital Planning and the Impact of Spending Decisions**

10.1 The Capital Programme for 2019/20 onwards is also being presented to Council for consideration and approval.

10.2 The revenue financing implications arising from the Capital programme have been factored into the budget for 2019/20 and beyond.

## **11 Investments / Net Borrowing**

11.1 For 2019/20, and future years, additional income from Investment interest has been included. This is based on actual financial performance for 2017/18, forecast outturn for 2018/19 and a forecast for future years. The Council takes a proactive approach to managing cash balances, with the bulk of the income being derived from short-term money market lending.

11.2 The Council has been using its cash balances over the past few years in lieu of long-term borrowing. This delivers an advantage over lending returns whilst base rates remain low. The financial advantage in terms of lower borrowing costs has been factored into the budget proposal.

11.3 Decisions to borrow against agreed business cases are made on a case by case risk assessed basis and may vary from original financing plans. All decisions to borrow are made against a background of existing resource availability and minimising costs and maximising returns. Where possible decisions to borrow are avoided with the use of the Council's capital receipts being a preferred methodology to fund capital development.

11.4 In previous years, shortfalls in investment earnings, which have arisen from the record low base rate, have been smoothed via the use of the Interest Rate Equalisation Reserve. The Reserve has been used effectively over the past few years to smooth the budget pressure created by the lower interest rates in the realistic expectation that rates would recover.

11.5 With no future requirement to smooth income flows beyond 2019/20 Cabinet has agreed that the equalisation funds for interest can be repurposed and made available to offset the transition costs associated with local government reorganisation, subject to any demands being placed upon it in 2018/19.

11.6 Any actual variation occurring in 2019/20 will be managed within General Fund working balances.

- 11.7 The plan reflects reduced income from AVE interest payments (reduction of £82,000) due to their ongoing repayment of debt and no change to Dividends payable.

## **12 Connected Knowledge**

- 12.1 The organisation continues to progress its digital agenda, promoting innovation in the way services and IT solutions are delivered for customers and staff.
- 12.2 The Connected Knowledge Programme will underpin many of the components of future service delivery set out within the AVDC strategy and fits well with the proposed Unitary plans. It is therefore crucial to the Council in meeting the financial agenda and transformation over the coming years and, it is expected, will provide a valuable basis from which to develop and integrate cross County solutions.
- 12.3 A detailed update on the planned programme was provided to Finance and Services Scrutiny Committee and the Cabinet at their respective meetings in December 2018. Funding of £1.48m is being requested for the 3rd tranche of works in 2019/20. This is in line with funding made available in 2017/18 and 2018/19.
- 12.4 Finance and Services raised questions over the process for ensuring that any individual projects in the on-going programme of works were carefully reviewed and tested prior to commencement in order to ensure they would add value to the new organisation and not represent abortive or wasted spend. To allay concerns Cabinet agreed that the Portfolio holder for Finance and Resources should in future attend the officer Programme Board to provide additional assurance.
- 12.5 Building on phases completed to date, this programme of works will continue to deliver a modern, sustainable Council which responds to the needs of its growing customer base. It is proposed that the funding for the scheme is met from unallocated balances of New Homes Bonus.
- 12.6 The use of reserves is justified in that the work of Connected Knowledge will result in sustainable infrastructure for the Council, it will also support the delivery of efficiencies.
- 12.7 Progress on delivery will be reported to Finance and Services Scrutiny Committee.

## **13 Commercial AVDC**

- 13.1 In setting budgets for 2019-20, the organisation has set out clear objectives. These are intended for input into the unitary discussions and ensure AVDC's DNA and ambitions are enshrined in the new Council.
- 13.2 The vision of AVDC is to Lead, Shape, and Enhance the economic, social and environmental wellbeing of the Vale.
- 13.3 The AVDC mission is to ensure that in its last year it delivers its aims and priorities and embeds its values in the new unitary council.

13.4 The AVDC priorities underpinning the budget setting process have therefore been;

Financially Fit

- 3 years of balanced budget strategy & contingency planning
- Continue to grow our income streams
- Robust Governance, Risk Management and Control framework to provide a platform from which to build the new council
- Publish our inheritance plan to ensure that the legacy of AVDC is clearly set out for the new council

Leading & Shaping of Place

- VALP Delivered before the new council is formed
- 970 homes per year – of which 225 affordable
- Delivery of the regeneration of Kingsbury and Market Square redevelopment in Aylesbury
- Delivery of 'The Exchange' and plans for the next phase of Aylesbury Town Centre Regeneration
- Embed Garden Town principles in our growth areas

Customer & Innovation

- Continue the delivery of our cultural and digital transformation programmes
- Ensuring we are listening to and improving our customer satisfaction
- Widen our customer service options and times/methods of delivery
- Provide excellent services for all our user groups which are fit for the future

Partners, Community & Environment

- Ensuring we have actively engaged in the development of key large scale infrastructure impacting on the Vale (e.g. Expressway, East West Corridor and HS2)
- Work with our Parishes and Communities to provide capital funding to and ensure that they have a strong voice in the new council
- Protecting our most vulnerable communities
- Modernise our Car Park infrastructure and offer to users
- Continuing to host Iconic Events celebrating our communities

13.5 Aylesbury Vale has a proven track record in taking the lead on place shaping and in the provision of new efficient and intelligent service solutions which are responsive to the developing needs of the communities it serves. These are attributes which the new unitary council will be dependent upon if it is to deliver the ambitions set out within the implementation Business Case. It is believed that Aylesbury Vale's sector leading experience and the attitude, innovation and enthusiasm of its staff will be invaluable to the new organisation in helping it to deliver modern, responsive services which are fit for the future.

- 13.6 Aylesbury Vale Commercialisation Strategy has taken a broad view of commercialisation, to include all aspects of service reviews and redesign, new opportunities for revenue generation and pricing. In becoming a more business and commercially minded organisation and supporting commercialisation, the Council have developed innovative practices and have taken opportunities to sell services amongst its peers as well as developing digital technology to drive efficiencies and new revenue streams.
- 13.7 The Commercialisation Strategy aims to put in place measures designed to offset the substantial cuts that Aylesbury has experienced and further envisages in the coming years. This has been at the heart of the Council's strategy for dealing with the financial challenges faced by the sector over the past few years. In terms of preserving and improving core service delivery against enormous financial challenges, this has been successful.

#### **14 Implications for Council Tax Strategy**

- 14.1 The Budget Proposals proposed by Cabinet recommended increasing Council Tax by the assumed maximum expected amount of £5.00 (3.35%).
- 14.2 Councils can increase Council tax by a maximum of 3% or £5, whichever is the greater, and still avoid the referendum threshold.
- 14.3 It is proposed that this maximum increase be implemented from 1 April 2019, allowing the Council to mitigate the reductions in Government Grant and thereby protecting services valued by residents and businesses in the Vale.
- 14.4 A Council Tax increase of £5.00 would generate £366,700 per annum and would represent an increase equivalent to 10 pence per week at Band D and will increase the Band D Council Tax for Aylesbury Vale District Council to £154.06.
- 14.5 It is important to note that in allocating grant reductions in the 4-year settlement, the Government has assumed that each qualifying council will take maximum advantage of this additional council tax increase threshold and has reduced grant by an additional amount equivalent to the extra Council Tax it expects councils to generate. Implicit within this, is a Government assumption that more of the burden of funding council services will be transferred to the taxpayer.
- 14.6 Any council not wishing to pass this on to the taxpayer will consequently be worse off, as the Government will have reduced their Grant, assuming that they had.
- 14.7 Given this, the budget proposal includes the assumed maximum £5 increase in order to ensure that the Council is no worse off than the Government assumed.

#### **15 Council Tax Collection Rates**

- 15.1 The MTFP also reflects the finances arising from collection of Council Tax. For the purposes of planning, collection rates are assumed at 98.5%.

- 15.2 In reality, collection rates can vary, either above the 98.5% or below with the former resulting in a collection fund surplus and the latter a deficit.
- 15.3 In recent years collection rates have been tailing off slightly and an allowance has been made in the MTFP for a reduction in the collection rates and a lower surplus as a consequence.

## **16 Medium Term Financial Plan (2019/20 and After)**

- 16.1 Whilst some of the uncertainty surrounding the Government Settlement and the future of News Homes Bonus has now diminished following the publication of the draft Settlement in December, there are still multiple uncertainties and risk factors which will need to be managed beyond 2020.
- 16.2 The largest and most significant issue being the announcement of a single Unitary District Council for Buckinghamshire.
- 16.3 This fundamentally changes what will happen during the period of the proposed MTFP. This clearly removes the need for medium term planning for Aylesbury Vale as a single entity organisation, but the Council remains obligated to hand over its affairs to the new organisation in the best state it can. This means continuing to tackle known budgetary issues, generating new income streams and balancing its finances.
- 16.4 The period of the MTFP will fall within the timescale for the UK to leave the European Union. No financial implications of the change have been incorporated into the current MTFP, although this is taken into account in the level of un-earmarked balances available. The implications for the Council could be wide ranging with likely impacts on the value of the pound, possible impact on local business and business rates and also impact on availability of workforce.
- 16.5 The Government's Fair Funding Review will also be implemented during the planning period and as discussed in earlier sections this may have significant implications in terms of available Government financial support.
- 16.6 The presented MTFP considers these factors, all anticipated service pressures and potential income streams. In doing so it represents the capturing of the significant financial events and opportunities which would have faced the Council and therefore what the new unitary council will need to be aware of in preparing its own medium term financial strategy.

## **17 Special Expenses**

- 17.1 Special Expenses are those services provided by the District Council which might be provided by a parish council. As such these services are charged as a special charge only to the residents who live in the area to which the services relate.
- 17.2 The budgets for Special Expenses have been reviewed as part of the normal budget development process to ensure that costs are correctly allocated.

- 17.3 Therefore, it is recommended that in 2019/20 the equivalent Band D charge is again frozen at the current level of £45.
- 17.4 It is understood that reviewing the ownership of these assets will be a priority for the new Buckinghamshire Council.
- 17.5 The Special Expense Budget is set out within Appendix F.

## **18 Budget Management**

- 18.1 The MTFP and the proposed budget set the Plan against which budget monitoring will be reviewed during the financial year 2019-20.
- 18.2 As with the current year and previous years, the financial environment will be challenging.
- 18.3 The focus of the Council must be to deliver the plan as set out in this paper but 2019-20 will be an exceptional year and the plan must be delivered whilst transitioning to the new Organisation.
- 18.4 The focus will primarily be on 2019/20, but consideration will still be given to 2020 and beyond because of the obligation to hand Aylesbury Vale's affairs to its successor in a good state.

## **19 Risk Assessment and Scrutiny on Budget Proposals**

- 19.1 In accordance with good practice, the Council records and considers the significant risks it believes are facing it as an organisation which might hamper, or even prevent it, from delivering its statutory duties or core objectives.
- 19.2 These risks are captured within its Risk Register together with the actions or mitigating factors which it relies upon to reduce or minimise these risks as far as possible. Cabinet considered the Risk Register in developing these proposals.
- 19.3 Finance and Services Scrutiny Committee considered the draft Final proposals at its meeting 14<sup>th</sup> January 2019.
- 19.4 The Scrutiny made a number of comments but were broadly supportive of the proposals.
- 19.5 The Finance and Services Scrutiny meeting sought assurance on the proposed spend on the Connected Knowledge Programme. They requested that the work programme be assessed on the likelihood of the work/benefits that might be carried forward into the new Council before investment decisions were made.
- 19.6 The Finance and Services Scrutiny meeting also proposed the extension of grant funding arrangements for voluntary and community sector organisations. The draft proposal of the budget proposed a withdrawal of funding in 2019-20.

- 19.7 The comments made by Scrutiny were considered and noted by Cabinet in determining their final proposals.
- 19.8 The Cabinet specifically agreed to adjust the Medium Term Financial Plan to allow for continued funding to the Citizens Advice Bureau. This was funded by a reduction in the contingency budget held with no overall impact on the Council tax proposed.

## **20 Options Considered**

- 20.1 These are set out within the budget proposals and have been considered by Finance and Services Scrutiny Committee.

## **21 Reasons for Recommendations**

- 21.1 The Council is required to set a budget in advance of each financial year as the basis for determination of Council Tax and to be used as a key element of proper financial management of the Council's affairs.
- 21.2 The Council's Chief Financial Officer is required to submit an advisory statement for all members to take into account when considering the budget proposals.
- 21.3 Proper financial management and planning should extend beyond the next financial year and agreeing draft budgets for the subsequent four years is good management.

## **22 Resource Implications**

- 22.1 These are covered within the body of the report.

Contact Officer

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**Report of the Chief Financial Officer on the robustness of the estimates made for the purpose of the budget and tax setting calculations and the adequacy of the proposed financial reserves.**

**Budget Proposals**

I am satisfied that the process employed for identification, evaluation and inclusion of the items forming the budget proposal package has been properly conducted and has arrived at a set of robust estimates.

In making this statement it is to be noted that this year's Budget Setting process is materially different in that this represents that last year of Aylesbury Vale District Council as an individual entity. I am satisfied that the budget has still been prepared with the same due care and diligence which members would expect and still covers a four year planning timeframe. This has been done so that the new Buckinghamshire Council can commence with a clear and robust understanding of its available financial resources, future financial pressures and potential opportunities.

I am also aware of the contents of CIPFA's Resilience Index in relation to Aylesbury Vale District Council and there is nothing contained within it which causes me concern.

In arriving at this opinion I have taken due account of the following matters:

1. Budget Process

- a) The Budget Planning process has been undertaken in the full knowledge that 2019/20 is the last year of Aylesbury Vale District Council because of the decision to create one unitary council across Buckinghamshire from 1<sup>st</sup> April 2020.
- b) Budget planning has been undertaken over an appropriate period of time and has allowed full understanding of the issues in an operational and financial context.
- c) Every effort has been made to include all Members in the financial planning process through the circulation of reports and associated information. Finance and Services Scrutiny has been invited to comment on initial proposals put forward for consideration by Cabinet and separately have had the opportunity to review the process for identifying savings. In addition, a Members' seminar dealing with budget planning issues was held. The views expressed during the scrutiny process have been fully considered by Cabinet.
- d) Where material changes are proposed to service delivery in 2019/20, these have been presented in separate reports, have been subjected to scrutiny, (where required), and the views of those impacted by those savings proposal have been taken into account.
- e) Consideration has been given to corporate priorities, residents' views and the Council's Risk Register in formulating the budget proposals.
- f) The budget formulation process has tested the validity of pressures and deliverability of savings options in order to ensure that Members have been made aware of all aspects and implications of actions when formulating the budget proposals.
- g) Most savings included within the budget proposals have already been delivered as part of ongoing efficiency work and organisational reviews thereby minimising the necessity for scrutiny during the budget development process.

2. Key Assumptions

In formulating budget proposals it is necessary to make certain key assumptions; these are as follows:

- a) The Budget has been prepared on the basis that AVDC is a continuing entity and no attempt has been made to either dispose of assets or spend balances and resources in any way outside of normal plans. The planning approach adopted is largely business as usual and the assumption is that the Council will hand over its financial affairs in the best position possible.

- b) Where new spend programmes or contractual commitments extend beyond the now limited life of this Council, these are being reviewed on a case by case basis so as to ensure that abortive spend is avoided and inflexible arrangements are not entered into for extended periods of time.
- c) Government Grant – 2019/20 represents the last year of the existing 4 year Government Grant settlement. After this the Government is committed to implementing a new allocation system for distributing financial resources. This is currently being designed under the heading of the Fair Funding Review. Its introduction from 1<sup>st</sup> April 2020 coincides with the next Government Spending Review. So, both the overall funding envelope for local government and the mechanism for allocating resources are not clear for 2020/21 and beyond. Without any clarity the budgeting assumption used is that the rate of reduction experienced by local government over the last 8 years will continue on more or less its previous trajectory. Therefore, the numbers used in budget planning beyond 2019/20 are estimated allocations and may vary significantly, (although would still be subject to transitional arrangements).
- d) Income from Business Rate Retention – The new Government Grant system introduced from the 1<sup>st</sup> April 2013 in part links councils' finances to the success of the local economy. Councils are likely to gain from a proportion of real business rate growth and lose a proportion of income associated with business rate losses. The value derived by the Council from this system remains highly volatile and difficult to predict as factors such as national policy changes, Business Rates Pooling, local economic performance, BREXIT and the ongoing issue of outstanding appeals all weigh heavily on the numbers retained. The Council has provided against large reductions in respect of these appeals and the key budgetary assumption is that the actual settlements will be within the sums provided. Appeals aside, the budget proposal takes a balanced view on the prospects for growth versus the risk of losses and assumes there is no new gain over that already built into the 2018/19 budget. To mitigate against the risk of variation from the central assumption, an Equalisation Reserve has been maintained in previous years. This has now been released to fund the more pressing requirement to fund local government reorganisation costs. Therefore, any actual Business Rate variation during 2019/20 will be managed within General Fund working balances.
- e) Pay and Prices – the proposals include provision for inflation, this being the summary of a set of detailed individual calculations and assumptions. A figure has been built into the budget for pay, based upon the offer of 2.5% made to staff.
- f) The proposals reflect the best assessments of expected changes in demand caused by normal events.
- g) Fees and Charges – as part of the budget development process, Cabinet considered a consolidated list of proposed changes to the Council's fees and charges. Whilst it is intended to review all fees annually at the same time, the level of individual fees will be further reviewed should the impact of any legislative change make this necessary.
- h) Council Tax Base and Collection Rate – the assumption of growth in the tax base reflects the long term average. The collection yield for Council Tax remains unchanged at 98.5%. Collection performance has shown a gradual reduction following the introduction of Localised Council Tax Support and so continues to be closely monitored in order to assess the ongoing impact.
- i) Interest on Investments – the outlook for interest rates has increased slightly over the past 18 months. The best estimate is that they will remain low for the immediate budgetary period but now with a gradually increasing trend. An assumption of probable interest rate yields has been made on this basis. The cash flow implications of the Capital Programme have been taken into account in calculating the interest earnings available for budget planning.
- j) Contingency Budgets – the financial pressures facing the Council requires budget planning to progress on the basis of absorbing cost pressures through efficiencies and savings. A contingency provision allows for some flexibility in the timing of the delivery of these. The consolidation of contingency budgets allows for sums to be released by bringing contingency provisions held within individual services into a central pot and thereby reducing the overall provision held.
- k) New Homes Bonus Scheme – The Government committed to continue paying the Bonus in 2019/20, but no firm commitment exists thereafter. The Council takes £1.1 million of this into the Revenue Budget to compensate for the loss of Revenue Support Grant, this being where NHB was originally funded from. The Budget assumes that this can continue for the Plan period.

- l) Revenue Implications of Capital Schemes - The revenue implications of those capital investments approved by Council have been reflected in the budget based around central case assumptions.
- m) BREXIT – The budget development process acknowledged the considerable uncertainty around the impacts of leaving the EU. The conclusion is that most impacts will be indirect, for example higher prices from currency instability, workforce supply issues and the impact on Business Rates income. No specific amount has therefore been included to allow for this issue, but it has been a consideration in the calculation of individual assumptions, i.e. inflation, unallocated working balances, etc.

### 3. Monitoring

- 3.1 The performance against budget for 2018-19 has been monitored throughout the year. The latest outturn assessment as at September 2018 (a predicted overspend of nearly £238,100 after the application of reserves), is mainly as a result of a higher dependency on agency staff to fill vacancies within the organisation. Mitigation actions are being applied and the matter has been regularly reported to Finance and Services Scrutiny Committee. This has been reflected in budget planning when estimating the level of balances available for 2019-20 and subsequent years.
- 3.2 The majority of the volatility and pressure within the budgetary position has been masked by underspends resulting from the early delivery of significant budget savings for 2019/20. Efforts continue to reduce the in-year overspending, where possible, without impacting service delivery.
- 3.3 The budgetary pressures facing the Council are understood and budget holders and managers are working hard towards delivering savings through efficiency and income generation.
- 3.4 The Council undertakes regular monitoring and reports to members and officers.

### 4. Financial Risks in the Budget Proposals

- 4.1 The budget always contains areas of uncertainty and whilst every effort is made to understand, recognise and manage risk adequate financial provisions are held in the event they cannot be contained. This provision is in the form of Revenue Balances.
- 4.2 To understand the high level and operational risks faced by the organisation the Council maintains a Risk Register. The Risk Register is reviewed regularly by Officers, Cabinet and through presentation to Audit Committee for oversight and challenge.
- 4.3 The Council has been presented with a balanced budget proposal for 2019/20 but despite this, the financial risks remaining are still significant.

#### The Move Towards a Unitary Buckinghamshire Council

- 4.4 The Secretary of State's decision to create a single unitary council in Buckinghamshire fundamentally reshapes the drivers for financial planning. Whilst every effort has been made to deliver a budget which focuses on continuity of service delivery the decision still has a profound impact on strategy and future planning.
- 4.5 Furthermore, the decision creates uncertainty over the direction of work programmes and uncertainty for staff. This may potentially manifest itself in a slowing of progress on change programmes, a slow down or even hiatus in the improvement of the customer experience and the loss of key staff and capacity whilst uncertainty exists over their future.
- 4.6 These factors may slow the delivery of planned efficiency savings, which are central to the budget, may impact of the quality of customer services and may increase cost through the need to rely on greater numbers of temporary or agency staffing.

- 4.7 At this stage, the actual impact is only speculation. The Council has made some financial provision against the financial impact, but the physical impacts will be harder to mitigate. In the single year remaining to AVDC, this represents the most significant financial and operational risk.
- 4.8 With the need to resource an implementation plan for the new council and the need to manage staffing costs across this transition period, Cabinet has previously agreed that the equalisation funds for business rates and interest be repurposed and made available to offset the transition costs associated with local government reorganisation, subject to any demands being placed upon them in 2018/19. This will provide initial flexibility, but there is no clear sense at this stage whether this is sufficient (when pooled with the other councils) to see through the reorganisation. As a consequence, this will need to be revisited.

### Government Grants

- 4.9 The financial pressure created by the ongoing reductions in Grant continues to represent a significant financial challenge for this and its successor Council. How this Council, and the one after it, react will shape what and how services are delivered for many years to come.
- 4.10 The Fair Funding Review and the new Spending Review present a point beyond which the financial future can not clearly be seen. The budget proposal takes a prudent position for a district council and assumes that reductions will continue at historic levels. In practice transitional arrangements are likely to apply to the introduction of this new Fair Funding regime and at the point which Fair Funding is implemented, the Council will have been reorganised. It is not expected that there will be any new resources arising from the Spending Review for lower tier (district) councils.
- 4.11 Using this reduction assumption the Budget still presents a balanced position for the next 3 years. There is a risk that the actual impact of the Fair Funding Review might be worse than the planning assumptions, but this is considered unlikely and in any event, it is likely to prove impossible to identify because of the districts' consolidation into a combined unitary settlement figure for Buckinghamshire.

### Business Rate Retention

- 4.12 The system of Business Rates has always proved to be an unpredictable and uncertain element of the Grant system. However, the Vale is a growing area, and so generally welcomes the opportunity to benefit from business rate growth.
- 4.13 As part of the Finance Settlement, Buckinghamshire was announced as a pilot area for 75% Rates Retention during 2019/20. Whilst there are undoubtedly business rate growth opportunities within the Vale and Buckinghamshire more widely, the national economic position and unequal weighting of appeals within the system presents an area of considerable uncertainty in terms of the return which might be expected. Overlaying this is the potential impact on the economy of BREXIT and its unknown implications for Business Rate income.
- 4.14 The establishment of an Appeals Provision means that the Council can continue to manage its exposure to some of the risks inherent within this system during 2019/20. However re-purposing the Business Rate Equalisation Reserve for unitary implementation restricts some flexibility to manage the consequences of the most dire scenarios.
- 4.15 The Council's decision to participate in a Business Rate Pool increases the Council's exposure risk to business rates losses, as it now shares in the losses of the wider Pool membership. However, similarly, it benefits from upside gains. The Pool's performance is being closely monitored by the respective Chief Financial Officers.

### New Homes Bonus

- 4.16 The Council will receive £5.9 million of New Homes Bonus in 2019/20. This makes it one of the largest awards for any district in England and reflects the fact that it has witnessed high housing growth over the past 4 years.
- 4.17 The Government is expected to review New Homes Bonus as part the wider review of Government financing of local government and its future might potentially be in the balance. However, as many councils depend of the resources provided through this scheme it is expected that any change will be reflected within transitional arrangements.
- 4.18 The Council has always limited its revenue exposure to New Homes Bonus In recognising that the Bonuses future was uncertain. The amount taken to revenue was a relatively small amount of the Bonus received and judged to be equal to Grant loss associated with the introduction of NHB. This reduces the Council's risk should the Government decide to remove the Bonus completely.
- 4.19 The Parish scheme will need to be revisited by the new Buckinghamshire Council and a decision taken as to whether it wishes to continue with it.

### Interest Rate and Capital Investment Decisions

- 4.20 The future direction for interest rates now seems to be a gradually increasing landscape and as a net investor this is considered beneficial. Any borrowing risks arising from interest rates increasing will be managed through the Treasury Management Strategy.
- 4.21 The Interest Equalisation Reserve has been re-purposed to help fund the implementation costs of the new unitary council. This represented a medium term planning tool only and as such any negative impact arising from interest forecasts not materialising in 2019/20 would be manageable within general balances.
- 4.22 The Minimum Revenue provision (MRP) charge is the means by which capital expenditure financed by borrowing or credit arrangements is paid for by council tax payers. Local Authorities are required each year to set aside some of their revenues as provision for this debt.

### Demand Growth

- 4.23 Housing growth within the Vale is a constant pressure on finances. In practice, cost pressures do not increase uniformly. Instead, these tend to step up when certain threshold points are hit. Provision has been made in this year's budget proposal for growth in the Waste service associated with housing growth and this budget allows for the capital repayment costs associated with the depot expansion project which was also necessitated, largely, due to housing growth.

### Balances

- 4.24 In formulating this budget, the recommended level of General Fund revenue balance has been maintained at £2.0 million. This level of reserve has been determined following the completion of the annual review exercise to update the budget risk register and the resolution of key risk elements identified last year.
- 4.25 There are some elevated risks around BREXIT and unitary implementation which under normal circumstances might have implied a higher general provision, but the single year life of the Council offsets this requirement and a collective view of budget risk will need to be taken from 2020 onwards.

## 5. Reserves and Provisions

- 5.1 The Council maintains a range of funds for specific purposes. These receive contributions from revenue and are used to defray expenditure, often on an irregular basis. This represents a prudent and essential part of financial planning and probity.
- 5.2 A review of the adequacy of reserves is carried out annually at an officer level (the results of which are reported to the Cabinet member) and bi-annually involving the Cabinet member.
- 5.3 At a headline level, Reserves are increasing but it should be stated that the overall position is distorted through the holding of committed allocations in the New Homes Bonus and Commuted Sums reserves. If these are discounted then the overall position on the Council's reserves is either static or reducing. They are considered adequate in the majority of instances.
- 5.4 Balances are invested and provide valuable income for the benefit of taxpayers and the revenue budget via investment interest.

## 6. Council Tax

- 6.1 The Government is actively encouraging councils to increase Council Tax by the maximum permissible, within the limits imposed by its wider national Council Tax strategy.
- 6.2 In response to a rise in inflation the Government increased the referendum threshold to 3% or £5 (whichever is the greater). The maximum increase threshold and the benefit derived from such an increase is still considerably less than the impact created by Grant reduction and growth pressures.
- 6.3 Council Tax increases are not the solution in themselves, because they simply cannot match the scale of grant reduction, but still do have an important part to play in at least mitigating some of the impacts of inflation and Grant loss.

## 7. Medium Term Financial Strategy

- 7.1 Considerable effort at Member and officer level has been directed at establishing a budget framework that covers future years and that marries the need to identify efficiency savings and new income streams with corporate priorities. This work has delivered a balanced budget proposal for 2019/20 and a balanced MTFP up to 2021/22.
- 7.2 Aylesbury Vale is proud of its legacy. Its approach to future financial planning has always been to identify and to plan for future financial events. Identification and implementation of funding solutions ahead of requirement has been central to this approach and the consequence of this is a balanced and stable financial platform from which to focus on service delivery and improvement.
- 7.3 Historically, in facing uncertainty, this Council has always faced up to its financial challenges and created bold and innovative solutions. These have not been without risks, and the Council's risk appetite has needed to change and expand in the face of the greater challenges facing the sector. I believe against the backdrop of preserving core services this strategy has been both warranted and justified, even if not all initiatives have succeeded.
- 7.4 The Aylesbury Vale District Council legacy will therefore be able to handover a financially strong and stable organisation to the successor authority by identifying the financial risks and opportunities it would have faced. This will enable the new Buckinghamshire Council to formulate its initial budget proposals with clarity and certainty over the affairs it is inheriting.

7.5 General Fund revenue reserves and balances have been determined with full consideration of the risks identified within this report. They are, therefore, deemed to represent a sufficient level of provision against the potential financial risk inherent within the Medium Term Financial Plan, provided the Council stays focused on delivering its targets and responsibly managing the handover of its affairs.

Given the actions taken and the level of reserves and balances, I am of the opinion that the budget proposals have been properly prepared and are realistic in the assumptions made. The proposals have been arrived at after taking appropriate officer advice and have the ownership of the Cabinet.

Andrew Small  
Director  
January 2019

**APPENDIX B1**
**Medium Term Financial Plan – 2019/20 to 2022/23**

<b>Classification</b>	<b>2018/19 Base</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
	£	£	£	£	£
Civic Amenities	169,500				
Communities	1,462,800				
Economic Development	(955,400)				
Environment & Leisure	2,828,100				
Finance & Resources	5,972,600				
Leader	1,621,600				
Planning & Enforcement	(840,400)				
Strategic Planning & Infrastructure	1,160,100				
Waste & Licensing	5,514,800				
<b>Plus:</b> Inflation and known Savings/Growth	0	448,000	(85,000)	24,500	900,000
<b>(Less): Unidentified Savings Still Required</b>	0	0	0	0	(1,276,000)
<b>Add:</b> Savings in Excess of Requirement					
<b>Service Spend Total</b>	<b>16,933,700</b>	<b>17,381,700</b>	<b>17,296,700</b>	<b>17,321,200</b>	<b>16,945,200</b>
Contingency Items	101,000	148,600	167,100	123,900	123,900
Financing & Asset Charges	(1,048,800)	(1,048,800)	(1,048,800)	(1,048,800)	(1,048,800)
Transfer to Reserves	1,032,700	1,032,700	1,032,700	1,032,700	1,032,700
Transfer from Reserves	(357,000)	(357,000)	(357,000)	(357,000)	(357,000)
<b>Net Transfers to Reserves</b>	<b>675,700</b>	<b>675,700</b>	<b>675,700</b>	<b>675,700</b>	<b>675,700</b>
Investment Interest	(330,000)	(380,000)	(380,000)	(420,800)	(430,000)
Interest on Long Term Borrowing	2,694,300	2,460,600	2,452,300	2,443,600	2,443,600
AVE Receivables	(2,053,900)	(2,011,600)	(1,967,700)	(1,921,900)	(1,549,800)
Contribution to/(Use of) Balances	240,000	0	0	0	0
<b>Less:</b> Special Expenses	<b>(862,300)</b>	<b>(900,400)</b>	<b>(922,900)</b>	<b>(946,000)</b>	<b>(969,700)</b>
New Homes Bonus	(1,178,000)	(1,178,000)	(1,178,000)	(1,178,000)	(1,178,000)
Retained Business Rate Growth	(476,700)	(476,700)	(476,700)	(476,700)	(476,700)
<b>Funding Requirement</b>	<b>14,695,000</b>	<b>14,671,100</b>	<b>14,617,700</b>	<b>14,572,200</b>	<b>14,535,400</b>
<b>Funded By:</b>					
Government Grant	(3,826,500)	(3,288,400)	(2,750,300)	(2,212,200)	(1,674,100)
Collection Fund Transfer	(61,000)	(67,800)	(67,800)	(67,800)	(67,800)
<b>AVDC Council Tax</b>	<b>10,807,500</b>	<b>11,314,900</b>	<b>11,799,600</b>	<b>12,292,200</b>	<b>12,793,500</b>
Council Tax Base	72,507	73,447	74,181	74,923	75,672
<b>Council Tax</b>	<b>£ 149.06</b>	<b>£ 154.06</b>	<b>£ 159.06</b>	<b>£ 164.06</b>	<b>£ 169.06</b>
Percentage Increase	3.48%	3.35%	3.25%	3.14%	3.06%

## Medium Term Financial Plan – 2019/20 to 2022/23

## Summary of Changes

Classification	2018/19	2019/20	2020/21	2021/22	2022/23
	£	£	£	£	£
<b>Plus:</b>					
<i>Unavoidable Pressure</i>		1,480,900	36,400	0	0
<i>Inflation, Pay and Increments</i>		872,800	901,000	1,030,400	1,060,200
<i>Major Projects</i>		0	0	0	0
<b>Total</b>	0	2,353,700	937,400	1,030,400	1,060,200
<b>Less:</b>					
<i>New Income and Efficiency Proposals</i>		(1,905,700)	(1,022,400)	(1,005,900)	(160,200)
<i>Major Projects</i>					
<b>Total</b>	0	(1,905,700)	(1,022,400)	(1,005,900)	(160,200)
<b>Total Budgetary Pressure &amp; Efficiencies Identified</b>	0	448,000	(85,000)	24,500	900,000
<b>Change in Available Resources</b>					
Increase in Investment Interest		(50,000)	0	(40,800)	(9,200)
Decrease in Contribution From Reserves		0	0	0	0
Decrease in Capital Financing		0	0	0	0
Decrease in Borrowing Costs		(233,700)	(8,300)	(8,700)	0
Decrease in AVE Interest Payment		42,300	43,900	45,800	372,100
Increase in AVE Dividends		0	0	0	0
(Increase)/Decrease in Use of Balances		(240,000)	0	0	0
Increase in Contingency Provision		47,600	18,500	(43,200)	0
Increase in Collection Fund Surplus		(6,800)	0	0	0
Lower Government Grant - RSG		538,100	538,100	538,100	538,100
New Homes Bonus		0	0	0	0
Tax Base Growth		(140,100)	(113,200)	(118,000)	(122,900)
Additional Council Tax		(367,300)	(371,500)	(374,600)	(378,400)
Decrease/(Increase) in Special Expenses		(38,100)	(22,500)	(23,100)	(23,700)
<b>Total Decrease/(Increase) in Resources</b>	0	(448,000)	85,000	(24,500)	376,000
<b>Savings Required</b>	0	0	0	0	(1,276,000)
<b>Net Change in Resources</b>	0	0	0	0	0

## APPENDIX C

### Budget Pressures - 2019/20 - 2022/23 - Budget Planning

Service Area	2019/20 £	2020/21 £	2021/22 £	2022/23 £	Proposal
Waste Services	200,000	0	0	0	UPM Contract Ceased - Recycling Credits Now Payable

### Newly Identified as Part of 2019/20 Budget Planning Cycle

Comm Bus Strat	13,100	0	0	0	Income targets not achievable - revisions to 19/20 baseline
Bus, Corp Gov	7,000	0	0	0	Income targets not achievable - revisions to 19/20 baseline
Bus, Corp Gov	39,400	0	0	0	Re-instatement of Learning and Development Manager post
Bus, Corp Gov	22,500	0	0	0	Recurrent costs of new system developments for finance system (£20k) and project management office MO system costs (£2.5k)
Comm Property	83,600	0	0	0	Revision of realisable service charges due from Waterside South
Comm Property	44,000	0	0	0	Increased staffing costs to support service provision within Commercial property
Comm Property	40,000	0	0	0	Increased consultancy charges following staffing review (offset by savings realised)
Comm Property	26,500	25,000	0	0	Maintenance of the new Exchange North £25k for H&S + £25k for Sinking Fund Contribution + £1,500 for Artwork Maintenance)
Comm Property		11,400	0	0	Planned cost for 'Changing Places' Toilet - Annual Maintenance Charge
Comm Property	9,000	0	0	0	Annual fee for new Asset Management System
Comm Property	10,000	0	0	0	Income targets not achievable - revisions to 19/20 baseline
Comm Property	250,000	0	0	0	Rent Review at Waterside Properties given current market conditions
Comm Fulfillment	7,000	0	0	0	Additional marketing costs for Vale Lottery
Comm Fulfillment	14,000	0	0	0	Comms & Marketing: allocation of Budget to support corporate website
Comm Fulfillment	17,000	0	0	0	Comms & Marketing: allocation of Budget to support intranet capability
Comm Fulfillment	12,000	0	0	0	Allocation of budget for Modern.Gov annual fee for Democratic Services
Comm Fulfillment	5,000	0	0	0	Income targets not achievable - revisions to 19/20 baseline
Comm Fulfillment	50,000	0	0	0	Additional staffing capacity for Strategy partnership team and additional community safety post following staff review
Business Strategy & Support	30,000	0	0	0	Additional Health & Safety Resource at Pembroke following risk assessment
Customer Fulfillment	50,000	0	0	0	Customer Relationship - Benefits Structure Review following Commercial Programme
Customer Fulfillment	130,000	0	0	0	Additional staffing for planning team to meet on-going service requirements and demands, as per 18/19 outturn
Customer Fulfillment	200,000	0	0	0	Increased Licencing & Hosting Costs Across AVDC, supporting Salesforce implementation
Digital & Transformation	80,000	0	0	0	IT Structure Review following Commercial Programme - Required To Meet Service Requirements
Digital & Transformation	25,000	0	0	0	Systems Administration Structure Review - Required To Meet Service Requirements
Waste Services	95,000	0	0	0	Management Structure Review To Meet On-going Service Requirements
Customer Fulfillment	6,500	0	0	0	Increased planned property maintenance costs in line with contractual agreements
Comm Property	14,300	0	0	0	Increased planned property maintenance costs in line with contractual agreements
<b>Total</b>	<b>1,480,900</b>	<b>36,400</b>	<b>0</b>	<b>0</b>	



**Budget Proposals – 2019/20 to 2022/23  
General Fund Revenue Balances**

**APPENDIX E**

<b>Classification</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
	£	£	£	£	£
Balance Brought Forward	1,977,000	1,927,000	1,927,000	1,927,000	1,927,000
Windfall Gains & Special Applications of Balances					
- HS2	(2,000)	0	0	0	0
- Website and E-Commerce Programme	0	0	0	0	0
- Commercial AVDC Change Project	0	0	0	0	0
- Commercial Activities	(50,000)	0	0	0	0
<b>Restated Balance Position</b>	<b>1,925,000</b>	<b>1,927,000</b>	<b>1,927,000</b>	<b>1,927,000</b>	<b>1,927,000</b>
Forecast (Overspend)/Underspend Assumption	(238,000)	0	0	0	0
Planned Addition to/(Use of) Balances	240,000	0	0	0	0
<b>Net (Use of)/Contribution to Balances</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Balance Carried Forward</b>	<b>1,927,000</b>	<b>1,927,000</b>	<b>1,927,000</b>	<b>1,927,000</b>	<b>1,927,000</b>

## Aylesbury Town Special Expenses

## APPENDIX F

	2017/18 Actual £	2018/19 Original Budget £	2018/19 Forecast £	2019/20 Estimate Budget £
Aylesbury Market	3,251	(400)	2,600	1,100
<b>Parks and Recreation Grounds</b>				
Parks Administration	304,771	238,100	240,000	241,700
Alfred Rose Park	35,393	42,400	53,300	54,300
Bedgrove Park	59,605	64,700	59,000	59,500
Edinburgh Playing Fields	44,765	51,500	54,200	54,400
Meadowcroft Playing Fields	42,160	67,000	74,800	80,400
Vale Ground	31,458	15,900	30,700	11,300
Walton Court Sports Ground	28,868	45,300	38,600	39,000
Fairford Leys Sports Ground	60,855	85,200	83,900	85,100
	<b>607,875</b>	<b>610,100</b>	<b>634,500</b>	<b>625,700</b>
<b>Community Centres</b>				
Management	74,211	75,200	75,200	74,200
Bedgrove	44,094	55,600	56,800	58,500
Southcourt	56,651	48,400	48,500	43,500
Alfred Rose	63,159	50,400	54,700	56,800
Prebendal Farm	46,804	42,400	43,700	51,300
Quarrendon & Meadowcroft	92,683	60,200	56,200	64,800
Haydon Hill	16,889	14,600	14,600	18,200
	<b>394,492</b>	<b>346,800</b>	<b>349,700</b>	<b>367,300</b>
Asset Rental Adjustment	(90,218)	(91,800)	(91,800)	(91,800)
<b>Total Net Expenditure</b>	<b>915,399</b>	<b>864,700</b>	<b>895,000</b>	<b>902,300</b>
<b>General Reserve</b>				
Balance Brought Forward	(552,189)	(496,089)	(467,390)	(413,990)
Expenditure in Year	915,399	864,700	895,000	902,300
Precept - Band D	(828,100)	(839,400)	(839,400)	(849,300)
	<b>(464,890)</b>	<b>(470,789)</b>	<b>(411,790)</b>	<b>(360,990)</b>
Interest on Balances	(2,500)	(2,400)	(2,200)	(1,900)
	<b>(467,390)</b>	<b>(473,189)</b>	<b>(413,990)</b>	<b>(362,890)</b>