

## Medium Term Financial Strategy

	Recurring or non-recurring	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
<b>Budget increases:</b>					
<b>Statutory obligations/implications of economic climate:</b>					
Pension Fund revaluation	R	750	750	750	
ELWA Levy	R	320	560	800	
Reduction in interest on balances	R	500			
Provision for inflation	R	0	4,500	4,500	4,500
		<b>1,570</b>	<b>5,810</b>	<b>6,050</b>	<b>4,500</b>
<b>Financial implications of Council approved decisions:</b>					
Capital Programme - capital financing costs	R	2,750	2,250	2,250	
Contribution to support Council Budget from 9/10	R	500			
Skills Centre	R	800			
Dagenham Library and One Stop Shop	R	600	600		
Valence House Musuem	R	168			
Becontree Heath Leisure Centre	R	400	200		
Youth Access Card	R	0	278		
Building Schools for the Future	NR	700		(1,200)	
		<b>5,918</b>	<b>3,328</b>	<b>1,050</b>	<b>0</b>
<b>Financial implications of Future Investment:</b>					
Local & National Elections	R	250	(190)		
Domestic Violence	R	100			
Dementia Services	R	250			
Temporary Accomadation	R	700	285		
Provision for future investment and risks	R		1,500	1,250	1,000
Affordable level of internal investment in the capital strategy	R		1,000	1,000	1,000
		<b>1,300</b>	<b>2,595</b>	<b>2,250</b>	<b>2,000</b>
<b>Investment required to ensure budget is robust:</b>					
Corporate provision to cover redundancy costs	NR	2,000			
General reserves	NR	2,000	1,000	500	
Central Invest to Save Fund	NR	1,000	1,000		(2,000)
Contingency to cover budget risks	R	3,290			
		<b>8,290</b>	<b>2,000</b>	<b>500</b>	<b>(2,000)</b>
<b>Total Additional Costs (A)</b>		<b>17,078</b>	<b>13,733</b>	<b>9,850</b>	<b>4,500</b>
<b>Additional Income</b>					
Formula Grant	R	3,578	(6,000)	(6,000)	(6,000)
Council Tax	R	0	1,500	1,500	1,500
Reduction in Collection Fund deficit	R	(500)	190		
<b>Total Additional Income (B)</b>		<b>3,078</b>	<b>(4,310)</b>	<b>(4,500)</b>	<b>(4,500)</b>
<b>Budget Gap (A less B)</b>		<b>14,000</b>	<b>18,043</b>	<b>14,350</b>	<b>9,000</b>
<b>Savings:</b>					
<b>Departmental Savings</b>					
2010/11 departmental savings	R	10,960	0	0	0
Departmental procurement savings identified	R	2,040	978	825	885
Customer Services	NR	0	1,200	0	(1,200)
Average 3% service efficiency requirement for all services from 2011/12 onwards for 5 years (indicative at this stage)	R	0	4,000	4,000	4,000
		<b>13,000</b>	<b>6,178</b>	<b>4,825</b>	<b>3,685</b>
<b>Corporate Savings and Efficiency</b>					
Strategic Partnering Savings (indicative based on current information)	R		3,790	2,125	450
Accommodation Review future savings identified (indicative based on current information)	R		95	403	886
Corporate Savings - including Performance review, Administration review, consultancy costs, mobile phones and blackberry costs	R	1,000			
		<b>1,000</b>	<b>3,885</b>	<b>2,528</b>	<b>1,336</b>
<b>Total Savings</b>		<b>14,000</b>	<b>10,063</b>	<b>7,353</b>	<b>5,021</b>
<b>Budget Gap including savings</b>		<b>0</b>	<b>7,980</b>	<b>6,997</b>	<b>3,979</b>