

**FINANCE PROPOSALS 2008/09 – GENERAL FUND AND HOUSING REVENUE
ACCOUNT – REVENUE AND CAPITAL**

Agenda Item 5 (c)

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Background Papers:- Updated Medium Term Financial Strategy 2008/09 to 2011/12, Cabinet reports and minutes 29th October 2007 and 3rd December 2007

Financial Implications:- Detailed in Report

Equalities Implications:- Contained within individual budget recommendations

Legal Implications:- Local Government Finance Act 1992 – Section 106 Will any members affected by Section 106 please note that any declarations to that effect should be made on the commencement of the meeting or immediately on arrival if this is later.
Under Section 106 a member who has not paid an amount due in respect of their Council Tax for at least two months after it became payable is precluded from voting on any matters affecting the level of Council Tax or the arrangements for administering the Council Tax. (The member is, however, entitled to speak).

Options: Policy implications are detailed within report
Detailed in report

Risks: Detailed in report

EXECUTIVE SUMMARY

The report contains details of the financial proposals for the General Fund and Housing Revenue Accounts, covering both revenue and capital, for 2008/09. Providing an update on developments since the Update on the Medium Term Financial Strategy report was received by Cabinet on 3rd December 2007.

Feedback received from the budget consultation process since the Cabinet meeting on 3rd December 2007 is provided.

The report also provides details of the Council's borrowing and investment requirements for 2008/09; these are contained in the Treasury Management Strategy and Prudential Indicators and Limits.

DECISION

1. Members are requested to consider how the shortfall in funding of £186,940 for 2008/09 as identified in Appendix D is to be addressed.
2. Members are requested to recommend that Full Council approves:
 - a) The budget variations to the current base budget as summarised in Appendix D;
 - b) The budget bids detailed in Appendix B,
 - c) The Fees and Charges for 2008/09 as shown in Appendix C;
 - d) Rent increases for 2008/09 be:
 - 4.4% plus £2.00 per week for rents below target rent; and
 - 4.4% per week for rents at target rent (all figures on a 48 week basis)
 - e) The Housing service charges for 2008/09 as detailed in Appendix F;
 - f) The General Fund Capital bids for 2008/09 as listed in Appendix H;
 - g) The Prudential Indicators and limits set out in Appendix I;
 - h) The Policy on Minimum Revenue Provision as recommended in Appendix I;
 - i) The Treasury Management Strategy, including annual investment strategy, for 2008/09;
 - j) The policy framework and virement levels as detailed in Appendix J;
 - k) The proposed detailed estimates, as amended by decision at 1 above, in Appendix E and the Council Tax increase taking into consideration:
 - The consultation feedback received (Section 3 of report); and
 - The Finance Director's report on the robustness of the estimates and the adequacy of balances (Appendix K).
 - l) That the Medium Term Financial Strategy is updated to take account of the information detailed in the report and the decisions made.

List of Appendices

- A Budget consultation 2008/09 – Draft minutes of Business Council 7th January 2008**
- B Proposed additions to Revenue Budget in 2008/09**
- C Proposed Fees and Charges 2008/09 (where increasing) (Copy to follow)**
- D General Fund Revenue 2008/09 to 2011/12**
- D Reserve and Balances**
- E General Fund by Business Plan – Proposed Budget 2008/09**
- F Housing Revenue Account – Proposed Service Charges 2008/09**
- G Capital Programme Summary 2007/08 to 2011/12**
- H Proposed capital schemes for 2008/09**
- I Prudential Indicators and Treasury Management Strategy 2008/09**
- J Virement Rules and Policy Framework**
- K Robustness of the Estimates and the adequacy of the proposed Financial Reserves**

FINANCE PROPOSALS 2008/09 – GENERAL REVENUE ACCOUNT AND HOUSING REVENUE ACCOUNT – REVENUE AND CAPITAL

1. Background

The Cabinet has considered the following reports, which have outlined the budgetary and consultation process and the Council's financial position.

29 th October 2007	Updated Medium Term Financial Strategy 2008/09 to 2011/12
3 rd December 2007	Update on the Medium Term Financial Strategy including details of the bids proposed for revenue and capital funding in 2008/09.

2. Medium Term Financial Strategy (MTFS)

The Medium Term Financial Strategy 2008/09 to 2011/12 has been updated to provide for details of the financial settlement for 2008/09 to 2010/11 from Government. The finance proposals for 2008/09 as detailed in this report are presented within the framework of the Medium Term Financial Strategy. The Strategy is included as a separate agenda item at this meeting.

3. Budget Consultation Process

3.1 Local Committees

The Local Committees give consideration to the local priorities in their areas, initially identifying those raised by constituents during the election period. Whilst each Local Committee has a revenue and capital budget to meet priority-spending needs in its area, the budget process provides opportunity to raise those issues that require funding in excess of their budgets.

3.2 Overview and Scrutiny Committee

The Budget Scrutiny process commenced with the Cabinet member for Resources and Performance presenting the updated MTFS to the Overview and Scrutiny Committee on 30th October 2007. Further update reports on budget proposals were considered by the Committee at meetings on 28th November 2007 and 24th January 2008.

Any comments from the Overview and Scrutiny Committee will be circulated at tonight's Cabinet meeting.

3.3 Business Council

The Cabinet member for Resources and Performance presented a report on the Budget 2008/09 proposals to the Business Council on 7th January 2008. A copy of the draft minutes of this meeting is provided at Appendix A.

3.4 'On the Streets' roadshows

The roadshows provided opportunity for members of the public to meet and discuss their priorities/issues with Cabinet members. The roadshows were held in Witham, Braintree and Halstead on 14th, 19th and 25th September 2007, respectively. A summary of the main findings from the roadshows was provided in the Draft Medium Term Financial Strategy report to Cabinet on 3rd December 2007.

3.5 Consultation Exercises

During late 2006 and 2007 the following surveys and consultations were undertaken to assist in the development of the Council's priorities for the next four years and the priority actions for 2008/09:

- Local Area agreement – Tracker Survey Wave One – October 2006
- Best Value General Survey – October 2006
- Local Development Framework and Braintree District Community Strategy consultations
- Essex Citizens panel – Braintree District Focus Group

Summaries of the main findings of each were also provided in the Draft Medium Term Financial Strategy report to Cabinet on 3rd December 2007.

3.6 Proposed Priorities and Medium Term Financial Strategy shared with Key Stakeholders

The Leader of the Council has recently written to the Council's key stakeholders outlining the proposed priorities and Medium Term Financial Strategy of the Council for the period to 2011/12.

Any comments received will be circulated at tonight's Cabinet meeting.

4. Recent Developments

4.1 Financial Grant Settlement

Details of the provisional Financial Grant Settlement were received from the Department of Communities and Local Government (DCLG) on 6th December 2007. The notification provided a provisional figure for 2008/09 and for the first time, indicative figures for the following two years: 2009/10 and 2010/11

The allocations are:

2008/09	£9,661,972	an increase of 2.7% over an adjusted 2007/08 figure
2009/10	£9,940,858	an increase of 2.9%
2010/11	£10,230,788	an increase of 2.9%

The requirement to adjust the 2007/08 grant figure is to enable a like-for-like comparison as the Waste and Efficiency Performance Grant is being allocated via this grant rather than as a specific grant as in 2007/08.

The increases in grant compare with inflationary allowances on expenditure in the Medium Term Financial Strategy of:

- General inflation for contracts, utilities, fuel, etc of an average of 3.5%;
- Pay inflation of approximately 5% (pay award of 2.5%, increased pension contribution an allowance for incremental progression).

The grant figures allocated are after significant reductions to pay for the 'floor' system, a minimum level of grant increase for some councils which would otherwise have suffered nil increase or a reduction. The amounts of reduction are:

2008/09	£418,212
2009/10	£383,440
2010/11	£330,202

The grant includes allowances for the cost of new responsibilities for stray dog control, currently the responsibility of the Police, and the new local government conduct regime. The sums allocated to this Council for 2008/09 are £8,480 and £3,490, respectively.

4.2 Specific Grants

Concessionary Fares – The funding the Council is to receive for the expansion of the national concessionary fare scheme is:

2008/09	£278,855
2009/10	£285,431
2010/11	£293,323

This compares to an estimated additional cost to the Council of £397,000, as estimated by MCL Travel Consultants employed by the Essex County Travel Concession Scheme.

Homelessness Grant – The Council is to receive £50,000 per annum over the three-year period. This is in line with the budget assumption in the MTF5.

Housing and Planning Delivery Grant (formerly Planning Delivery Grant) -

Notification of the Council's allocation for 2008/09 is not expected until the summer 2008. For medium term financial planning it is assumed that the allocations for 2008/09 to 2010/11 will be sufficient to continue to cover the external costs of the Local Development Framework. An allocation in excess of £125,000 will be subject of a report to Members to agree priorities for funding from this source.

Housing and Council Tax Benefit Administration Subsidy – Notification of the allocation has been received from the Department for Work and Pensions (DWP). This provides £971,718 for 2008/09 and an indicative figure of £948,048 for 2009/10.

Local Authority Business Growth Incentive Scheme – The current scheme ends in 2007/08 and the Government is currently consulting on a revised scheme. The Council received a grant in 2005/06 only, at this stage it is assumed that no allocation will be received in the three-year period.

Growth Area Grant – The Government announced on 4th December 2007 that the bid for growth area funding submitted jointly between this Council and Chelmsford Borough Council had been successful. The award is £4,354,053 capital and £252,890 revenue for 2008/09 and an indicative allocation of £6,095,674 capital and £373,488 revenue for 2009/10 to 2010/11.

The programme of development is intended to set out the action that is required to deliver the housing required by the East of England Plan and the infrastructure that is required to support it. The total bid was for £29.2million, therefore there will be a need to prioritise the projects that were included in the bid to fit the funding available.

The type of projects included in the bid by this Council were:

- Water cycle study
- Rail improvement study
- Town Centre regeneration
- Green space improvements
- Cycleway network improvements

Formal arrangements will need to be established with Chelmsford BC to determine the allocation of funding to the various projects and to oversee the delivery of growth. Accordingly at this time neither the capital nor revenue funding are provided in the budgets presented in this report.

Big Lottery Funding – Play Strategy – The Council has developed, with a number of partners, a play strategy. The Big Lottery Fund has allocated £270,849 to enable the delivery of the strategy. The agreed schemes will be delivered in conjunction with our partners and as such are not provided within the budgets presented in this report.

5. Taxbase

The Council's Taxbase for 2008/09, calculated as at 30th November 2007, is 52,585. This was determined under delegated authority by the Finance Director.

A summary of the Taxbase calculation is provided in the table below:

	Total number of Dwellings	Equivalent No. of dwellings after discounts, exemptions, etc	Multiplier	Relevant amount (equivalent amount x multiplier)	Taxbase @ collection rate of 99.5%
AR	0	9	5/9	5	5
A	5,644	4,507	6/9	3,005	2,990
B	15,443	13,542	7/9	10,533	10,480
C	18,109	16,439	8/9	14,612	14,539
D	8,648	8,001	9/9	8,001	7,961
E	6,694	6,323	11/9	7,729	7,691
F	3,847	3,658	13/9	5,283	5,257
G	2,095	1,991	15/9	3,318	3,302
H	203	181	18/9	362	360
	60,683	54,651		52,849	52,585

6. Business Plan Bids, Impact of Housing Transfer and Savings

6.1 Business Plan Bids

A schedule detailing the recommended increases in expenditure is provided at Appendix B.

6.2 Impact of Housing Transfer

A major review exercise was undertaken leading up to the transfer of the housing stock, in November 2007, of all General Fund services that charged the Housing Revenue Account (HRA). As a result the majority of the costs previously charged to the HRA have been addressed by the following:

- Staff transferring under TUPE arrangements to Greenfields Community Housing (GCH);

- Agreeing service level agreements with GCH for services continuing to be provided;
- Renting office and depot accommodation to GCH;
- Efficiency savings.

The balance of costs remaining to be met from the General Fund is £123,100; this is against the total estimated recharges in 2007/08 of £4.5million. In addition, costs of General Fund staff that worked on, and charged to, the transfer arrangements have now returned to the General Fund, estimated at £110,230.

Whilst the majority of the housing stock has been transferred, the Council retains the responsibility for the strategic housing function in the district, which includes homelessness and, under an agreement with GCH, the allocations service. The Council has retained a number of dwellings: in Bailey Bridge Road (pending redevelopment works) and others in Braintree as temporary accommodation (including Craig and College houses although these are due to be sold to Family Mosaic in the near future). Under a service level agreement, GCH is managing these dwellings and is also making available a number of their dwellings to house the homeless. These various functions have added additional cost to the Council, estimated at £153,930 for 2008/09.

The costs of operating the area offices in Halstead and Witham are now the responsibility of GCH. Whilst the Council continues to offer services from these premises a recharge is made to the Council from GCH, estimated cost for 2008/09 is £82,720.

The monies received from the transfer which are available for investment total £18.3million. This includes a payment received in respect of the balance outstanding of debt premia costs. A payment has been made to Government for the levy charged on the transfer, although at this time the amount is subject to audit by the external auditors. The investment will realise additional interest of £1,006,500 based on the assumed interest rate of 5.5% for 2008/09, reducing to £915,000 in 2009/10 as interest rates are expected to fall to 5%.

6.3 Savings Identified

As part of the estimate process, managers review their budget requirements, in particular against the outturn for the previous year (2006/07) and spending/income to date in the current year (2007/08). The exercise has produced the following budget spending reductions or income increases:

- Housing Benefits – administration costs reduction (£19,900) and an increase in net subsidy receivable of £36,100
- Essex Procurement Agency has been absorbed by Essex County Council, producing a saving of the annual subscription paid by the district councils in Essex (£15,000)

- Parish Liaison Officer post to be made permanent (see recommended bids) but to be funded by reducing the amount allocated to the Rural Development Fund each year to £74,680 by 2009/10, from £100,000
- Other minor expenditure reductions totalling £11,430
- Income achieved on monies invested (other than the receipt from the housing stock transfer) suggest an increase to the base budget of £40,000 in 2008/09, although with an expected downturn in interest rates in 2009/10 the base budget will reduce in that year by £90,000
- The volume of Development Control work experienced in the current year is expected to continue, increasing the fee income budget by £50,000
- A small increase in the second homes discount income of £1,040
- The Engineering service is to be established as a trading account in 2008/09 and will be expected to generate external income (from Greenfields CH and other local councils) of £37,000
- The review of the Street Scene service budgets resulted in a net nil amount of savings, as savings identified were offset/realigned against budget headings which have been insufficient in previous years

Savings in Waste Management fuel, insurance and other related costs of £30,000 per annum, from 2009/10, are expected to accrue from the Safe and Efficient Driver Training programme (see recommended bids).

Within the budget each year an allowance has been provided for efficiency savings to be achieved during the year. This Efficiency Factor in the current year was agreed at £202,160, but is expected to be exceeded. It is proposed that this be increased to £339,310 for 2008/09, representing 3% of the Council's salary costs excluding Waste Management and Street Scene services.

7. Fees and Charges

The level of the various fees and charges made by the Council are reviewed annually as part of the budget process. A number of the charges are statutory, with the level being set by government. Where the Council has discretion over the level of charges, the annual review will take into account a number of aspects including usage of the service, competition and relationship to cost of providing the service.

The proposed levels of fees and charges for 2008/09, for services the Council has discretion to set, are provided in the schedule attached at Appendix C.

It is proposed that no increase in car parking charges be made for 2008/09. The review of the current level of income has highlighted that the budget is too high. In order to set a realistic budget a reduction of £50,000 is therefore proposed. A

fundamental review of car parking charges has been commissioned and will be undertaken early in 2008/09.

It is also proposed that no increase be made to local land charge fees in 2008/09. The actual level of income achieved in the current year has started to decline and the income budget target will not be met. This has been caused by a change in the demand for the service from full searches (charged at £181 inclusive of £22 payable to Essex County Council) to personal searches (Government set charge of £16). It is predicted that this change in demand will increase during 2008/09 and is therefore proposed that the budget for local land charges be reduced by £120,000.

With regard to Development Control fees the Government is proposing increases of 11% for householder applications and an overall 25% for other applications for 2008/09. On this basis it is proposed to increase the Development Control fee budget by £50,000 in 2008/09.

The Audit Commission has recently released a paper on maximising the benefits of local public service charges entitled 'Positively Charged'. This recommends a number of approaches to charging, levels of consultation and usage of information to assess the impact of charges.

Therefore, this year it is proposed to review the Council's current policy on setting fees and charges, which was agreed as part of the Medium Term Financial Strategy in September 2005.

8. Council Tax Level

The consequences of the proposals as detailed above are summarised in the General Fund Revenue Account profile provided at Appendix D. In addition an analysis of the proposals by Business plan is provided at Appendix E.

These summaries show:

Year	Council Tax at Band D	Percentage increase	Balance remaining to be found from Savings and/or Council Tax
2007/08	£148.59	3.8%	
2008/09	£153.45	3.3%	£186,940
2009/10	£157.59	2.7%	£487,310
2010/11	£161.37	2.4%	£496,140
2011/12	£164.43	1.9%	£370,930

The balance remaining could be addressed either by requiring additional savings or increasing the amount raised from the council taxpayer or a combination of both.

9. Proposed Approach to Balance the General Fund Budget between 2009/10 and 2010/11

The table above indicates that savings of £487,310 are required in 2009/10 and £496,140 required in 2010/11. One of the key reasons for this is that the service level agreements with Greenfields Community Housing will be at the end of the initial term and it is assumed that with the exception of grounds maintenance the agreements are unlikely to be renewed. This means that those services, including customer services centre, payroll, cashiers, procurement and graphic design will be subject to review to address the anticipated loss of income.

The agreements with Greenfields CH also cover office and depot accommodation. The budget figures presented assume that the charges currently being made to GCH for Causeway House and Millenium Tower will be addressed fully in the short-term. With a third party occupying the space currently used by GCH in Causeway House and either a third party occupying space in Millenium Tower or the property being sold with the Council's remaining services being relocated. These approaches will be considered alongside the feasibility study into joint office accommodation with Essex County Council, which is currently in progress.

The reviews outlined above will not achieve all of the savings required therefore it is proposed that £500,000 of savings be identified from frontline services. Initial scoping reviews of a number of services, including waste management, street scene, environmental health, museum, revenues and benefits, have been commissioned with Alexander Consulting. These are scheduled to be complete by the end of January 2008. The outcome of these reviews will be to identify areas where efficiencies could be achieved and specific areas where further detailed efficiency reviews are required, either by the service manager and/or consultants with specific service expertise.

The timetable for all of the above reviews to be undertaken during the first half of 2008/09 such that proposals and recommendations can be considered at the beginning of the Budget process for 2009/10.

10. Housing Revenue Account, Rent Levels and Service Charges

10.1 Housing Revenue Account Estimates 2008/09

The Council retains a Housing Revenue Account until an application is made to and is approved by the Secretary of State for the account to be closed. The earliest date by which the account can be closed is April 2009.

Whilst the majority of the dwellings were transferred to Greenfields CH (GCH), the Council retained a small number of dwellings. Two hostels, Craig and College houses, have been retained pending sale to Family Mosaic and dwellings in Bailey Bridge Road have been retained for a short period until the site has been redeveloped. The other few dwellings are held to provide some temporary accommodation for housing the homeless.

The Housing Revenue Account will therefore be operational during 2008/09: receiving the rental and service charge income and incurring repair and maintenance expenses and management costs, agreed under a service level agreement with GCH, on the few retained dwellings. These few transactions will provide a small addition or withdrawal from the HRA balance, the net total of which will transfer to the General Fund once the HRA is closed.

10.2 Housing Rent Levels 2008/09

The rent levels for the dwellings retained by the Council will increase in accordance with the Council's policy on housing rents and within the parameters set each year by Government. For those dwellings currently at target rent the increase will be the Retail Prices Index + ½ Percent which equates to 4.4% increase and for those dwellings below the target rent the increase will be the Retail Prices Index + ½ Percent + £2 (based on 52-week year) this equates to an average increase of 6.3%.

10.3 Housing Service Charges

Proposed service charges for 2008/09 are detailed in the schedule at Appendix F.

11. Use of Balances

Unallocated balances as at 31st March 2007 were:

General Fund	£2.223million
Housing Revenue Account	£4.989million

The agreed budgets for 2007/08 anticipated a small withdrawal of £54,300 on the General Fund balance and an addition of £159,370 to the Housing Revenue Account balance. The latest projection of income and expenditure for 2007/08 indicate that:

- £308,000 will be added to the General Fund balance, giving an anticipated balance as at 31st March 2008 of £2.531million
- £1.593million will be added to the Housing Revenue Account balance, giving an anticipated balance as at 31st March 2008 of £6.582million

12. Capital Programme

The anticipated capital resources available for the capital programme, together with the total of schemes already approved (Changing facilities at Silver Street playing field, Silver End, Disabled Facilities Grants and Rural Development Fund) over the next four years are as follows:

	2008/09 £'000	2009/10 £'000	2010/11 £'000	2011/12 £'000
Anticipated capital resources	4,351	4,723	3,866	4,216
Schemes already approved	1,500	658	658	1,873
Provision for works to council assets and capital salaries		500	500	500
Provision for office accommodation investment	500	500	500	500
Net Balance of capital resources available	2,351	3,066	2,208	1,343

The anticipated resources include:

- Share of Right to Buy sales income with Greenfields CH. The Council has an agreement to share the proceeds from the sale of the former council houses with GCH. The estimated resources are based on 30 sales per annum, with the share receivable by the Council decreasing each year across the period and an allowance for a share of the administrative costs incurred by GCH.
- Capital receipts from the sale of land at the rear of Spring Lodge, Witham; Riverside pool and St. Johns Avenue site, Braintree; proportion of the proceeds from the sale of land assembled east of High Street, Halstead; and Community Hall site, Forest Road, Witham (disposal on the basis of providing funding toward a new facility at Rickstones, Witham).
- Share of VAT Shelter arrangement with Greenfields CH. The Council has an agreement with GCH to share the VAT that it will recover on particular costs on improvement works to the housing stock. The estimated total amount to be shared is £27million over a ten-year period. An estimate of the amount receivable is provided but the amount received will be dependent on the actual spend by GCH in each year.
- Capital Grant from government. Allocation to provide funding toward the cost of disabled facilities grants awarded by the Council.

- Community Fund, established with £11million from the housing stock transfer valuation. The use of the fund is to be determined jointly by Greenfields CH and the Council. The fund is to be used for: new social housing; estate environmental works; regeneration activities and other projects which benefit the community. Arrangements for the allocation of the fund are currently being determined. No account has been taken at this stage of this possible resource.

A schedule detailing the resources and schemes already approved is provided at Appendix G.

A schedule detailing the recommended capital schemes for 2008/09 is provided at Appendix H.

Following the transfer of the housing stock and some associated assets to GCH, a review of the Council's residual land and property assets is to be undertaken. An initial report will be presented to members in May 2008.

13. Prudential Indicators and Treasury Management Strategy 2008/09

The Council's Code of Practice on Treasury Management requires an annual assessment of its prudential indicators (for monitoring borrowing activity and assessing affordability of any proposed borrowing) and to agree a Treasury Management Strategy. Details of the prudential indicators and the proposed Treasury Management Strategy for 2008/09, together with details of a new requirement for a policy on the Minimum Revenue Provision are provided at Appendix I.

14. Virement Levels and Policy Framework

The Council's Constitution requires that Members agree annually the Policy Framework and virement levels used for financial control. The current Policy Framework and virement levels, as detailed in Appendix J, are considered appropriate and no changes are therefore proposed.

15. Robustness of the Estimates and the adequacy of the proposed Financial Reserves

The Local Government Act 2003 (Part 2, sections 25 and 26) require the Chief Financial Officer (as defined under Section 151 of the Local Government Act 1972) to report on the robustness of the estimates and the adequacy of the proposed financial reserves. Members are required to have regard to the report when making decisions on the budget. The report is detailed at Appendix K.

Draft Minutes

Braintree District Business Council

7th January 2008

Present:-

B Cutmore (Chairman)	Councillor Dr R L Evans
Councillor Mrs J C Beavis	R Everard
R W Bucknell	D Gronland
Mrs S Carlisle	S Kirby
Ms S Carpenter	Councillor T S Wilkinson
I Cass	

Councillor M C M Lager, Cabinet Member for Resources and Performance (BDC) and Mr P Myers, Accountancy Services Manager (BDC) were in attendance (until 7.05pm) for the Budget Consultation 2008/09.

Apologies for absence were received from Mrs B Baker, P Crofts, P Evans, Mrs J Gayer, Councillor N R H O Harley, and Councillor D Mann.

The Chairman welcomed everyone to the meeting and wished them a Happy New Year.

Action By

1 Budget Consultation 2008-09

Councillor Lager presented the report on Braintree District Council's proposed budgets for 2008/09, and referred to the Medium Term Financial Strategy, the finance settlement and the impact to the Council of transferring the housing stock to Greenfields Community Housing (GCH) in December 2007. An investment strategy is being sought for the Capital Receipt received from the stock transfer, and a joint investment fund with GCH has been created for joint schemes to benefit the district.

The Council has invested in the new Braintree Pool, and will give consideration to the future of the Bramston Sports Centre at Witham. A major consideration is the future of Causeway House and an exercise is being conducted with Essex County Council to share buildings.

The Economic Development budget of £250,000 was compared to the streetscene budget of £2.7m, and it was noted that one of the residents' priorities was for a greener, cleaner district and the budget reflects this. Councillor Wilkinson advised of £10.6m funding following a joint bid between Braintree District Council and Chelmsford Borough Council, and some of the funded projects will help economic development in the area.

Mr Cass referred to car parking in Witham and the parking at the back of the shopping centre, and on-street parking in the area (including blue-badge users). He considered that the pricing strategy for car parks was not right, recited the free

parking provision at Freeport, and proposed that the first hour should be free and then payment be made for two or three hours. Councillor Lager stated that more flexibility was required on the pricing policy, and that Essex County Council and Braintree District Council are to hold a meeting in Witham soon, and would consider the problems in Witham and the element of commuter parking. It was considered important to look at the needs of people on industrial estates, and the proposed Crossing loop would affect parking and encourage people to use Crossing or Notley. The Chairman drew attention to the £50,000 budget reduction related to car parking and hoped there were no other changes to car parking unless coupled with the feasibility studies planned for the town centres. It was agreed that to revitalise a town the car parking structure had to be right for shoppers and service users.

Following a query whether the economic development budget had been set before or after the funding being received on the joint bid between Braintree and Chelmsford Councils, it was reported that the total economic development stands at £126,000 and include the salaries, revenue, work support, Business Link and Business Forum support, and budget estimates had been completed prior to the funding announcement. Mr Everard explained that £60,000 was allocated for the town centre feasibility studies, there is budget provision for the town centre strategy groups and contribution towards CCTV provision.

During the discussion the following issues were raised

- The provision of £12,000 for sweeping and litter picking on Braintree by-pass that was considered a Highways Authority/Essex County Council function
- The £500,000 suggested provision for investment in office accommodation
- The Braintree Enterprise Acorn Units and management arrangements
- Shops on housing estates being retained by the District Council and not transferred to GCH
- The Spring Lodge development in Witham
- The future of Bramston Sports Centre and possible academy status of nearby schools
- Additional savings still to be found
- The impact to the Council following housing being transferred
 - continuing on-costs or Service Level Agreements, and responsibilities (some statutory) that remain with the Council, e.g. strategic housing and homelessness
 - Staffing levels at the Council – before and after housing transfer.
Mr Everard to provided details to next meeting **R Everard**
 - Control of housing rents and commitments made in Offer Document
 - Housing benefit being government subsidised and repayment of housing subsidy
 - plans for the Capital Receipt received from the housing transfer, and funding for projects – environmental improvements, affordable housing and maintenance of estates
 - income received from repayment of VAT

The Chairman thanked Councillor Lager and Mr Myers for their attendance and input at the meeting.

DECISION: That comments and/or proposals stated above are conveyed to the Cabinet for consideration at its meeting on 4th February 2008.