

FINANCE PROPOSALS 2009/10 – 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 processes and the Council's financial position.

9 th October 2008	Medium Term Financial Strategy (MTFS) 2008/09 to 2011/12 Update – review of assumptions and rolls forward Strategy for 2009/10 to 2012/13
1 st December 2008	Update on the Medium Term Financial Strategy 2009/10 to 2012/13 including details of the proposed bids for revenue and capital funding, changes to service provision and efficiency savings in 2009/10.

At the meeting on 1st December 2008 the Cabinet agreed that the Medium Term Financial Strategy 2009/10 to 2012/13 report be used as part of the Council's Budget Consultation process.

2. Budget Consultation Process

2.1 Local Committees

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 or for schemes that would have an impact on the wider community across the district.

Initial comments from the Local Committees were provided in the report to Cabinet on 1st December 2008, any further comments will be provided at or before the Cabinet meeting, as part of a separate paper on consultation feedback.

2.2 Overview and Scrutiny Committee

The Budget Scrutiny process commenced with the Cabinet Member for Efficiency and Resources presenting the updated MTFS to the Overview and Scrutiny Committee on 29th October 2008. Further update reports on budget proposals were considered by the Committee at meetings on 10th December 2008 and 28th January 2009.

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

2.3 Business Council

The Leader of the Council presented a report on the Budget proposals for 2009/10 to the Business Council on 12th January 2009. The minutes of this meeting will be provided at or before the Cabinet meeting, as part of a separate paper on consultation feedback.

2.4 Public Consultation

Opportunities to provide views on the budget proposals have been included in the following:

Winter edition of 'Making Contact' issued in November 2008 to all households in the district;

Articles in the Braintree & Witham Times and Halstead Gazette in the weeks commencing: 1st and 8th December 2008 and 12th January 2009

The Council's website – 'Tell us what you think of our Budget Plans for 2009/10' included under 'Have Your Say'.

Comments received will be provided at or before the Cabinet meeting, as part of a separate paper on consultation feedback.

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

The Leader of the Council wrote on 23rd December 2008 to 80 of the Council's key stakeholders outlining the proposed priorities and Medium Term Financial Strategy of the Council for the period to 2012/13.

Comments received will be provided at or before the Cabinet meeting, as part of a separate paper on consultation feedback.

Part A - General Fund Revenue Account

A.1. Budget 2008/09 Update

At the time of writing, the quarterly monitor for the third quarter is being drawn together, therefore the latest information available is based on the first half year's expenditure and income, which predicts a net addition to balances of £368,800 for the year.

The main changes from the earlier prediction based on quarter 1 figures are:

- With the Housing Revenue Account being kept open, the Council is able to continue making recharges from the General Fund in respect of the pension deficit payment (for former housing staff, other than those transferred to Greenfields CH) and apportioned costs associated with accounting for and running the account, totalling £300,300.

- Planning application income was significantly higher in September such that the budget for the year is now expected to be achieved.
- Land charge searches continue to decline with the shortfall of net income expected to be £242,100 (£183,000 as at Quarter 1).
- Investment income is anticipated to be lower than the earlier forecast due to the Council's investment of £5million with three Icelandic banks, which are now in administration/receivership, which would have earned £236,800 of interest and to the decline in the level of interest rates payable in the market.
- Increased fuel costs for the operational fleet are expected to result in an overspend against budget of £147,000 (£90,000 as at Quarter 1).

The overall position includes the achievement of the Efficiency Factor of £335,310 provided in the budget.

At its meeting on 1st December 2008, Cabinet agreed to set aside £50,000 of the projected addition to balances to establish an Economic Support Fund to finance appropriate schemes which provide support to the community during the difficult economic climate.

A.2. Inflationary Pressures

Inflationary increases for 2009/10 are calculated to cost £1.1million, covering the following main types of spend:

- **Pay.** An allowance of 2.5% is provided, in each year of the period, for the annual pay award due on 1st April to officers and members. In addition the increase provides for incremental progression for those officers that are not at the top of their salary grade.
- **Pension Fund Deficit.** The financial position of the Council's Local Government Superannuation scheme, administered by Essex County Council, is assessed every three years. The latest assessment was undertaken as at 31st March 2007 with the outcome of establishing the costs to be paid over the three-year period 2008/09 to 2010/11. The next assessment will be undertaken as at 31st March 2010 and the outcome will provide the costings for 2011/12 to 2013/14, at this point in time a provision of £100,000 has been included for 2011/12 and 2012/13.
- **Energy Costs.** The increase of £154,090 reflects the impact of the increases in gas (average of 90%) and electricity (average of 81%) prices from 1st October 2008, but allowing for an expectation that the prices will fall at the next renewal in October 2009.
- **Fuel.** The assumption is that the average price for diesel during 2009/10 will be at the level currently paid of £0.88 per litre.
- **Other Expenditure.** Inflation increases have been determined for a variety of types of expenditure based on components of the Retail Prices Indices for September 2008. Examples are 5.5% for supplies and services and Business Rates, 6.5% for water and sewerage, 5.32% rent allowances and 2.15% for road fund licences.

An assessment of the sensitivity of the council's costs to changes in the assumed rates of inflation is provided at section A.12.

No allowance has been provided for an anticipated 8% to 10% inflationary increase to the Concessionary Fares Scheme. This is because Essex County Council is to consider taking over the responsibility for meeting increased costs of the Essex Scheme from 1st April 2009, at a meeting on 27th January 2009. Under the proposal, district councils will however continue to be responsible for the administration of the travel passes. Should Essex County Council decide not to take over the responsibility then an additional sum of between £96,640 and £120,800 could be required to be found by this Council, the final figure would be subject to agreement between all Essex Scheme members and the bus operators.

The allowance for an uplift in discretionary fees and charges will be covered substantially by not passing on the temporary reduction in vat on car parking charges to the customer. This is because the 2.5% reduction in vat has only a small effect which would be eliminated as the Council rounds its car parking fees to the nearest 10p.

A.3. Service Level Agreements with Greenfields Community Housing

3.1 Service Level Agreements

As part of the transfer of the Housing Stock to Greenfields Community Housing (GCH), the Council entered into a number of Service Level Agreements (SLA) with GCH to continue to provide services for them.

The total value of these SLAs is £1.836m, which was negotiated as part of the Housing Transfer process.

The SLA's vary in length, but it has always been expected that they will come to an end within a year to eighteen months of the transfer as GCH are required by the Housing Corporation to market test the services.

Appendix A details the SLAs, their values, the likely end dates and the proposals for dealing with the additional costs/change in services.

In summary, the current position is as follows: -

	£
Additional costs allowed for in the General Fund profile	790,620
Value of anticipated TUPE transfers	161,170
Savings identified to date	117,860
Savings assumed that will be identified/addressed	<u>766,440</u>
	<u>1,836,090</u>

Savings assumed that will be identified can be further broken down as follows: -

	£
Causeway House	125,000
Millennium Tower	206,440
Grounds Maintenance	<u>435,000</u>
	<u>766,440</u>

- (a) Other than for the above three areas, the total costs of losing the SLA's have either been dealt with or allowed for.

It is still intended, however, to make savings in these areas wherever possible.

- (b) **Causeway House** – Currently in negotiations with Essex County Council for it to rent office space in Causeway House and we are looking to free up more space through modern and flexible ways of working.
- (c) **Millennium Tower** – A review of the Council's future needs has been commissioned.
- (d) **Grounds Maintenance** – It is intended to tender for this work when it is market tested. If we do not win the tender, the savings required would be reduced as some staff would transfer under TUPE arrangements to the new supplier of the service.

A.4. New Demands

Each year the Council is faced with demands for additional or new funding to meet corporate objectives, provide new services, address declining income levels, etc. A schedule detailing the recommended increases in expenditure is provided at Appendix B.

In addition to the above there are two specific demands to address substantial reductions in income to the Council caused by the significant downturn in the economy. These are:

- Local Land Charge searches, with income declining due to the downturn in the housing market and the continuing change in the mix of the type of search undertaken from full (£159 fee chargeable) to personal (£16 fee chargeable). It is anticipated that income will drop by £200,000 in 2009/10 followed by a further £100,000 in 2010/11.
- Investment Income. With the capital receipt from the transfer of the housing stock in November 2008 the Council has had increased funds to invest, the returns on which were agreed would support the General Fund revenue

account. The anticipated level of return will be substantially reduced for 2009/10, for two reasons. First, interest rates levels have declined, with Bank Base rate currently at 1.5% and further reductions a distinct possibility. An average rate of return on new investments of 2.5% is assumed for 2009/10, this compares with a budgetted return of 5.5% for 2008/09. Secondly, the investments at risk with the Icelandic Banks. For budgeting purposes it is assumed that there will be no interest to support the General Fund revenue account until further information is known on the likely return of the £5million investments. The impact of these for 2009/10 is a reduction in interest of £812,990. A small increase in interest rates is predicted for 2010/11 (to 3.0%) and for 2011/12 (to 3.5%).

It is proposed that any under achievement of interest in 2009/10, from further reduction(s) in interest rates or from delays in receiving anticipated (revenue or capital), will be met from the Treasury Management Reserve (balance at 1st April 2008 of £435,000).

The proposed Programme Management Office, details of which are contained in a separate item on this agenda, is included as a new demand and the proposed method of funding is included in the budget requirement.

An allowance of £100,000 per annum is provided for new demands in 2010/11 to 2012/13.

A.5. Fees and Charges

Cabinet at its meeting on 9th October 2008 received and accepted in principle a report from the Fees and Charges Task and Finish Group. At that meeting, Cabinet requested that further work be undertaken by Members, officers, with involvement from the Task and Finish Group Members, on the implications and implementation of the options in the report, including potential costs, and recommendations made within the current municipal year.

A further report on the progress of the Group's work was presented to Cabinet on 1st December 2008. It was agreed that the final report of the Fees and Charges Task and Finish Group is considered by Cabinet, this is included as a separate item on this agenda.

With regard to existing charges set by the Council, however, the Cabinet announced, at its last meeting, that it is its intention to defer any increases in these charges until April 2010. Existing discretionary fees and charges set by the Council are therefore not subject to increase for 2009/10.

It is proposed however to introduce new charges for the Pest Control service. No charges are currently made for the eradication of pests of public health significance. It is proposed to introduce the following charges:

- Rats and mice at £30.00 per visit
- Fleas and other pests of public health significance at £50.00 per visit

It is anticipated that £30,000 of additional income will be generated per annum and this has been included in the budget proposals.

A.6. Proposals for changes to service provision, Efficiencies and Budget Reductions

6.1 Proposals for changes to service provision

At its meeting on 1st December 2008 the Cabinet agreed a schedule of proposed options, 'possible areas for review and future savings', as a key element for the Budget Consultation process. Portfolio holders and senior managers have given further consideration to the proposals and an updated schedule is attached at Appendix C. The schedule identifies a budget reduction total of £518,540.

The proposals have staffing implications in a number of areas, it is anticipated that up to fourteen posts could be affected. Under the Council's Management of Change process those members of staff placed at risk will be subject to the staff stability scheme which may lead to redeployment in some cases. It is expected however that a number of redundancies/early retirements may be required. At this early stage it is not possible to determine the financial cost of these, however, it is important to recognise that costs will be incurred and that these will need to be met from balances.

6.2 Efficiencies and Budget Reductions

In addition to the budget reductions proposed above, a number of other reductions have been identified and agreed:

- under the Business efficiency Review process (£337,580);
- by Cabinet on 1st December 2008 (£77,000); and
- by Management Board as operational changes and budget adjustments (£601,620).

The revised Discretionary Rate Relief scheme together with details of the other budget changes are provided at Appendix D.

As the Housing Revenue Account (HRA) is to be kept open, in order to continue to receive Housing Subsidy from Central Government, until the end of 2011/12, the Council can continue to make charges to the account as identified under section A.1 above. The charges will be £303,640 for 2009/10. When the HRA is closed in 2012/13 the balance on the account will transfer to the General Fund and the interest previously credited to the HRA will also transfer, estimated to be £453,580 for 2012/13.

Whilst interest will continue to be payable to the HRA, until the account is closed, this will be used to fund the recharge identified above. Based on the estimated interest due to the HRA over the medium term a balance will remain after the recharge,

which will be added to the HRA balance. It is proposed that an amount equivalent to these sums be used from the General Fund balance each year until the HRA is closed.

Within the annual budget an allowance has been provided for efficiency savings to be achieved during the year. This Efficiency Factor was increased for 2008/09 to £335,310, representing 3% of the Council's salary costs excluding Waste Management and Street Scene services. On this basis the amount allowed in the 2009/10 budget is £369,070.

A.7. Investment Income

7.1 Investments and Interest

The total estimated amount of Interest on the Council's Investments is £1,226,850 for 2009/10, of which £753,710 is due to the General Fund, £421,990 due the Housing Revenue Account and £51,150 due to some Section 106 balances. This is based on an average balance of funds invested of £36.6 million and an average rate of interest of 3.35%. The average rate of interest assumed for new investments placed in 2009/10 is 2.5%.

The average balance of funds available for investment takes into account the estimated cash flow implications of the proposed capital resources and programme as presented at Part D below and excludes the £5million of monies invested and at risk with the three Icelandic Banks.

7.2 Update on Investments at Risk

In December an update was provided to Council on the position with regards the investments at risk with three Icelandic banks. Since that time matters have progressed as follows:

Landsbanki and Glitnir have been granted 'moratorium' status by the Icelandic courts, which, similar to Administration in the UK, gives the institutions protection from action by creditors. The principal reason for seeking moratorium status has been to prevent creditors bringing or continuing legal proceedings against the banks and to prevent attachment orders against assets, so as to preserve the value of assets for the benefit of all creditors as a whole. Otherwise, as yet, there is no indication of the extent to which creditors will be paid. The next (informal) creditors' meetings are to be held in February in Iceland, where it is expected that local authorities with exposure will be represented collectively by members from the creditor groups set up through the Local Government Association.

The next meeting of the statutory creditor committee for Kaupthing, Singer & Friedlander (KSF) is scheduled for 19th January. Following concerted action, local authorities secured one of the 5 places on the statutory creditor committee. The Administrators have indicated they expect a dividend to be paid to creditors, but as yet have not been able to provide an estimate or range at this stage.

The LGA has facilitated joint-working by all local authorities to ensure co-ordinated action and to minimise the legal and other costs that individual local authorities would otherwise face in pursuing claims individually. Consequently, a cost sharing arrangement has been introduced whereby costs will be divided amongst those authorities benefiting based on their relative exposure to the banks to which the work relates. It is expected that under the arrangements the costs borne by the Council will be relatively small and can be contained within the treasury management budget and reserve.

Due to the uncertainty surrounding the level of recovery of funds from these banks and the closeness to setting next year's budgets, the Government has issued draft Regulations which it proposes to introduce that will defer any financial consequences from the investments at risk (other than the loss of interest) from impacting on council's budgeting for 2009/10. This will provide time during which it is expected that more information will become known about the likely level of recovery of funds.

A schedule detailing all of the Council's investments as at 19th January 2009 is provided at Appendix E.

A.8. Grants

8.1 Financial Grant Settlement

Details of the provisional Financial Grant Settlement were received by email from the Department of Communities and Local Government (DCLG) on 26th November 2008. The notification provided figures for the second and third years of the first three-year settlement for local government covering 2009/10 and 2010/11.

The allocations are:

2009/10	£9,941,212	(made up of £1,864,264 of Revenue Support Grant and £8,076,948 of redistributed Business Rates) (increase over the previous year is 2.9%)
2010/11	£10,231,363	(No breakdown of amount provided) (increase over the previous year is 2.9%)

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 8.3% for 2009/10 and 2.5% for 2010/11;
- 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:

2009/10	£383,829 (a reduction of 3.72% on the amount of grant calculated for the Council)
2010/11	£330,390 (a reduction of 3.13% on the amount of grant calculated for the Council)

8.2 Specific Grants

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

2009/10	£285,431
2010/11	£293,323

This grant will be paid to Essex County Council from 2009/10, assuming it takes responsibility for the cost of the Essex Concessionary Fares Scheme from 1st April 2009 (See comments under Section A.2 above).

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 MTFs.

Housing and Planning Delivery Grant (formerly Planning Delivery Grant) - Notification of the Council's allocation for 2009/10 is not expected until the summer 2009. For medium term financial planning it is assumed that the allocations for 2009/10 to 2011/12 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 £991,674 for 2009/10 and is included within the budget proposals.

Local Authority Business Growth Incentive Scheme – The current scheme ended in 2007/08 and the Government has been 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 allocation of £8,384,232 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

A Memorandum of Understanding has been agreed between Chelmsford BC and this Council which provides for the allocation of funding and for the overseeing of the delivery of growth. The Memorandum provides the following allocations to this Council:

	2008/09	2009/10 & 2010/11	Total
Revenue	£101,156	£130,721	£231,877
Capital	£1,741,621	£2,934,481	£4,676,102

A Braintree Programme Board has been established to determine the allocation of funding to the various projects. No allocations to either revenue or capital projects have been agreed at this time.

A.9. Collection Fund Surplus/Deficit

Each year an assumption is made regarding the amount of Council Tax expected to be collected. The variation from this assumption arising from the Council Tax actually collected in the year results in either a surplus or deficit which must be returned to or requested from council taxpayers in the following year.

A surplus of £190,510 is estimated to be achieved in 2008/09. The amount in respect of this Council's proportion of the council tax to be repaid in 2009/10 is £24,980.

A.10. Taxbase

The Council's Taxbase for 2009/10, calculated as at 30th November 2008, is 52,889. This was determined under delegated authority by the Finance Director. The increase over the previous year is 0.58%, the lowest level of increase for a number of years. The increase allowed for 2010/11 onwards remains unchanged, from that provided in the MTFs, at 1%.

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	10	5/9	5	5
A	5,642	4,464	6/9	2,976	2,961
B	15,617	13,736	7/9	10,684	10,630
C	18,211	16,541	8/9	14,703	14,630
D	8,682	8,020	9/9	8,020	7,980
E	6,742	6,369	11/9	7,784	7,745
F	3,837	3,644	13/9	5,264	5,238
G	2,108	2,013	15/9	3,356	3,339
H	203	181	18/9	363	361
	61,042	54,980		53,155	52,889

A.11. Council Tax Level

The consequences of the proposals as detailed above are summarised in the General Fund Revenue Account profile provided at Appendix F.

These summaries show:

Year	Council Tax at Band D	Percentage increase	Balance remaining to be found from Savings and/or Council Tax
2008/09	£154.98	4.3%	
2009/10	£158.85	2.5%	£108,340
2010/11	£162.81	2.5%	£211,960
2011/12	£166.86	2.5%	£31,846
2012/13	£171.00	2.5%	£185,403

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.

A.12. Sensitivity Analysis

Projecting into the future is subject to a high degree of uncertainty, making sensitivity analysis and careful interpretation of results important.

Areas where our financial planning is most sensitive to change have been subject to this analysis, the outcome from which are provided at Appendix G.

A.13. Proposed Approach to Balance the General Fund Budget between 2009/10 and 2012/13

The balance remaining to be found for 2009/10 is £108,340. This can either be addressed by further savings/efficiencies being identified now or by meeting from the General Fund balance in 2009/10 and the further savings/efficiencies being identified in 2010/11.

In addition to the position for 2009/10, the table above shows that savings of approximately £430,000 are required between 2010/11 and 2012/13, with about half this sum required in 2010/11. The key reason for the saving requirement in 2010/11 is the residual impact from the service level agreements (SLA) with Greenfields Community Housing, which will be terminated between June and October 2009.

Whilst the impact from the loss of revenue from some of the SLA's has been allowed in the budget these will all be reviewed in the months prior to the date of termination to mitigate the loss wherever possible.

In addition the Performance and Efficiency Programme Board received (at its meeting on 27th November 2008) and endorsed a programme of service reviews to be delivered by January 2011. The minutes of that meeting are included as a separate item on this agenda.

The programme was established as part of the Council's internal programme of improvement, 'Shaping up for Excellence'. An extract from the report to the Programme Board, including the programme of reviews, is provided at Appendix H.

Part B - Housing Revenue Account and Rent Levels

B.1. Housing Revenue Account Estimates 2009/10

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. As the Council is

entitled to receive Housing Revenue Account Subsidy on its debt premia costs until 2011/12, the Housing Revenue Account will remain open until 31st March 2012.

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, although these are expected to be sold to Family Mosaic in the near future, and a small number of dwellings held to provide some temporary accommodation for housing the homeless.

The Housing Revenue Account will therefore be operational during 2009/10:

- Receiving the rental and service charge income
- Repair and maintenance expenses
- Management costs, agreed under a service level agreement with GCH, on the few retained dwellings.
- Interest on HRA balance
- Proportion of the Pension deficit costs, related to the cost of retired members of staff who worked within the Housing service, and
- Receiving Housing Revenue Account subsidy.

These few transactions provide a small addition to the HRA balance of £114,820. Details of the HRA for 2009/10 are provided at Appendix I.

B.2. Housing Rent Levels 2009/10

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. As all of the dwellings are currently at target rent, the increase will be the Retail Prices Index + ½ Percent which equates to 5.5% increase.

B.3. Service Charges

Proposed service charges for 2009/10 (mainly applicable at Craig and College Hoses) are detailed in the schedule at Appendix J.

Part C Use of Balances and Earmarked Reserves

C.1. General Balances

Unallocated balances as at 31st March 2008 were:

General Fund	£2.939million
Housing Revenue Account	£4.859million

Whilst the agreed budgets for 2008/09 anticipated no movement on either the General Fund balance or the Housing Revenue Account balance, a withdrawal of £157,410 was agreed in June 2008 to finance capital expenditure. This adjustment together with the latest projection of income and expenditure for 2008/09 indicate that:

- £161,390 will be added to the unallocated General Fund balance, giving an anticipated balance as at 31st March 2009 of £3.1million
- £292,630 will be added to the Housing Revenue Account balance, giving an anticipated balance as at 31st March 2009 of £5.152million

The proposed budgets for 2009/10 for the General fund and the Housing Revenue Account provide for:

Housing Revenue Account – addition to balance of £114,820

General Fund – withdrawal from balances of £114,820

C.2. Earmarked Reserves

Over the years the Council has set aside monies in reserve accounts to be used either to meet specific requirements/purposes in the future or to make provision for issues that are likely to occur but the timing is not predictable. The total amount of money in earmarked reserves as at 31st March 2008 was £3.538 million.

A schedule showing the various accounts, including estimated use of the monies, is provided at Appendix K.

Part D Capital Programme

D.1. Summary

The anticipated capital resources available for the capital programme, over the next four years are as follows:

	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000
Anticipated capital resources	2,426,000	6,957,350	2,335,000	2,335,000
Less:				
Schemes/commitments already approved	2,087,760	1,227,920	1,542,920	327,920
Provision for works to council assets		500,000	500,000	500,000
Capital Salaries	369,760	319,760	319,760	319,760
Net Balance of Capital Resources available	(31,520)	4,909,670	(27,680)	1,187,320

In addition to the resources identified above the Council is to receive capital grant (totalling £4.6million) from the Growth Area Fund from central government and has the capital receipt from the transfer of the housing stock (LSVT receipt) to Greenfields Community Housing (£19.4million) which can be used for capital purposes although is primarily being invested to provide interest to support the General Fund revenue account.

D.2. Capital Resources

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 4 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 Riverside pool and St. Johns Avenue site, Braintree and a proportion of the proceeds from the sale of land assembled east of High Street, Halstead.
- 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. The fund can be used for a) the development of affordable housing b) the development of facilities for community benefit c) environmental improvements and d) regeneration activities. Application to fund schemes from the £11 million Community Fund held by Greenfields CH will be made in accordance with the agreed timetable. Three schemes have been identified which it is considered meet the required criteria and it is assumed for planning purposes that resources of £220,000 will be received.
- Growth Area Fund. The Council's proportion of capital funding awarded from the Growth Area Fund by Central Government, for the joint submission by Chelmsford BC and this Council, is £4.676 million over the three-year period 2008/09 to 2010/11. The bid for funding highlighted a number of prioritised schemes, these included land purchases at Rayne Road (possible land assembly for development) and Springwood Industrial Estate (increase employment opportunities); improvement works to cycle network to Freeport; land assembly scheme to east of High Street, Halstead; extension to Witham station footbridge; and green space and riverside walk improvements at John Ray Park.

D.3. Proposed Capital programme

Details of the proposed schemes for 2009/10, totalling £1,372,240 (£200,000 Home Improvement Grants and £1,172,240 General Fund schemes), were included in the report to Cabinet on 1st December 2008.

The two additional requests for funding are:

- Essex County Council had been approached to provide the funding for the purchase of additional bin lift and 8,000 bins for the implementation of the next phase of the Waste Recycling roll-out, estimated at £358,000. The request has been unsuccessful and the Council will now need to fund the expenditure.
- Accommodation moves and works to Causeway House will be necessary to enable a new tenant, discussions are ongoing with Essex CC, to occupy the ground floor following the departure of Greenfields CH in September/ October 2009. A provision of £200,000 is suggested to meet these costs.

The budget provision for the Three Towns One Vision project has been reduced to provide for the costs of the feasibility stage only. Any investment that may be required from the Council to deliver an agreed scheme could be funded as outlined in Section D5 below.

Capital salaries for 2009/10 has been increased in 2009/10 by £50,000 to cover the proposed additional cost for the establishment of the Programme Management Office, see separate report on this meeting agenda.

A schedule detailing the recommended capital schemes for 2009/10 is provided at Appendix L.

D.4. Funding Summary

As a consequence of the delay in the capital receipt from the sale of the Riverside pool site the Capital Programme, incorporating the amendments and additions as outlined above, will require funding by temporary use of the LSVT capital receipt of £1.962million in 2009/10. The loss of interest earned by utilising the capital receipt has been taken into account in the updated General Fund revenue profile 2009/10 to 2012/13.

Assuming the Riverside pool site is sold in 2010/11 the LSVT receipt will be substantially replenished.

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

D.5. Future Investment in the District

The replenishment of the LSVT receipt would then enable investment of the money with the interest earned supporting the General Fund revenue account and council tax level.

The current decline in investment rates means that the amount of interest earned to support the revenue account is substantially reduced. This raises the question as to whether the current policy of investment of the LSVT capital receipt is the best option or whether the money could be invested differently for the benefit of the community.

The Council is currently looking at the feasibility of delivering major projects in the near future that will require substantial investment. These include the redevelopment of part of each of the town centres in Braintree, Halstead and Witham and the provision of a new swimming pool in Witham.

Another option would be to consider the opportunity to purchase land and buildings, in view of the current depressed state of this market, which could either be held for development purposes or to enable the development of a facility/service for the benefit of the community.

Based on the average interest rates forecast over the next three years of 3.0% the use of each £million for investment as outlined above would require revenue savings of £30,000 to compensate for the interest foregone.

It is proposed that up to £9.7million, being 50% of the LSVT receipt, be made available to fund the investment projects and opportunities outlined above over the next three to four years. The consequential impact of the loss of interest on the

General Fund would be £291,000, savings/efficiencies for which will need to be identified as and when the projects are defined and a budget is requested.

Part E - Prudential Indicators and Treasury Management Strategy 2009/10

E.1. Treasury Management and Prudential Indicators

Appendix N sets out the report on Prudential Indicators that are required to be approved as part of the Budget and Council Tax setting, along with the Treasury Management Strategy. The indicators and strategy have been drawn up based on the revenue and capital plans set out elsewhere in this report for 2009/10 and over the medium term.

The lending criteria set out in the Annual Treasury Management Strategy are consistent with the Tier 1 and 2 arrangements introduced in the report to Cabinet and Council in December 2008.

E.2. Minimum Revenue Provision

Local authorities have a duty to make prudent provision for the repayment of debt, and in doing so have regard to statutory Guidance issued by Government covering the Minimum Revenue Provision (MRP). There are different methodologies for calculating MRP depending upon circumstances regarding the related capital investment and all local authorities are required to approve an MRP Statement of their chosen policy.

Appendix N sets out the range of options for applying MRP and proposes that methodology 2, i.e. the Capital Financing Requirement method is adopted as the Council's policy which at present means there is no statutory requirement to set aside revenue funds for repayment of debt.

Part F - 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 will be reviewed and considered by Cabinet in March 2009 as part of a review of the Constitution.

Part G - 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 O.

SUMMARY OF THE POSITION OF SLAS WITH GCH & THE POTENTIAL FINANCIAL IMPACT

APPENDIX A

SLA, RESPONSIBLE OFFICER & END DATE	VALUE OF SLA	ADDITIONAL COSTS ALLOWED IN PROFILE	TUPE TRANSFERS PROPOSED	SAVINGS IDENTIFIED TO DATE	SAVINGS STILL TO BE IDENTIFIED	ACTION	REQUIRED OUTCOMES	RISKS	UPDATE (As at 30th December 2008)
Causeway House - Andrew Epsom (31/10/09)	£125,000	£0			£125,000	Review of future office accommodation provision	Plans formulated to secure future office accommodation and mitigate loss of GCH SLA at Causeway House. (Original expiry date 30/06/09)	MTFS currently assumes these costs will be recovered from another party occupying Causeway House. Risk - Risk in short-term is failure to attract another organisation. Full costs will therefore revert to BDC on expiry of SLA (Risk for the longer-term is agreement of and funding for the town centre redevelopment	Discussions ongoing with Essex CC regarding the opportunity to rationalise its office accommodation in Braintree and to rent the area at Causeway House to be vacated by GCH. In addition further projects commenced with a view to freeing up more space in Causeway House for rental
Millennium Towers - Paul Partridge (31/10/09)	£206,440	£0			£206,440	Review future depot requirements & implement preferred option	Fit for purpose asset strategy. Cost neutral and mitigation of lost rent via GCH SLA for Millennium Tower. (Original expiry date 30/06/09)	MTFS currently assumes these costs will be addressed. Full costs of facility will revert to BDC on expiry date of SLA. Need to assess and decide on future depot requirements to minimise impact. Impact would include cost of alternative site/facility and possible disposal of Millennium Tower (value and timescale).	Service requirements currently being determined. GCH requesting an extension to the SLA to 31/10/09 and possible longer term interest in Stores area.
Cordons Farm - Paul Partridge (31/12/09)	£134,670	£134,670			£0	Relocation of Depot facilities	Fit for purpose asset strategy. Cost neutral and mitigation of lost rent via GCH SLA for Cordons Farm. Original expiry date 31/12/08)	Cost of facility to BDC on expiry of SLA will increase by £134,670. Need to assess and decide on future requirements of this transfer station to minimise impact.	Service requirements currently being determined. GCH have requested extension of SLA to 31/12/09. Possibility of working with GCH to find alternative provision for both organisations

SLA, RESPONSIBLE OFFICER & END DATE	VALUE OF SLA	ADDITIONAL COSTS ALLOWED IN PROFILE	TUPE TRANSFERS PROPOSED	SAVINGS IDENTIFIED TO DATE	SAVINGS STILL TO BE IDENTIFIED	ACTION	REQUIRED OUTCOMES	RISKS	UPDATE (As at 30th December 2008)
Cashiers - Trevor Wilson (30/09/09)	£91,850	£91,850			£0	Review and determine the Council's future cash collection service	Plan for effective closure of cash office - Mitigate loss of GCH SLA (Original expiry date of 30/06/09)	Need to ensure consideration of optimum time for making changes.	SLA with GCH for cashiers service now to expire 30/09/09. A report on the future of the cashiering service will go to the 2nd February Cabinet
Customer Services Centre - Cherie Root (30/09/09)	£355,450	£185,470	£109,250	£60,730	£0	Review Customer Services	Improve efficiency and nature of services. (Original expiry date 30/06/09)	BDC provided for deferred TUPE rights (estimated value £109,250) in transfer agreement should GCH make alternative arrangements for Customer call handling. This would address about one third of the cost that would return to the Council. MTFS currently assumes the deferred TUPE right will be	Savings have been identified through reorganisation (£60,730). Remaining costs after tupe transfers have been allowed for in profile. Further efficiencies are being sought to minimise these additional costs.
Posting & Mail distribution service - Cherie Root (31/10/09)	£9,000	£1,870		£7,130	£0	Review external posting and mail distribution service	Improve efficiency and nature of services. Address current charges to GCH for post costs and mail distribution service. (Original expiry date 30/06/09)	Postage costs are recharged in full to GCH. Therefore the only additional cost to the Council is the SLA for distribution service.	Savings identified and made in the current year to address the loss of the majority of the SLA income.
ICT & GIS - Cherie Root (31/10/09)	£231,300	£231,300			£0	Review ICT infrastructure costs.	Improve efficiency and nature of services. Address ICT infrastructure costs and GIS system costs charged to GCH under SLA. (Original expiry 30/06/09)	Significant risk of being unable to recoup any of these costs from any other organisation that may occupy part of Causeway House following departure of GCH.	SLA expiry date now 30/10/09. Investigating recharging ICT infrastructure costs to new tenant following the departure of GCH. Will form part of the discussions with Essex CC regarding it renting accommodation at Causeway House. Targeted income of £100,000 per annum

SLA, RESPONSIBLE OFFICER & END DATE	VALUE OF SLA	ADDITIONAL COSTS ALLOWED IN PROFILE	TUPE TRANSFERS PROPOSED	SAVINGS IDENTIFIED TO DATE	SAVINGS STILL TO BE IDENTIFIED	ACTION	REQUIRED OUTCOMES	RISKS	UPDATE (As at 30th December 2008)
Out of hours service - Cherie Root (TBA)	£58,940	£58,940			£0	Review Out of Hours service.	Improve efficiency and nature of services. Address out of hours service charged to GCH under SLA. (Original expiry date 30/06/09)	Risk of any future occupant not wanting service and therefore cost reverts to the Council in full. SLA expiry date may be extended to the same as office accommodation.	Still waiting for GCH to confirm whether or not this service will continue
Street scene - Paul Partridge (TBA)	£25,800	£25,800			£0	Street scene. Review service to ensure it is competitive	- Maintain SLAs with GCH. Improved service efficiency, changes to be cost neutral, staffing impact to be linked to accommodation needs. (Original expiry date 31/03/09)		Still waiting for GCH to confirm whether or not this service will continue
Grounds Maintenance - Paul Partridge (31/12/09)	£435,000				£435,000	Grounds Maintenance - Review service to ensure it is competitive	- Maintain SLAs with GCH. Improved service efficiency, changes to be cost neutral, staffing impact to be linked to accommodation needs. (Original expiry date 31/03/09)	MTFS currently assumes that the SLA will be successfully retained at tender.	SLA extended to 31/12/09. Additional capacity received to assist with this and other service reviews in the Operations Department. Commenced Monday 13th October through to 31st March 2009.
Payroll - Trevor Wilson (31/03/09)	£39,690	-£10,310		£50,000	£0	Review options for the future provision of payroll services	- Sustainable payroll service. Savings of £40k identified.	Payroll Manager post not refilled following resignation in February 2008. Further savings to address full value of SLA be achieved through review of current payroll system.	Savings already identified to address the loss of the SLA with GCH wef 31/03/09. HR Manager and Head of Finance are currently investigating options for the replacement of the personnel and payroll systems with an integrated system. Alternative methods of delivering the payroll service are also under consideration.

SLA, RESPONSIBLE OFFICER & END DATE	VALUE OF SLA	ADDITIONAL COSTS ALLOWED IN PROFILE	TUPE TRANSFERS PROPOSED	SAVINGS IDENTIFIED TO DATE	SAVINGS STILL TO BE IDENTIFIED	ACTION	REQUIRED OUTCOMES	RISKS	UPDATE (As at 30th December 2008)
Leased Car Management - Paul Partridge (31/03/10)	£2,950	£2,950			£0	Review service provided.	Leased car management service, (Original expiry date 31/03/09)	Following transfer of responsibility of service to Fleet Management from Payroll, need to assess whether the service costs more to administer than is being received under SLA.	
Procurement - Trevor Wilson (31/03/10)	£70,000	£18,080	£51,920		£0	Procurement - Review current arrangements to establish future strategic direction	Essex Procurement Hub - 5-year business plan. SLA with GCH. (SLA expires 31/03/10)	BDC provided for deferred TUPE right, for one post, in transfer agreement should GCH make alternative arrangements for Procurement services. MTFS currently assumes the deferred TUPE right will be exercised.	Currently seeking to fill three vacancies, as agreed with hub members. Business plan will be informed by this outcome and will therefore be delayed beyond target date for reporting. Interim Procurement specialist currently employed to provide necessary capacity to meet requirements of the Hub members.
Choice Based Lettings - Jo Albini (30/12/10)	£50,000	£50,000			£0	Introduction of Choice Based Lettings	Ensure costs of Choice Based lettings Service are substantially met by RSLs. GCH have agreed £50k for 3 years.	Choice based lettings to be partly funded by RSL's in district. Risk that sum currently agreed with GCH is reduced.	Choice based lettings currently being implemented.
TOTAL	£1,836,090	£790,620	£161,170	£117,860	£766,440				

PROPOSED AREAS FOR BUDGET INCREASES

New Demand	Reasons for the Proposal	Benefits/Outcome	Year	
			2009/10	2010/11
Increased costs of waste disposal.	To meet the increased landfill tax imposed by central government.	Additional costs allowed for.	£25,000	£4,000
Increased grant to the Citizens Advice Bureau	To meet the cost of appointment of an Admin. Services Manager who will focus on all internal operations. This will allow the District Manager more capacity to focus on all external matters. Recent policy changes to the funding of the voluntary sector have meant that these organisations have to spend more time developing, commissioning, contracting and maintaining their relationships with funding bodies and partner organisations. In addition to which there has been an increased demand on CAB services due to the current economic downturn and this is predicted to increase.	Create more capacity for time spent on: <ul style="list-style-type: none"> Bids to access and acquire funding for services. Increasing the levels of information and advice and service to users. Improving engagement with funding bodies and partner organisations. Working in partnership with other agencies in the locality to provide a more comprehensive and joined-up service for the District. Maintaining and improving standards of advice and providing greater access to services. 	£15,000	
Increase costs of running Choice-Based Lettings and new Housing Register module (reported to Cabinet in September 2006).	The Council is required by the government to have a choice-based letting scheme in place by 2010.	The scheme will allow people seeking rented accommodation to have more choice where they live in future. Future efficiencies may also be possible.	£24,000	
Community Development Officer (Health Improvement)	To provide joint funding for the post which is to be employed by NHS Mid Essex and based at Causeway House.	To provide additional capacity to help deliver the public health agenda.	£16,000	
To maintain the Carecall service currently provided to around 60 older long-standing clients on means-tested benefits (and not in receipt of attendance allowance) free of charge.	Changing the policy would mean an unexpected charge of around £4.10 per week on elderly people on low incomes. The costs had previously been met from the Housing Revenue Account. (The position will be reviewed again next year).	Maintaining the support provided to 60 elderly people on low income during a difficult economic climate.	£13,000 (one year only)	
		Totals	£93,000	£4,000

PROPOSED CHANGES TO SERVICE PROVISION AND MANAGEMENT REDUCTIONS TO BUDGETS

The Environment is Clean and Green

Business Plan	Service		Service Reduction Proposal	Year	
				2009/10	2010/11
Environmental Services	1	Pest Control	It is proposed that the Council continues to discharge its duty in maintaining public health, but provides a less reactive service. The aim is to retain a smaller service that breaks even (Separate proposals have already been included to generate £30k from additional fees & charges). Concessions will be maintained for those on benefit.	£40,000	
	2	Health Protection	More efficient working practices and organisational arrangements will enable the Environmental Health function to continue to meet its statutory requirement to fulfil its Health & Safety function whilst deleting 1 vacant post	£44,000	
	3	Care & Repair	Review the funding of the Hanover Care & Repair service which is jointly funded by BDC, ECC & Hanover, to tie in with ECC's review of the service, with a view to identifying cheaper options or ceasing the service		£23,650
Operational Services	4	Recycling	Concentrate the garden waste collection service on when the demand is the greatest (No collection proposed during December to February)	£60,000	
	5	Recycling/Waste	Change from twice-yearly to annual delivery of recycling sacks resulting in reduced staffing costs. Pick up points provided across the district	£22,000	
	6	Horticulture / Car Parks	Seek sponsorship for roundabouts, hanging baskets and planters in Braintree & advertising income from advertising boards at George Yard & other car parks. Will lead to improved appearance and maintenance. Local businesses will generate extra work from advertising. (Risk that sponsorship cannot be found in the current economic climate)	£21,000	
Total for Priority				£187,000	£23,650

People take Pride in their Local Areas

Business Plan	Service		Service Reduction Proposal	Year	
				2009/10	2010/11
Law & Governance	7	Locality Management	Restructure of the support to Local committees / Areas, simplified funding process for local committees and integrate support for localities within the organisation, leading to a single point of contact / dedicated member service support & improved quality of committee management	£30,000	
	8	Democratic Representation	No increase in Members allowances for two years	£11,540	£11,830
	9	Local Committees	Revenue contribution to Local Committees reduced to £1,000 per member (from £1,500) in line with general reductions across the Council	£30,000	
Total for Priority				£71,540	£11,830

Business is encouraged and the Local Economy prospers

Business Plan	Service		Service Reduction Proposal	Year	
				2009/10	2010/11
Enterprise, Culture & Leisure	10	Economic Development:	To reduce the grant support for the work of the 3 Town Centre Strategy Groups to cover administration costs only. Bids for further funding to be made to the local Committee as appropriate	£7,210	
	11	Cultural Services – Arts Development	Withdrawal of the current Arts Development Service. This is a fully discretionary service. We will look to deliver a very limited Community support service through other services within the organisation - Community Services, Leisure services etc.	£52,000	
Total for Priority				£59,210	£0

Business Plan	Service		Service Reduction Proposal	Year	
				2009/10	2010/11
Housing Services	12	Housing Advisory / Welfare Rights	As GCH have now appointed their own welfare rights advisor who will deal with the majority of their tenants, it is proposed to merge the Welfare Rights Team with the Homeless and Housing Advice service resulting in staff having a greater breath of knowledge and the deletion of one post. Proposal deferred for 1 year due to current economic climate		£41,100
Community Services	13	Community Safety	Cease the contribution to Essex Police for 4 PCSO's at the end of the 3 year agreement as they now have additional funding for PCSO's and police officers and overall numbers have grown in the district. In addition the Council has now employed Community wardens	£54,000	
	14	Public Conveniences	Cease the provision of Council owned Public Conveniences in Braintree, Witham & Earls Colne. (Discussions are taking place with the relevant Town / Parish Council with regard to possible future provision)	£54,840	
	15	Community Halls	Savings as a result of retirement of Staff at Halstead Senior Citizens centre	£22,450	£2,650
Total for Priority				£131,290	£43,750

We deliver Excellent, Cost Effective and Valued Services

Business Plan	Service		Service Reduction Proposal	Year	
				2009/10	2010/11
Financial Services	16	Cashiering	Minimum targeted savings to mitigate the loss of GCH SLA from 30th September 2009 (Further report reviewing the future of Cashiering provision scheduled for 2nd Feb 09)	£46,000	£46,000
	17	Asset Management	Maximise rental income from Causeway House through increasing the space available for rent through modern ways of working & utilising Icons area for office space. The proposal is linked to when GCH vacates the building. Consideration will be given to alternative arrangements for staff refreshment	£15,000	£15,000
Policy & Communication	18	Performance	Cease registration with BSI for Quality registration. Reliance will be placed on robust internal quality audit arrangements	£8,500	
Total for Priority				£69,500	£61,000

Total Proposed Changes to Service Provision				£518,540	£140,230
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Business Plan	Service		Service Reduction Proposal	Year	
				2009/10	2010/11
Corporate	19	General	5% reduction per annum on the following budgets across the Council; Stationery, Photocopying, Printing, Publicity, Adverts, Newspapers & Publications, Subscriptions, Professional Advice, Leased Cars, Car Allowances, Overtime, Mobile Phones, Subsistence, Conference Expenses, Equipment etc	£27,690	£26,440
	20	Rural Development Fund	Withdrawal of remaining base budget allowance which has been replaced by the Local committee funding	£14,680	
Community Services	21	Concessionary Fares	Budget adjustment to reflect the impact of recent negotiations	£24,000	
	22	Concessionary Fare Tokens	Budget adjustment to reflect current take up	£25,000	
Operational Services	23	Horticulture	Reduce overtime budget	£6,000	
	24	Street Cleansing	Dispense with 1 mechanical sweeper vehicle	£15,000	
	25	Recycling	Reduce publicity/promotions	£15,000	
	26	Staffing	Delete 1 x Recycling Officer post	£25,000	
	27	Fleet	Lease over 7 years rather than 5 yrs on 11 vehicles purchased 2008/09	£55,000	
		Fleet	Net savings following implementation of SAFED driver training	£28,000	
	28	Parks & Open Spaces	Double number of outdoor events bookings	£2,600	
Financial Services	29	Benefits	Additional Income received from Housing Benefit overpayments	£50,000	
		Property Management	Stepped annual increase in rent payable for Freebournes Court, Witham	£10,000	£10,000
		Insurance	Reduction in Insurance Premia and Loss Cost Allowance costs	£26,000	
Human Resources	30	Organisational Development	Deletion of Organisational Development post (currently vacant) and restructure Human Resources service delivery	£28,000	
Environmental Services	31	Environmental Engineering	Cease Water & Sewage Guarantee payments	9,460	
	32	Street Lighting	Delete Electric payments	£3,500	
	33	Climate Change	Cease funding HECA surveys	£4,150	
	33	Climate change	Additional income from Area Based Grant	£22,500	
	34	Building Control	Delete base funding for temporary staff cover	£22,000	
District Development	35	Planning Policy	Delete provision for employment of a planning student during the summer	£3,000	
	36	Central Support and Management	Delete Customer Support Officer from Establishment (post currently vacant)	£23,370	
	37	Development Control	Removal of vacant post from the establishment as a result of reduced workloads	£25,000	
	38	Land Charges	Reduce computer licence/software budget	£11,900	
	39	Land Charges	Reduce team by one post following retirement of Land Charges Supervisor	£8,770	
Customer Services / ICT	40	Customer Services	Additional savings to be identified to mitigate additional costs of GCH SLA ceasing when they move out of Causeway House	£50,000	£50,000
	41	Customer Services / ICT / Mailroom	Small reductions across a number of budgets	£5,000	
	42	ICT	Amalgamation of computer equipment & maintenance budgets from across the council into a central budget	£38,000	
Enterprise, Culture & Leisure		Leisure Services	Net reduction on leisure contract with DCL after allowing for increased energy costs	£23,000	
Total Management Budget Reductions				£601,620	£86,440

Total Changes to Service provision and Management Budget Reductions			£1,120,160	£226,670
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Business Efficiency Reviews - Savings						
			2009/10	2010/11	2011/12	2012/13
			£	£	£	£
Environment	Building Control	Reduce amount of applications outsourced	(10,000)	0	0	0
Finance	Revenues	Efficiencies through Process re-engineering	(50,000)	0	0	0
Savings proposed through partnership working			(60,000)	0	0	0
Operations	Refuse and Recycling	Waste Efficiency Review agreed savings	(146,500)	(226,500)	0	0
Savings proposed through Efficiency Reviews			(146,500)	(226,500)	0	0
Environment	Emergency planning and Corporate H&S	Carry out internal first aid training	(500)	0	0	0
Environment	Emergency planning and Corporate H&S	Carry out internal fire safety training	(500)	0	0	0
Environment	Emergency planning and Corporate H&S	Carry out External training	(1,000)	(1,000)	(1,000)	(2,000)
Environment	Environmental Health	Decommission ambient air quality monitoring equipment	(5,000)	0	0	0
Environment	Environmental Health	Reduce Administrative staff	0	(19,000)	0	0
Environment	Licensing	On-line application self-serve. Reducing administration	0	0	(10,000)	0
Operations	Management and Administration	Replace Grade 3 post with Grade 2	0	0	(9,280)	0
Enterprise, Culture & Leisure	Cultural and Related Services	Town Hall - additional income from increased lettings	(10,000)	0	0	0
Enterprise, Culture & Leisure	Cultural and Related Services	Tourism - additional income	(10,000)	0	0	0
Housing Service	Housing Assessment	Credit from Choice Based Lettings (CBL)	(4,330)	0	0	0
Finance	Accountancy and Financial Services Management	External Audit fees - reduction	(10,000)	0	0	0
Finance	Accountancy and Financial Services Management	BV Inspection fees - reduction	(8,000)	0	0	0
Finance	Asset Management (Property Management)	Rent/lease renewals - increases anticipated	(35,000)	(2,000)	0	0
Finance	Procurement	Increase in rebate receivable from framework agreements	(9,000)	0	0	0
Finance	Housing and Council Tax Benefits	Housing Benefit Administration subsidy increase for 2009/10	(22,750)	0	0	0
Customer Services and ICT	Customer Services	Reduction in postal budget	(15,000)	0	0	0
Other proposed savings			(131,080)	(22,000)	(20,280)	(2,000)
Grand Totals			(337,580)	(248,500)	(20,280)	(2,000)
Agreed Savings to address the loss of Service Level Agreements						
			2009/10	2010/11	2011/12	2012/13
			£	£	£	£
HR Strategy and Workforce Development Action Plan	Human Resources	Replacement of HR and Payroll systems with an integrated system	(5,000)	(5,000)	0	0
Customer Services and ICT	Customer Services	Customer Services Review - agreed changes	(60,730)	0	0	0
Customer Services and ICT	Customer Services	DX removal	(7,130)	0	0	0
Finance	Payroll	Loss of payroll service SLA with GCH - addressed by staff restructuring	(40,000)	0	0	0
Savings proposed against loss of Service Level Agreements			(112,860)	(5,000)	0	0

1. Discretionary Business Rate Relief for Charities and Community Amateur Sports Clubs (C.A.S.C.) and Exempt Charitable Organisations

<p>ORGANISATION</p> <p>HALLS, VILLAGE HALLS, CLUBS COMMUNITY GROUPS i.e. SCOUTS/GUIDES SPORTS CLUBS</p> <p>EDUCATIONAL ESTABLISHMENTS/ PRE- SCHOOLS /NURSERY SCHOOLS</p> <p>MUSEUMS/VISITORS CENTRES/RESEARCH CENTRES/PRESERVATION GROUPS</p> <p>CHARITY SHOPS</p> <p>CHARITY/ SUPPORT OFFICES/CENTRES FOR NATIONAL AND REGIONAL ADMINISTRATION</p> <p>STORAGE/WORKSHOPS/ ANIMAL SHELTERS/ DROP- IN CENTRES/WORSHIP/ SURGERIES AND OTHER ESTABLISHMENTS</p> <p>MISCELLANEOUS</p>	<p>-----</p> <p>Each application will be considered on its own merits, however the following criteria will be applied to calculate the amount of Discretionary Relief (if any) to be granted after the Mandatory Relief has been applied. All facilities supporting the aims and objectives of the council will receive favourable consideration.</p> <p>MANDATORY RELIEF currently granted at 80% of the payable Non Domestic Rates</p> <p>Mandatory Relief will be awarded on occupied properties from the original date of application, or from the date of a new application for registration with the Charity Commission, or date from which membership of C.A.S.C. is granted by the Inland Revenue.</p> <hr/> <p>Discretionary Relief can be granted up to 20% as a top up to Mandatory Relief with a total of 100% relief.</p> <p>10% If membership and use is not restricted by application through interview or selection 10% When the annual adult membership fees are less than £50.00 Automatic 20% for youth associations such as scouts, or cadets</p> <p>No top up</p> <p>10% if open access with entrance fee no more than £5.00 for adults 10% if self-funding by donation and fund raising</p> <p>10% if selling only used good 10% if no cost has been incurred for refurbishment or for fixtures and fittings</p> <p>No top up</p> <p>10% If premises are used for charitable purposed only and /or 10% if all activities carried out are not for any personal profit</p> <p>Up to 50%</p>
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Discretionary relief (where there is no eligibility for mandatory)																												
Property, all or part of which is occupied for the purpose of non-profit making: Institution or other organisation whose main objectives and interests are philanthropic, religious, science, preservation, conservation, literature or fine arts or is occupied by educational (excluding schools) or cultural organisations	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Open membership to all sections of the community</td> <td style="text-align: right;">up to</td> <td style="text-align: right;">40%</td> </tr> <tr> <td>Low membership fees under £100 00 pa</td> <td></td> <td style="text-align: right;">20%</td> </tr> <tr> <td>Maintenance of historic evidence</td> <td></td> <td style="text-align: right;">20%</td> </tr> <tr> <td>the organization has policies that promotes equal opportunities</td> <td></td> <td style="text-align: right;">20%</td> </tr> <tr> <td>Aims and objectives support the Council's 2009-2012 aims</td> <td></td> <td style="text-align: right;">20%</td> </tr> </table>	Open membership to all sections of the community	up to	40%	Low membership fees under £100 00 pa		20%	Maintenance of historic evidence		20%	the organization has policies that promotes equal opportunities		20%	Aims and objectives support the Council's 2009-2012 aims		20%												
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TOTAL MAXIMUM RELIEF = 100%																												
Policies need to have been in force for a minimum of 12 months and evidenced by minutes from the appropriate management meetings																												

2. Hardship Relief Scheme – Local Government Finance Act 1988, Section 49

Charging authorities may reduce the amount payable of National Non Domestic Rate, both for occupied and unoccupied properties, if they are satisfied that:

1. The ratepayer would sustain hardship, if the Authority did not do so, and
2. It is reasonable to do so, having regard to the interests of the Council Taxpayers.

This means businesses, which can prove that, by being given relief from rates for a period, they would be able to continue trading, and, if they ceased trading, it would have a detrimental effect on the community (i.e. an essential outlet, which is the only one of its kind in the area, or a business which employs very large numbers of local people). By granting relief, the amount of Council Tax charged to the local Council Taxpayers to offset the amount of business rates that will not be collected, would not be excessive.

Braintree District Council's policy, which was made in January 1996 which does not require alteration is: -

Basic Allocation

1. The applicant is the only outlet of its type in the community and its trade is not available elsewhere within that community.
2. That it can demonstrate its existence is essential to the local community by performing more than one service (e.g. general stores, plus Post Office), or that the local community will be severely disadvantaged, if it did not exist.

Those businesses, which meet these criteria, will be awarded relief of 25%, which can be awarded annually upon review.

Higher Allocation

The applicant can show that its existence is under threat and that there is evidence of an intention to provide a service on a long term basis (e.g. copies of accounts for the past 3 years, plus, if appropriate, a business plan).

Those businesses, which qualify for the higher amount, would receive 100% in year 1, 75% in year 2, 50% in year 3 and 25% in year 4 and any subsequent years. Once granted, any relief would be reviewed annually to ensure continued qualification.

During this period, you are required to pay, as indicated on your bill. Failure to do so could result in recovery proceedings being commenced.

By their very nature the hardship incurred by individuals will be unique. No scheme can attempt to detail circumstances, therefore this scheme cannot be written.

Individual applications can be made by writing (there is no application form) on any of the following grounds-

- Current financial losses
- Predicted losses
- Loss of services / facilities to community
- Changes in personal circumstances
- Increased competition

As much supporting evidence/ customer support as is possible should be supplied

Hardship relief will only be granted on an annual basis and only in the financial year applied for.

The decision is delegated to the Director of Finance under section 5.33 of the constitution.

3. Village Shop Rate Relief. – Local Government Finance Act 1998, Sections 42, 43, 47, 48, 58 and 143

The basis of the scheme is that the occupier of a sole general or food store, or sole Post Office, designated within a settlement of less than 3,000 people and with a rateable value less than £7,000 used in the whole as a general store, food store or Post Office will qualify for 50% Mandatory Relief.

Dependant on the analysis of the information provided, the local facilities served by the business and the services it provides up to an additional 50% discretionary relief may be awarded.

Businesses with a rateable value between £7,001 and £14,000 can apply for discretionary relief under the scheme on the whole liability.

Applications to the Council for consideration for discretionary relief from National Non Domestic Rates as well as the mandatory relief under the Village Shop Rate Relief Scheme, or through the discretionary part of the schemes, are required to complete an application form, together with:

- Copies of the last 3 years' audited accounts.
- A copy of your projected trading accounts for the current trading year.
- A copy of the current business plan.
- A list of directors.
- A copy of the Articles of Association.

plus any additional information, which the applicant thinks may assist the Council in making a decision.

Village shop relief will only be granted on an annual basis and only in the financial year applied for.

4. Village Pub and Rural Petrol Station – Local Government Finance Act 1998, Sections 42, 43(A), 43(B), 47, 48, 58 and 143(1)

The basis of the scheme is that the occupier of a sole public house or sole petrol filling station designated within a rural settlement of less than 3,000 people and with a Rateable Value less than £10,500 used in the whole as a public house or petrol station will qualify for 50% Mandatory Relief.

Dependant on the analysis of the information provided, the local facilities served by the business and the services it provides up to an additional 50% discretionary relief may be awarded.

Businesses with a rateable value of between £10,501 and £14,000 can apply for Discretionary Relief under the scheme on the whole liability.

Applications to the Council for consideration for discretionary relief from National Non Domestic Rates, as well as Mandatory Relief under the Village Pub and Rural Petrol Station Rate Relief Scheme, are required to complete an application form, together with:-

- Copies of the last 3 years' audited accounts.
- A copy of your projected trading accounts for the current trading year.
- A copy of the current business plan.
- A list of directors.
- A copy of the Articles of Association.

plus any additional information, which the applicant thinks may assist the Council in making a decision

Village pub and Rural Petrol Station relief will only be granted on an annual basis and only in the financial year applied for.

As the above are discretionary schemes, there is no scheme of appeal, however, reconsiderations are possible.

Schedule of Investments at 19th January 2009

Criteria based on lending policy as per proposed Annual Treasury Management and Investment Strategy for approval at the February Cabinet and Council meetings.

<u>Counterparty</u>	<u>Sums Invested</u>	<u>Maturity Profile</u>
Tier 1 Investments		
Alliance & Leicester (part of Santander Group)	£2.0m	31 st Mar 2010
Abbey	£4.5m	19 th Mar 09
Bank of Scotland	£5.5m	£1m Call account, £3m 7 day notice £1.5m 28 th Sept 09
HSBC	£3.0m	16 th Nov 2010 – subject to borrower Call Options from May 09
Barclays	£6.5m	£3m 4 th Jul 2011, £1.5m 5 th Mar 09 £2m 16 th Mar 09
Royal Bank of Scotland	£7.0m	£3m – Instant access £2m 10 th Mar 09 £2m 24 th Aug 09
Nationwide (originally placed with Cheshire Building Society)	£2.0m	2 nd Feb 09
National Australia Bank	£3.0m	16 th Nov 2011 – subject to borrower Call Options from Nov 09
Sub-total	£33.5m	
Below Tier 2 Minimum (Investments placed in accordance with previous lending policy)		
<i>Building societies:</i>		
Stroud and Swindon	£3.0m	2 nd Mar 09
Nottingham	£2.0m	2 nd Mar 09
Kent Reliance	£1.0m	2 nd Feb 09
EBS	£3.0m	19 th Mar 09
Irish Nationwide	£2.0m	2 nd Feb 09
<i>Banks:</i>		
Anglo Irish	£2.0m	4 th Mar 09
Sub-total	£13.0m	
Own Bank – Subject to £5m <= 1 week		
Co-operative	£4.2m	£2.15m overnight £2.05m 22 nd Jan 09
Sub-total	£4.2m	
Investments at Risk		
Kaupthing, Singer, and Friedlander	£1.0m	14 th Oct 08 (defaulted)
Landsbanki Islands	£3.0m	£1m 8 th Oct 08 (defaulted) £2m 31 st Mar 09
GLITNIR	£1.0m	31 st Mar 09
Sub-total	£5.0m	
Total All Investments	£55.7m	