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**BUDGET PREPARATION GUIDELINES and TIMETABLE – 2010/11  
INITIAL ESTIMATES AND PROJECTIONS FOR 2011/12 and 2012/13**

The following guidelines must be adhered to in the preparation of the 2010/11 Initial Estimates and the projections for 2011/12 and 2012/13.

1. **General**

Support Service/Management Costs

- 1.1 The reallocation of support service/management costs will be calculated by Financial Services and incorporated into budgets as part of the estimates process - it may be necessary for the Head of Financial, Revenues and Benefits Services to make an assessment of the overall charge to be made to the Housing Revenue Account for rent setting purposes.

Capital Charges

- 1.2 Capital charges will be calculated by Financial Services and incorporated into budgets as part of the estimates process.

Inflation

- 1.3. Price inflation will be applied in line with contractual obligations, for example on the budgets for energy supplies where supplies have been re-tendered during the year. There will be no other general increases for inflation.

1.4. Bids

Any bids for additional budget provision to meet either one off or ongoing service needs will be collated by Financial Services for consideration by the Senior (SMT) and/or Corporate Management Team (CMT). The bids presented to SMT/CMT will be presented to Members for prioritisation and approval.

1.5. Financing Charges

Financing charges will be calculated by Financial Services based on the latest available projections at the time of preparing the estimates/forecasts.

2. **2010/11 Initial Estimates**

April 2010 Pay Award and Pensions

- 2.1 A contingency will be provided for the 2010 pay award equivalent to 1% of the pay bill.
- 2.2 The employer's contributions rate for 2010/11 is 21.6%.

Non-Domestic Rates (Council properties)

- 2.3. A revaluation of non-domestic properties is due from 1<sup>st</sup> April 2010. Estimates based on the proposals contained within the consultation paper will be provided by the Revenue Services Manager for all Council properties subject to Non-Domestic Rates.

Job Evaluation

- 2.4. Job Evaluation is due to be implemented from 1<sup>st</sup> April 2010. A provision will be included for the cost of Job Evaluation.

Single Management Team

- 2.5. Recruitment to the new management structure will not be completed until the earliest the 19<sup>th</sup> January 2010. It will therefore be necessary to include a provision for the estimated cost of implementation but this will be subject to a bid for capitalisation.

Fees and Charges

- 2.6. Fees and Charges increases should be subject to separate reports and should be reported to the December 2009 Executive Committee meeting. The income budgets for each Service area / Directorate should show an overall increase of at least 2%. Heads of Service/Service Managers to agree fees and charges proposals with Portfolio Holders.
- 2.7. Last January the basic rate of VAT was reduced from 17.5% to 15%. The rate is due to revert to 17.5% from 1<sup>st</sup> January 2010. In order to avoid the need to make more than one change to fees and charges all changes will be implemented from 1<sup>st</sup> January 2010 instead of 1<sup>st</sup> April 2010.

Inflation

- 2.8. Price inflation will be applied in line with contractual obligations. There will be no general increase for inflation.

Growth

- 2.9 Items which represent real growth in service areas will only be included in service budgets if they have previously been approved by members.

Grants and Subsidies

- 2.10 Only those grants and subsidies receivable in 2010/11 and notified by 31<sup>st</sup> December 2009 should be included in the draft budgets.
- 2.11 Any such income having ceased in 2009/10 must not be included in the 2010/11 estimates.
- 2.12 Where applications have been made for grants, etc., but no notification has been received, the matter must be referred to the relevant Group Accountant for guidance.

Other issues

- 2.13 Any specific issues relating to service areas where budget holders are uncertain as to the processes to be followed should initially be discussed with the appropriate Group Accountant or the Financial Services Manager who will provide the necessary guidance.

3. **2011/12 Projections**

April 2011 Pay Award and Pensions

- 3.1 The pay award due in April 2011 has yet to be negotiated. The Projections for 2011/12 will include a 1% provision.
- 3.2. The employer's contributions rate for 2011/12 is provisionally set at 22.3%. However, the next actuarial review is due on the 31<sup>st</sup> March 2010 and this will impact on the rate payable from 1<sup>st</sup> April 2011.

Inflation

- 3.2 There will be no general increase for inflation. Inflation will only be applied to meet contractual obligations.

Growth

- 3.3 Items which represent real growth in service areas will only be included in service budgets if they have previously been approved by Members.

Fees and Charges

- 3.4 The income budgets for each Service area / Directorate should show an overall increase of at least 2%.

4. **2012/13 Projections**

April 2012 Pay Award and Pensions

- 4.1 The pay award due in April 2011 has yet to be negotiated. The Projections for 2012/13 will include a 1% provision.
- 4.2. The employer's contributions rate for 2012/13 is provisionally set at 23.1%. However, the next actuarial review is due on the 31<sup>st</sup> March 2010.

Inflation

- 4.3 There will be no general increase for inflation. Inflation will only be applied to meet contractual obligations.

Growth

- 4.4. Items which represent real growth in service areas will only be included in service budgets if they have previously been approved by Members.

Fees and Charges

- 4.5. The income budgets for each Service area / Directorate should show an overall increase of at least 2%.

**BUDGET TIMETABLE  
INITIAL ESTIMATES 2010/11 and FORECASTS 2011/12, 2012/13**

<b>Date</b>	<b>Committee etc</b>	<b>Description</b>
23 <sup>rd</sup> September 2009	SMT	Consideration of outline bids for 2010/11, 2011/12 and 2012/13
24 <sup>th</sup> September 2009	CMT	Budget Guidelines and Timetable
5 <sup>th</sup> October 2009	Financial Services Section/Budget Holders	Commence work on initial estimates for 2010/11 and forecasts for 2011/12 and 2012/12 OMS timesheets to be issued
15 <sup>th</sup> October 2009	Portfolio Holder Briefing	Budget Guidelines and Timetable
16 <sup>th</sup> October 2009	Officers	OMS timesheets to be returned to Financial Services Section
22 <sup>nd</sup> October 2009	CMT	Consideration of bids
23 <sup>rd</sup> October 2009	Finance Officers	Internal Service Unit (ISU) values to be provided to Group Accountant
28 <sup>th</sup> October 2009	Executive	Budget Guidelines and Timetable
November 2009	SMT/CMT	Prepare list of potential savings
4 <sup>th</sup> November 2009	O & S	Pre-Scrutiny of bids
5 <sup>th</sup> November 2009	Portfolio Holder Briefing	Consideration of bids
5 <sup>th</sup> November 2009	CMT	Fees and Charges
13 <sup>th</sup> November 2009	Group Accountant	OMS allocations to be available for inclusion in direct service estimates All other recharges to be available
18 <sup>th</sup> November 2009	Executive	Consideration of bids
25 <sup>th</sup> November 2009	O & S	Pre-Scrutiny of Fees and Charges
26 <sup>th</sup> November 2009	Portfolio Holder Briefing	Fees and Charges
3 <sup>rd</sup> December 2009	CMT	Consideration of potential savings
7 <sup>th</sup> December 2009	Council	Approval of Guidelines
9 <sup>th</sup> December 2009	Executive	Fees and Charges
17 <sup>th</sup> December 2009	CMT	Draft Initial Estimates and Forecasts Report Council Tax Base (for info)
17 <sup>th</sup> December 2009	Portfolio Holder Briefing	Consideration of potential savings
December 2009	DCLG	Confirmation of Formula Grant (no change expected)

<b>Date</b>	<b>Committee etc</b>	<b>Description</b>
6 <sup>th</sup> January 2009	Executive	Consideration of potential savings
14 <sup>th</sup> January 2010	Portfolio Holder Briefing	Draft Initial Estimates and Forecasts Report
27 <sup>th</sup> January 2010	Executive	Approval of Initial Estimates 2010/11 and Forecasts 2011/12 and 2012/13. Rent Setting for 2010/11 Approval of Council Tax Base
1 <sup>st</sup> February 2010	Council	Approval of savings for consultation (unless earlier Council meeting held)
3 <sup>rd</sup> February 2009	O & S	Pre-Scrutiny of Initial Estimates
22 <sup>nd</sup> February 2010	Exec/Council	2010/11 Budget Approval Council Tax Setting
29 <sup>th</sup> March 2009	Council	Approval of savings (unless able to approve at council tax setting meeting)