

APPENDIX B - EXPLANATION OF THE CFA BUSINESS PLANNING TABLES

CFA has 5 finance tables in the Business Plan.

TABLE 1 presents the net budget split by policy line for each of the five years of the Business Plan. It also shows the revised opening budget and the gross budget, together with fees, charges and ring-fenced grant income, for 2016-17 split by policy line. Policy lines are specific areas within a service on which we report, monitor and control the budget.

The purpose of this table is to show how the net budget for a Service Area changes over the period of the Business Plan.

TABLE 2 presents additional detail on the net budget for 2016-17 split by policy line.

The purpose of the table is to show how the budget for each policy line has been constructed: inflation, demography and demand, pressures, investments and savings are added to the opening budget to give the closing budget.

TABLE 3 presents the gross budget and the detailed changes to the gross budget for the CFA core budget (excluding the Dedicated Schools Grant) for each of the next 5 years. At the top it takes last year's gross budget (opening budget) and then adjusts for inflation, demography and demand, pressures, investments, savings, leaving you with the new total gross budget.

The funding section (near the bottom) then shows how the new total gross budget is funded – which includes central council funding (cash limit funding), fees and charges, school income, and specific grants.

The purpose of this table is to show how the CFA budget changes due to inflation, demography & demand, pressures, investments, and savings.

TABLE 4 presents CFA's capital schemes, across the ten-year period of the capital programme. The schemes are summarised by start year in the first table and listed individually, grouped together by category, in the second table. The third table identifies the funding sources used to fund the overall programme. These sources include prudential borrowing, which has a revenue impact for the Council.

TABLE 5 lists a Service Area's capital schemes and shows how each scheme is funded. The schemes are summarised by start year in the first table and listed individually, grouped together by category, in the second table.

Tables 1, 2, and 3 all show the same revenue budgets in different presentations. Table 3 details all the savings and then Table 2 shows the impact of the Year 1 savings on each policy line. Table 1 shows the combined impact on each policy line over the 5 year period. Some savings in Table 3 impact on just one policy line in Tables 1 and 2, but other savings in Table 3 are split across various policy lines in Tables 1 and 2. The following examples track through the budgets for Integrated Community Equipment Service across Tables 1, 2 and 3.

Example 1: Integrated Community Equipment Service (ICES) : mapping budget changes through the tables

Table 3 - all the sections which impact on ICES budget

A/R.2.001 - A.R.2.005	Inflation – total CFA expenditure inflation is £5,370 in 16/17, and of this £80k relates to ICES.
A/R 3.001	Demography – Funding of £117k is allocated to ICES in 16/17 to reflect demographic pressures (with £118k £128k £128k £120k in the following 4 years).
A/R.4.007	Pressures – Single Tier State Pension. An overall Pressure of £1,409k was calculated for CFA as a result of the abolition of the state second pension. £2k of this relates to ICES.
A/R 6.204	Savings - £250k is identified for 16/17, and £120k in year 2.
A/R.6.710 and A/R.6.713	Savings - £1,480k saving is expected across CFA as a result of absorbing part of the inflationary pressure on pay, and £1,409k across CFA as a result of absorbing the pressure on the cost of increased national insurance costs due to the abolition of the second state pension. £3k of this relates to ICES.
A/R.7.003	Fees, Charges and Ring-Fenced Grants - CFA income inflation is £917k in 16/17, and of this -£70k relates to ICES.

Table 1 – following the ICES policy line across.

ICES is a policy line in Older People and Mental Health Services. It will have a net budget (third column of table) of £677k for 2016-17. In the following 4 years the change in budget is the net impact of the demography, investment, pressure and the savings requirement.

Table 2 - following the ICES policy line across.

This table only relates to the 2016/17 year and therefore shows an opening budget (revised 15/16 budget) of £801k, adds £10k of inflation and £117k of demography, and takes away £253k of savings – giving a net budget of £677k for 2016/17 as shown in Table 1.

Opening Budget	£801k
Inflation	+£10k
Demography	+£117k
Pressures	+£2k
Savings	<u>-£253k</u>
Gross Budget 15/16	£677k