

## Budget Strategy for Centrally Managed budgets

### Summary

	Budget 2011/12 £'000	Propose d Budget 2012/13 £'000	% change	Indicati ve Budget 2013/14 £'000	% chang e
Corporate Insurance	3,009	3,419	+13.6%	3,487	+2.0
Concessionary Fares	9,660	9,696	+0.4%	10,044	+3.6
Capital Financing Costs	10,427	9,191	-11.9	8,276	-10.0
Levies to External Bodies	166	170	+2.4	174	+2.4
Other Corporate Budgets	-2,731	-2,731	0	-2,689	+1.5
Corporate VfM Savings	-3,887	-787		-803	
Contingency and Risk Provisions	4,245	4,777		5,715	
Unallocated Service Pressure Funding	0	0		7,500	
Unringfenced Grant Income	-29,825	-29,845		-29,394	
<b>Total Revenue - Corporate Budgets</b>	<b>-8,936</b>	<b>-6,110</b>		<b>2,310</b>	

### Summary

#### Strategic Financial Context

- The insurance market is unpredictable and our costs are highly dependent on national and international factors as well as our claims history
- The council is obliged to comply with national funding guidance for the statutory provision of concessionary bus travel
- Capital financing costs are influenced by our borrowing requirements and the interest rates payable on this and on the interest earned on our cash and investments

- We assume a level cross-cutting savings in the VfM programme which over the course of the year get allocated to services as clear opportunities are identified
- Our need for risk provisions is related to the complexity and scale of the of the savings needed on the overall budget
- We receive a significant amount of unringfenced grant income which is reducing

### **Key Changes arising from this Budget Strategy**

In 2012/13

- A 3 year fixed funding deal with the city's main bus operator will deliver savings on concessionary fares
- There is a significant saving on capital financing costs as a result of the unpooling of General Fund and Housing Revenue debt, offset by ongoing low income from cash and investments
- We will continue to deliver cross cutting savings through the Value for Money programme
- There will be savings on VAT

In 2013/14

- We will continue with the strategies from 2012/13 which will deliver further savings in the subsequent year