

Committee: Cabinet

Agenda Item

Date: 18 February 2014

Title: General Fund and Council Tax 2014/15

Portfolio Holder: Councillor Robert Chambers

Summary

1. This report presents the 2014/15 General Fund budget for consideration by the Cabinet on 18 February ahead of final determination by Full Council on 27 February.
2. This budget must be considered alongside the report made by the Assistant Chief Executive - Finance under Section 25 of the Local Government Act 2003, to be received by the Cabinet earlier in today's agenda. The budget is consistent with the Medium Term Financial Strategy also to be considered earlier on the agenda.
3. The Scrutiny Committee reviewed the report on 6 February and endorsed the recommendations. In doing so, the Committee discussed the following:
 - The need for the proposed Strategic Initiatives Fund and Access Fund to deliver tangible, lasting outcomes for the district and/or the Council, and for there to be future Scrutiny Committee review of this.
 - The increase in the budget for providing exceptional hardship relief to council tax payers in receipt of LCTS discounts.

Recommendations

4. The Cabinet is requested to recommend that the Full Council approves the General Fund Council Tax Requirement of £4,695,046, as summarised in paragraph 23 and detailed in Appendices A to C, which balances to the available Council Tax income assuming a cut of 2% in the District Council Band D.
5. The Cabinet is recommended to approve the schedule of fees and charges at Appendix E.

Background Papers

6. None.

Impact

Communication/Consultation	Consultation carried out is summarised below.
Community Safety	No specific implications
Equalities	An EQIA is included with the agenda papers
Finance	Detailed in the report
Health and Safety	No specific implications
Human Rights	No specific implications
Legal implications	The recommendations fulfil the legal requirement to set a balanced budget.
Sustainability	No specific implications
Ward-specific impacts	No specific implications
Workforce/Workplace	No specific implications

Introduction

7. This report provides detailed revenue estimates for the General Fund and Council Tax for 2014/15.
8. The estimates, as summarised in Appendix A, show a Council Tax Requirement of £4,695,046, which balances to level of Council Tax income, assuming a 2% cut in Council Tax.
9. The Cabinet is required to determine a recommended budget for consideration by the Council on 27 February.
10. The estimates in this report are based on the recommended Capital Programme, Treasury Management Strategy and Housing Revenue Account budget for 2014/15 that were considered earlier in today's agenda. Any changes may have a marginal effect on the revenue estimates and these will be reflected in the material that is prepared for Full Council.

2014/15 Budget Strategy

11. On 24 October, the Cabinet determined its strategy for the 2014/15 budget. The table below summarises these and indicates that the draft 2014/15 budget fulfils the Cabinet's strategy.

Budget Strategy objective	Achievement of objective
Take account of consultation results	Yes – see below.
To plan on the basis that the UDC Council Tax will be frozen for 2014/15.	This objective has been exceeded, with a 2% cut proposed.
To make progress towards savings & income targets set out in the Medium Term Financial Strategy, with a guideline target figure of £0.3 million for 2014/15.	Yes – the budget includes proposed efficiency savings totalling £255,000.
To implement planned changes to Council Tax Discounts and the LCTS scheme, subject to Council approval.	Yes. LCTS and Council Tax discounts scheme approved by Full Council in December, and are in the process of being implemented ahead of Council Tax billing in early March.
To implement a new policy for discretionary business rates relief.	The 2014/15 budget makes sufficient provision for increasing the amount of discretionary rate relief, in anticipation of a new policy. The Chancellor made announcements about business rates relief which need to feature in the Council's own policy. Detailed regulations to underpin the announcements, and to make clear how the costs of relief are to be funded, have not been issued as at the time of preparing the budget.
Maintain and seek opportunities to enhance support for the voluntary sector	Yes. Budgets for voluntary sector support have increased by £13,600 (revenue) and by £10,000 (capital). Revenue: 2013/14, £393,500; 2014/15, £407,100 Capital: £2013/14, £100,000; 2014/15, £110,000
Unless there is a significant change in circumstances, not to require any cuts in services to make financial savings, although efficiency savings will continue to be sought.	Substantially achieved. The budget includes the final phase of making the reductions in the Museum budget previously approved by the Council, and the budget is now at the target level of £160,000. To achieve this, the Museum is now closed on Mondays and there is a reduction in conservation work. Otherwise, service cuts have been avoided.
To develop a new strategy for the financing of capital expenditure, which optimises the revenue budget position over the medium to longer term.	Achieved, a new financing approach has been developed and is explained in the Capital Programme and Treasury Management reports.
Continue to implement the HRA Business Plan.	Yes. See separate HRA Budget Report.

Consultation

Residents Consultation

12. In Summer 2013 consultation on the Council's budget priorities was completed via a questionnaire on the website and a survey of the e-citizens panel. The results were reported in full to the Cabinet on 24 October. The table below sets out the respondents' highest priorities, and how the draft 2014/15 budget relates to them.

	Survey respondents' priority	Consistency with budget
Highest Priority	Continuing with sound financial management to ensure continued stability of the council and its services in difficult times	Yes. A balanced budget has been produced with no significant cuts in services. The budget provides for work to continue on the efficiency savings programme with the MTFS setting out the Council's intention to reduce financial dependency on New Homes Bonus and to maintain a strong financial discipline.
Second Highest	Providing affordable housing for local people	Yes. The budget provides sufficient resources for housing and planning teams to fulfil the Council's responsibilities. There is substantial provision for new affordable housing within the Capital Programme.
Third Highest	Work with Essex County Council to improve the condition of the district's roads	Yes. The budget enables the Council to continue the work of the Highways Panel and the Highways Ranger service.
Don't do	Work more closely with the business community to benefit the local economy	A counter-intuitive response and although this was the item that the most respondents identified as a "don't do" item, in fact only seven respondents mentioned this. As such the result should be used with caution. It is clearly a vital part of the Council's work that it should continue to work with local businesses to help strengthen and improve the local economy. The 2014/15 budget earmarks significant funding to further this aim.

Business consultation

13. In lieu of writing to all business rate payers, the following organisations were invited to comment on the council's priorities and the Cabinet's budget strategy:

- Saffron Walden Initiative
- Business Xchange group
- Federation of Small Businesses
- Saffron Walden Friends
- Bishops Stortford Business Club
- Dunmow Chamber
- Newport Business Association
- Stansted Airport Chamber
- Stansted Airport Business Association
- Stansted Business Forum
- Saffron Walden Town Team
- Great Dunmow Town Team

14. The invitations to comment were issued on 12 November with a requested response date of 13 January. Four responses were received, as shown below. Members are requested to consider the comments made.

Respondent	Summary of response submitted	Officer comment
Mr J. via Stansted Airport Regional Business Association	A complaint about the Council's A Board enforcement.	Passed to the Enforcement Team to deal with.
Mr M. via Saffron Walden Initiative	A proposal to include within the budget some 'seed funding' to facilitate the delivery of services through partnership working with the voluntary and not for profit sectors. Comments on the importance of the council's leadership and facilitating role.	This is one of the possible uses for the new Strategic Initiatives Fund, discussed below.
Mr S. (Saffron Walden business owner)	A suggestion that the budget should put increased emphasis on increasing employment in Saffron Walden with emphasis on white collar jobs or high tech jobs.	The budget includes provision, and work has commenced, on a business rate incentive scheme. Further consultation will be undertaken in due course.
Federation of Small Businesses	<p>A comment that the corporate plan is light on details.</p> <p>A comment about the counter-intuitive public consultation response regarding suggesting that a lower priority should be attached to working with the local business community in order to benefit the local economy.</p> <p>The Council should promote local business procurement and prompt payment procedures.</p> <p>Car parking should not be viewed as a revenue raising exercise. A car parking audit should be undertaken to establish optimum charging in relation to usage on a space by space basis. This would demonstrate a key piece of business support for town centre and high street traders.</p> <p>Continues...</p>	<p>The Corporate Plan is a high level document setting out strategic aims.</p> <p>Discussed above; no weight to be placed on this response.</p> <p>The procurement strategy includes specific initiatives regarding local procurement. Prompt payment is a Key Performance Indicator.</p> <p>Car park charges are set for traffic management reasons. A Scrutiny-led review of car parking is in progress.</p>

	<p>Assistance should be given to establish a district wide shopping voucher scheme.</p> <p>Clarity is required to establish the new business rate rules. The Council should be pro-active in using its powers to not only generate business growth but also support companies during periods of trading difficulty (rather than standing at the front of a queue of creditors).</p> <p>The Councils recent promotion of and assistance in delivering training provisions is commendable but more could be done to establish a centre of excellence for a range of different programmes focused on specific trades.</p> <p>Planning processes should be designed to eliminate unessential red tape in order to encourage businesses to expand within the district (rather than drift away into either Council areas where business development and expansion provisions are more sympathetically dealt with).</p>	<p>The Council has already introduced such a scheme in conjunction with the Town Team in Great Dunmow and was involved in a seasonal Christmas scheme in Saffron Walden. The Council will continue to support such initiatives.</p> <p>The budget has allocated funds for economic development initiatives and for a new rate relief policy</p> <p>This will be considered further as part of the revision to the Economic Development Strategy.</p> <p>The Council agrees. The recent revisions to the Validation Guidance was designed to create more certainty to developers. The Council has and will continue to work proactively with business owners to support appropriate development within the district.</p>
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2014/15 resources available

15. By law the budget (Council Tax Requirement) has to balance to the expected Council Tax income receivable.
16. The Assistant Chief Executive - Finance, under delegated authority, has approved the Council Taxbase to be used when setting the 2014/15 Council Tax. The Taxbase, expressed in Band D equivalents, is 35,223.8, an increase of 2.4% on the 2013/14 figure of 34,389.0. Deducted from the 35,223.8 figure is an adjustment to reflect the level of Local Council Tax Support Discounts. The estimated value of these discounts in Band D equivalent terms is 2,398.2. This produces a Taxbase for budget setting purposes of **32,825.6**.
17. The 2013/14 UDC Band D Council Tax was £145.95. In accordance with the Cabinet's guidance, a 2% cut has been assumed for the purpose of preparing this report, so the 2014/15 Band D is **£143.03**. Multiplied by the taxbase, this would produce a Council Tax yield of **£4,695,046**:

	2013/14	2014/15	
Taxbase (gross)	34,389.0	35,223.8	+2.4%
LCTS discounts	-2,549.6	-2,398.2	-5.9%
Taxbase (net)	31,839.4	32,825.6	+3.1%
Band D	£145.95	£143.03	-2.0%
Council Tax yield	£4,646,960	£4,695,046	+1.0%

18. The Council is therefore required to balance its net budget to a **Council Tax Requirement of £4,695,046**.

19. This figure is larger than the equivalent sum for 2013/14, as explained below:

	£000	£000
2013/14 Council Tax Requirement		4,647
Additional income arising from taxbase increase	144	
Income lost because of 2% cut	<u>-96</u>	
Net increase in council tax income		<u>48</u>
2014/15 Council Tax Requirement		4,695

20. The £4,695,046 figure represents estimated Council Tax income but for budget purposes it is treated as a UDC levy on the Collection Fund and is therefore a reliable figure. Inevitably the actual amount of Council Tax income will differ from the assumed amount. This will give rise to a surplus or deficit on the Collection Fund which will be taken into account as part of next year's budget setting.

Indicative District Council Tax for 2014/15

21. Assuming a 2% cut in Council Tax, the amount of Uttlesford DC Council Tax, by each Council Tax band, is shown below.

Band	Chargeable Dwellings		Proportion of Band D	2013/14 UDC Council Tax £	2014/15 UDC Council Tax £	Decrease (2%) £/year
	No.	%				
A	1,000	3.0	6/9ths	97.30	95.35	-1.95
B	3,543	10.6	7/9ths	113.52	111.25	-2.27
C	7,796	23.4	8/9ths	129.73	127.14	-2.59
D	6,573	19.7	9/9ths	145.95	143.03	-2.92
E	5,917	17.7	11/9ths	178.38	174.81	-3.43
F	4,164	12.5	13/9ths	210.82	206.60	-4.22
G	3,976	11.9	15/9ths	243.25	238.38	-4.87
H	399	1.2	18/9ths	291.90	286.06	-5.84
Total	33,371	100.0				

General Fund Budget

22. Appendix A is a summary of the budget for 2014/15, showing a budget requirement of £4,695,046 in line with the resources available detailed above.
23. A summary of the 2014/15 General Fund budget is shown in the table below. Further details are set out in Appendix B.

£'000	2013/14 restated	2014/15	Bottom Line Increase / Decrease (-)
Net Service Expenditure	8,896	8,923	27
Recharge to HRA	-1,286	-1,464	-178
Pension Fund deficit payment	390	1,121	731
Capital programme funding	1,525	1,611	86
Corporate Items (net)	92	-199	-291
Sub-total - General Fund Expenditure	9,617	9,992	375
Formula Grant	-2,038	-1,642	396
New Homes Bonus	-2,042	-2,877	-835
Business Rates Retention	-1,356	-1,279	77
Council Tax Freeze Grant	-50	-50	0
Other funding items	-71	-36	35
Net Operating Expenditure	4,060	4,108	48
Transfer from reserves for pensions deficit payment	0	-748	-748
Transfer to Strategic Initiatives reserve	0	1,000	1,000
Transfer to Access reserve	0	200	200
Net other transfers from(-) other earmarked reserves	587	135	-452
Council Tax Requirement	4,647	4,695	48
District Council Precept on Collection Fund	-4,647	-4,695	-48
	0	0	0

24. A subjective analysis of net service expenditure is below.

£'000	2013/14 restated	2014/15	Increase / Decrease (-)
Employees	8,747	9,029	282
Premises	642	672	30
Transport	651	659	9
Supplies & Services	4,647	4,766	119
Third Party Payments	254	261	7
Transfer Payments (mainly Benefits)	17,424	18,318	894
Sub total - expenditure	32,364	33,705	1,340
External Funding	-1,318	-1,174	144
Specific Government Grants (mainly Benefits)	-17,401	-18,594	-1,192
Fees & Charges Income	-4,238	-4,344	-106
Other Income	-510	-670	-159
Sub total - income	-23,468	-24,782	-1,314
Net service expenditure	8,896	8,923	27

25. The following table is a reconciliation of the movement from the 2013/14 budget to the 2014/15 estimates. Details of all adjustments are given in Appendix C.

2013/14 Council Tax Requirement		4,647
<u>Service budget changes</u>		
Loss of external funding	71	
Inescapable growth	257	
Service investment	410	
Efficiency savings	-255	
Service reductions	-15	
Changes to income	-335	
Other adjustments	-106	
		27
<u>Funding items</u>		
Increase in New Homes Bonus	-835	
Removal of miscellaneous central govmt income	55	
Ongoing DCLG miscellaneous income	-20	
Net reduction in Formula Grant	446	
Reduction in Business Rates Retention	77	
Increase in Council Tax Freeze Grant	-50	
		-327
<u>Corporate items</u>		
Capital financing costs increase	86	
Contribution to community budgets being removed	-50	
Collection fund balance UDC element to drawdown to GF	-250	
Increase in HRA share of costs	-178	
Increase in Pension Fund budget due to up-front payment	731	
		339
Increase in the net transfer from reserves		0
Other net adjustments		9
Net changes to base budget		48
2014/15 Council Tax Requirement		4,695

Key budget items

26. The budget includes the following items of investment in improved services and facilities:

Amount £000	Item	Description	One off or ongoing
1,000	Strategic Initiatives Fund	One-off investment in projects to be identified and approved by the Cabinet during the year. Examples of the projects that will be undertaken include: Support for the local economy Partnership working with voluntary sector organisations Community initiatives and services in rural locations "Spend to save" projects to make the Council more efficient and more resilient to funding changes in future years Putting some Council services onto a more commercial footing.	One off
200	Access Fund	To invest in infrastructure projects with the intention of replenishing the Fund from Section 106 receipts. The intention for 2014/15 is to use this Fund to facilitate construction of a cycle path connecting Saffron Walden with Audley End Station.	One off
80	Car Parking Feasibility Study	To evaluate off street car parking capacity across the district	One off
50	Homelessness service	To increase staffing resources due to rising demand for homelessness services	46k ongoing; 4k one off
45	Waste Management	A budget for agency staff in order to ensure adequate cover for staff sickness.	Ongoing
45	Revenues	Increase in staffing resource due to rising work levels e.g. taxbase growth.	34k ongoing; 11k one off
27	Electoral Registration	Costs of implementing the new Individual Electoral Registration system. Funded by Government grant.	One off
25	Discretionary Business Rates relief	Increase in the budget in order to meet growing demand by organisations eligible to receive relief under the Council's current policy	Ongoing
23	Finance	New Contracts Officer to support the Housing Service with tenders and contract management. Funded by HRA.	Ongoing
20	Tour de France	Budget to facilitate the Council's role in supporting the event	One off
36	Miscellaneous	Various items as shown in Appendix C	One off
59	Miscellaneous	Various items as shown in Appendix C	Ongoing
1,610	TOTAL		1,378 one off; 232 ongoing

27. Other notable items in the budget are:

- Continuation of the £2,000 Ward Members' budgets (£88,000 total)
- The payment of three years of pension fund deficit payments up front, a sum of £1,121,000, generating a saving of approx. £100,000 over the three year period. This to be funded by transferring £748,000 from the Budget Equalization Reserve, so the bottom line hit is £373,000. The reserve will be replenished by making a transfer of £374,000 from each of the next two budgets (2015/16, 2016/17), thus smoothing the impact while generating the saving. This is in accordance with the Cabinet decision on 5 December.
- Capital Financing costs of £1,611,000 representing the contribution to the capital programme necessary to ensure that assets are paid for from the revenue budget in line with their expected useful lives.
- A Collection Fund balance of £256,000 representing a one-off withdrawal of a surplus of council tax income that has accrued in the Collection Fund. This is the cumulative effect of collection performance and taxbase growth being better than forecasted.
- Recharges to the Housing Revenue Account totalling £1,464,000 representing the HRA's contribution to the running costs and overheads of the Council, calculated on a fair apportionment basis.

Local Government Finance Settlement

28. On 5 February the Council received confirmation of the Settlement for 2014/15. Indicative figures for 2015/16 were also provided.

29. The Settlement comprises the following:

- Formula Grant
- Localised Business Rates
- Council Tax Freeze Grant
- Other minor one off items

30. The 2014/15 "Settlement Funding Assessment" is **£3,025,178**, which represents an 11% cut on the 2013/14 figure. The illustrative figure for 2015/16 is £2,575,461, a cut of 15% from the 2014/15 figure. The settlement details since 2010/11 are set out below.

£000	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16 illustrative
Formula Grant	4,106	3,206	2,889	2,038	1,642	1,155
Homelessness grant (rolled into Formula Funding from 2013/14)	61	115	85	-	-	-
Council Tax Freeze Grant 2011/12 (Rolled into Formula Funding from 2012/13)	-	123	-	-	-	-
Council Tax Freeze Grant 2012/13 (one off)	-	-	125	-	-	-
Localised Business Rates baseline figure	-	-	-	1,356	1,383	1,420
Subtotal – Settlement Funding Assessment (new measure from 2013/14)	-	-	-	3,394	3,025	2,575
Council Tax Freeze Grant 2013/14 (rolled into Formula Funding from 2014/15)	-	-	-	50	-	-
Council Tax Freeze Grant 2014/15	-	-	-	-	50	50
Council Tax Freeze Grant 2015/16	-	-	-	-	-	50
Other one off items	39	-	-	72	36	12
Total	4,206	3,444	3,099	3,516	3,111	2,687
Cumulative annual cut since 2010/11	-	762 (18%)	1,107 (26%)	690 (16%)	1,095 (26%)	1,519 (36%)
Cumulative loss of funding since 2010/11	-	762	1,869	2,559	3,654	5,173

31. The 2014/15 Formula Grant figure includes £1,382,463 of localised business rates which is a variable figure dependent upon many factors as set out in the preceding report. The downside risk is moderated by the Safety Net which is **£1,278,778** (£103,685 reduction). The actual figure will not be known until after the end of the financial year. Because of known risks regarding appeals, refunds and bad debt losses, the budget prudently assumes that the retained share will be at the safety net level.

32. The 2015/16 illustrative figures continue the trend of cutting 'core funding' which over five years will reach around 72% or an average of 14.4% per year. There are no indications of what funding councils will receive from April 2016. This is discussed in the Medium Term Financial Strategy.

Council Tax Freeze Grant

33. The Government has announced that funding will again be made available to Councils who freeze their Council Tax in 2014/15 and 2015/16. (A cut will also trigger entitlement to grant.) The funding will be equivalent to a rise of 1%. Freeze Grant will be rolled into Formula Funding in future years so it is an ongoing funding stream, albeit subject to cuts in Formula Funding.

New Homes Bonus

34. 2014/15 is the fourth year of New Homes Bonus. The sum of **£2,877,064** has been allocated to UDC.

	2011/12 Financial Year	2012/13 Financial Year	2013/14 Financial Year	2014/15 Financial Year
NHB Year 1	£714,365	£714,365	£714,365	£714,365
NHB Year 2	-	£533,562	£533,562	£533,562
NHB Year 3	-	-	£794,502	£794,502
NHB Year 4	-	-	-	£834,635
Total	£714,365	£1,247,927	£2,042,429	£2,877,064

35. The total amount of New Homes Bonus over the 4 year period it has existed for is £6.882m. This compares with the cumulative loss in 'core' formula funding of £5.173m in the same period. UDC therefore continues to be a net 'beneficiary' of the shift in the local government finance system towards rewarding councils where there has been housing growth in their administrative area.
36. This trend will continue: there are strong indications of continuing cuts in formula funding, with councils increasingly dependent upon New Homes Bonus to support core services. UDC shall be no exception to this. The Medium Term Financial Strategy discusses the importance of reducing the Council's exposure to this risk.

General Fund Reserves

37. The report made by the Assistant Chief Executive - Finance under Section 25 of the Local Government Act 2003, received earlier in today's agenda, recommended that the Working Balance be maintained at a minimum of £1,200,000. The forecast balance on the Working Balance as at 31 March 2014 is £1,214,000, £14,000 above the recommended minimum level. The 2014/15 budget therefore includes no provision to increase the Working Balance, in line with the recommendations in the Section 25 report.

38. Proposed reserves transfers are as follows:

Access Fund	New reserve of £200,000	To meet costs of community projects commencing with a contribution to Essex County Council for cycle path works. The intention is to replenish this Fund with Section 106 monies in due course.
Budget Equalization	Drawdown of £748,000	To offset impact of up-front pension deficit payment to Essex County Council, which covers a three year period. Reserves drawdown enacted to the value of 2/3rds of payment to ensure only one year's worth hits the council tax requirement bottom line. This withdrawal to be replenished in 2015/16 and 2016/17.
Council Tax Freeze	Increase of £50,000	To provide contingency for future changes in Council Tax policy.
Elections	Reserve increased by £20,000	To spread the costs of the 2015 District Council Election
Licensing	Drawdown of £25,000	To offset deficit in taxi licensing budgets. The reserve will reduce to a figure close to zero in 2014/15, following which fees will be increased to ensure ongoing balance between costs and income, as agreed with taxi trade representatives.
Local Government Resource Review	Increase of £73,000	To provide contingency for future funding reform by central government.
Planning	Increase of £17,000	To earmark Government funding provided to implement Community Right to Bid and Community Right to Challenge initiatives
Strategic Initiatives	New reserve of £1,000,000	To provide a fund to support business, community initiatives, spend to save projects and moving services onto a more commercial footing

Fees and Charges review

39. Officers have reviewed fees & charges in line with the Council's Pricing and Concessions policy and Cabinet decisions where relevant (e.g. car parks, trade waste, licensing). A schedule of proposed charges is included at Appendix E.

40. Where services are operating in competition with other commercial providers, for example trade waste, the service manager needs to have authority to negotiate as required where it is the Council's best interests to do so.

Outstanding Issues

41. As at 19 February, the following issues were outstanding; the updated position will be reported verbally.
- Final formal notifications of the formal precept figures from Essex Police and Essex Fire.

Risk Analysis

42. The formal risk analysis of the budget is set out in the report earlier on today's agenda, "Robustness of Estimates and Adequacy of Reserves".

Risk	Likelihood	Impact	Mitigating actions
Actual events may differ from the assumptions and estimates used to produce the draft budget, which will lead to variances from the budget.	3 (some risk that variances will occur requiring action to be taken)	3 (potential impact which could adversely affect the council's financial position if not managed)	Budget monitoring and corrective action taken as necessary.

List of Appendices

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- APPENDIX B Portfolio budgets
- APPENDIX C Schedule of budget adjustments
- APPENDIX D General Fund Reserves
- APPENDIX E Fees and Charges
- APPENDIX F Council Tax Resolution (Full Council only)

APPENDIX A

GENERAL FUND SUMMARY

£'000	2013/14 Original Budget	2013/14 Restated Budget	2013/14 Forecast Outturn (as at P5 13/14)	2014/15 Original Budget	Increase / (Decrease)
Community Partnerships & Engagement - <i>Cllr H Rolfe</i>	2,028	2,042	2,005	2,146	104
Community Safety - <i>Cllr A Walters</i>	378	302	331	313	11
Environmental Services - <i>Cllr S Barker</i>	1,544	1,508	1,100	1,686	178
Finance & Administration - <i>Cllr R Chambers</i>	5,059	5,037	5,190	4,740	-297
Housing (General Fund) - <i>Cllr J Redfern</i>	-65	7	-2	38	31
Sub-total – Portfolio and Committee budgets	8,944	8,896	8,624	8,923	27
Council Tax Freeze Grant - 11/12	-123	0	0	0	0
Council Tax Freeze Grant - 13/14 (year 2 of 3)	-50	-50	-50	0	50
Council Tax Freeze Grant - 14/15 (year 1 of 2)	0	0	0	-50	-50
Community Challenge	-8	-8	-9	-9	-1
Community Right to Bid	-8	-8	-8	-8	0
Small Business Rates adjustment funding	0	0	0	-14	-14
Formula Grant	-2,673	-2,038	-2,038	-1,642	396
Business Rates Retention	0	-1,356	-1,288	-1,279	77
Transition Protection Payments	0	0	-65	0	0
New Homes Bonus - Adjustment Grant	-11	-11	-11	0	11
New Homes Bonus - Returned 13/14 Balance	0	0	0	-5	-5
Efficiency Support for Services in Sparse Areas	-31	-31	-31	0	31
LCTS - Funding	-513	0	0	0	0
LCTS - Transition Grant	-13	-13	-14	0	13
New Homes Bonus - Grant	-2,042	-2,042	-2,042	-2,877	-835
Sub-total – Government Funding	-5,472	-5,557	-5,556	-5,884	-327
Capital Financing Costs	1,525	1,525	1,525	1,611	86
Collection Fund Balance	-6	-6	-6	-256	-250
Contribution to Community Budgets	50	50	0	0	-50
Investment Income	-50	-50	-50	-50	0
Pension Fund - Added Years	98	98	100	107	9
Pension Fund - Deficit	390	390	390	1,121	731
Recharge to HRA	-995	-1,077	-1,001	-1,211	-134
HRA Share of Corporate Core	-209	-209	-207	-253	-44
Sub-total – Corporate Items	803	721	751	1,069	348
Sub-total - Net Operating Expenditure	4,275	4,060	3,819	4,108	48
Access Reserve	0	0	0	200	200
Budget Equalization Reserve	222	380	592	0	-380
Budget Equalization Reserve - Pension Deficit	0	0	0	-748	-748
Change Management Reserve	-26	-26	-63	0	26
Council Tax Freeze Reserve	0	0	0	50	50
Elections Reserve	20	20	20	20	0
Homelessness Reserve	20	20	20	0	-20
Insurance Reserve	100	100	0	0	-100
LGRR Contingency Reserve	-252	-252	-237	73	325
Licensing Reserve	-55	-55	-38	-25	30
Neighbourhood Front Runners	0	0	9	0	0
NHB Contingency Reserve	-40	0	-40	0	0
Planning Development Reserve	249	266	458	17	-249
Strategic Initiatives Reserve	0	0	0	1,000	1,000
Waste Reserve	134	134	107	0	-134
Working Balance	0	0	0	0	0
Sub-total - Movement in Earmarked Reserves	372	587	828	587	0
COUNCIL TAX REQUIREMENT	4,647	4,647	4,647	4,695	48
Funding Available					
Council Tax	-4,647	-4,647	-4,647	-4,695	-48
TOTAL FUNDING AVAILABLE	-4,647	-4,647	-4,647	-4,695	-48
OVERALL NET POSITION					0

APPENDIX B

COMMUNITY PARTNERSHIPS AND ENGAGEMENT PORTFOLIO							
£'000	2012/13 Actual	2013/14 Original Budget	2013/14 Restated Budget	2013/14 Forecast Outturn (as at P5 13/14)	2014/15 Original Budget	Increase / (Decrease)	Comments
Assisted Travel	-1	0	0	0	1	1	
Committee Administration	143	174	175	175	152	-23	Staff costs saving
Communications	134	177	240	164	243	3	
Community Information Centres	48	66	66	56	50	-16	Saving on Stansted CIC rent charge
Community & Leisure Management	45	45	45	46	46	1	
Customer Services Centre	285	288	291	299	307	16	Increase in staffing
Democratic Representation	346	351	354	351	361	7	
Economic Development	-32	153	114	160	203	89	Car parking capacity feasibility study £80k
Grants & Contributions	243	368	368	368	371	3	
Leisure & Administration	87	97	95	94	96	1	
Leisure PFI	-66	-26	-26	-26	-9	17	Net contractual inflation
Museum Saffron Walden	188	190	175	173	160	-15	Service reduction
New Homes Bonus (Ward members' budgets)	527	88	88	88	88	0	
Sports Development	48	57	57	57	77	20	Tour De France (one-off growth item)
Portfolio Total	1995	2,028	2,042	2,005	2,146	104	

APPENDIX B (continued)

COMMUNITY SAFETY PORTFOLIO							
£'000	2012/13 Actual	2013/14 Original Budget	2013/14 Restated Budget	2013/14 Forecast Outturn (as at P5 13/14)	2014/15 Original Budget	Increase / (Decrease)	Comments
Community Safety	169	197	163	197	177	14	Includes £10k special constables; £70k PCSO funding
Emergency Planning	42	42	42	43	43	1	
Enforcement	174	216	178	191	188	10	
Highways	-10	-10	-15	-15	-15	0	
Licensing	-85	-67	-66	-85	-80	-14	
Portfolio Total	290	378	302	331	313	11	

APPENDIX B (continued)

ENVIRONMENTAL SERVICES PORTFOLIO							
£'000	2012/13 Actual	2013/14 Original Budget	2013/14 Restated Budget	2013/14 Forecast Outturn (as at P5 13/14)	2014/15 Original Budget	Increase / (Decrease)	Comments
Animal Warden	30	30	30	30	30	0	
Car Parking	-579	-566	-585	-582	-589	-4	
Depots	52	50	37	50	44	7	
Development Management	-59	-252	-157	-640	-129	28	ECC ecology advice/advertising now weekly basis
Environmental Management & Admin	101	98	89	97	88	-1	
Grounds Maintenance	157	158	159	157	157	-2	
Housing Strategy	103	101	102	101	89	-13	
Local Amenities	-840	16	7	7	7	0	
Pest Control	35	23	23	22	27	4	Incl. £15k new income for rats on domestic premises
Planning Management & Admin	447	466	377	377	373	-4	
Planning Policy	290	247	249	260	244	-5	
Planning Specialists	178	168	169	156	175	6	
Public Health	249	406	410	367	385	-25	net effect of EU legislation re: food inspections
Street Cleansing	266	320	322	322	298	-24	agency saving
Street Services Management & Admin	285	338	341	338	340	-1	
Vehicle Management	313	295	294	296	346	52	replacement tyres £50k
Waste Management - Expenditure	1,924	1,871	1,866	1,870	2,010	144	growth of £57k for agency/consultancy, £87k other adj
Waste Management - Income	-2,239	-2,225	-2,225	-2,128	-2,209	16	
Portfolio Total	713	1,544	1,508	1,100	1,686	178	

APPENDIX B (continued)

FINANCE & ADMINISTRATION PORTFOLIO							
£'000	2012/13 Actual	2013/14 Original Budget	2013/14 Restated Budget	2013/14 Forecast Outturn (as at P5 13/14)	2014/15 Original Budget	Increase / (Decrease)	Comments
Benefit Administration	-328	-293	-293	-293	-264	29	reduction in DWP admin grant
Business Improvement & Performance Team	157	155	80	155	76	-4	
Central Services	373	400	385	393	381	-4	
Conducting Elections	1	1	1	-1	1	0	
Conveniences	47	48	27	38	22	-5	
Corporate Management	700	839	763	724	817	54	pay award growth less audit fees/consultancy savings
Corporate Team	127	171	120	131	105	-15	
Council Tax Benefits	-88	0	0	0	0	0	
Electoral Registration	25	22	22	19	21	-1	
Financial Services	822	822	797	914	848	51	insurance contract inflation/new post in procurement
Housing Benefits	16	194	194	195	63	-131	bad debt provision reduction/higher subsidy recovery level
Human Resources	183	244	246	237	218	-28	reduction in 1 FTE to staff structure
Information Technology	958	974	1,077	1,079	1,092	15	
Internal Audit	105	109	109	109	110	1	
Leased Cars	0	0	0	0	0	0	
Legal Services	78	103	104	92	101	-3	
Local Council Tax Support	-45	382	382	327	79	-303	including restatement of LCTS subsidy payments £205k
Local Tax Collection	-46	-73	-73	-50	-50	23	reduction in net income for court fees recovery
Non Domestic Rates	-67	-67	-67	-54	-29	38	new DRR policy/adj to follow current discount relief trend
Offices	298	326	315	308	324	9	
Office Cleaning	0	0	186	186	176	-10	
Revenues Administration	794	702	662	681	649	-13	
Portfolio Total	4,110	5,059	5,037	5,190	4,740	-297	

APPENDIX B (continued)

HOUSING GENERAL FUND PORTFOLIO							
£'000	2012/13 Actual	2013/14 Original Budget	2013/14 Restated Budget	2013/14 Forecast Outturn (as at P5 13/14)	2014/15 Original Budget	Increase / (Decrease)	Comments
Building Surveying	-81	-67	-59	-53	-69	-10	
Day Centres	55	59	36	38	36	0	
Energy Efficiency	36	48	48	49	47	-1	
Homelessness	88	85	171	181	211	40	investment in staffing (minor element is one-off)
Housing Grants	10	10	10	10	10	0	
Land Charges	41	-65	-64	-92	-65	-1	
Lifeline	-130	-135	-135	-135	-132	3	
Portfolio Total	19	-65	7	-2	38	31	

SCHEDULE OF BUDGET ADJUSTMENTS

INESCAPABLE GROWTH				
Portfolio	Service	Description	£000	
1. Finance & Admin	Corporate Management	Staff Pay Award	82	Ongoing
2. Finance & Admin	Financial Services	Insurance contract inflationary rise	59	Ongoing
3. Environment	Waste Management	Trade Waste costs inflationary rise	34	Ongoing
4. Community Partnerships & Engagement	Leisure PFI	Leisure PFI contractual inflation (net rise for unitary payments/rental income)	16	Ongoing
5. Finance & Admin	Information Technology	Contractual inflation on support costs	15	Ongoing
6. Community Partnerships & Engagement	Grants & Contributions	Grants payable inflationary increase	12	Ongoing
7. Environment	Waste Management	Inflation on vehicle running costs	12	Ongoing
8. All portfolios	Various services	Business rates increases	10	Ongoing
9. Environment	Waste Management	Inflation in respect of agency costs	8	Ongoing
10. Environment	Car Parks	Inflationary increase in fees payable	4	Ongoing
11. Finance & Admin	Central Services	Inflation for equipment rental	2	Ongoing
12. Environment	Development Management	Consultancy increase	1	Ongoing
13. Environment	Street Cleansing	Inflation on vehicle runnings costs	1	Ongoing
14. Finance & Admin	Offices	Utility cost rises	1	Ongoing
			Total	257

LOSS OF EXTERNAL FUNDING				
Portfolio	Service	Description	£000	One off or Ongoing
1. Finance & Admin	Benefits Admin	Reduction in DWP funding	29	Ongoing
2. Finance & Admin	Second Homes Discount	Cessation of ECC funding	27	Ongoing
3. Environmental Services	Waste Management	Reduction in IAA funding	15	Ongoing
			Total	71

APPENDIX C (CONTINUED)

SERVICE INVESTMENT					
No.	Portfolio	Service	Description	£000	One off or Ongoing
1.	Community Partnerships & Engagement	Economic Development	Car Parking capacity study	80	One Off
2.	Housing General Fund	Homelessness	Staffing including one new post and maternity cover	50	Ongoing (£4k is One Off)
3.	Environmental	Waste Management	Agency staff to cover sickness	45	Ongoing
4.	Finance & Admin	Revenues Admin	New post and training investment in team	45	Ongoing (£11k is One Off)
5.	Finance & Admin	Electoral Registration	Implementation of new IER system	27	One Off
6.	Finance & Admin	Non-Domestic Rates	New Discretionary Rate Relief policy	25	Ongoing
7.	Finance & Admin	Financial Services	Procurement Officer - to be funded from HRA	23	Ongoing
8.	Community Partnerships & Engagement	Sports Development	Tour de France working group	20	One Off
9.	Finance & Admin	Information Technology	Cost of outsourced INTEGRA service	15	Ongoing
10.	Environmental	Waste Management	Consultancy costs for Waste review	12	One Off
11.	Community Safety	Community Safety	Special Constables now ongoing budget item	10	Ongoing
12.	Community Safety	Enforcement	Temporary Enforcement officer	10	One Off
13.	Finance & Admin	Mailroom	Housing scanning – to be funded from HRA	9	One Off
14.	Environmental	Public Health	Professional fees	8	Ongoing
15.	Environmental	Vehicle Maintenance	Apprentices including training requirement	7	Ongoing
16.	Community Safety	Licensing	Increase in staff hours and temporary cover	6	Ongoing
17.	Finance & Admin	Financial Services	Consultancy fees and training	5	Ongoing (£3k is One Off)
18.	Finance & Admin	Local Council Tax Support	Additional funding for LCTS hardship fund	5	Ongoing
19.	Community Safety	Community Safety	Net budget increase in respect of PCSO's funding	4	Ongoing
20.	Community Partnerships & Engagement	Grants & Contributions	Increase in funding for Leisure & Arts grants	2	Ongoing
21.	Finance & Admin	Offices	Electrical testing	2	One Off
Total				410	

APPENDIX C (continued)

EFFICIENCY SAVINGS				
Portfolio	Service	Description	£000	One off or Ongoing
1. Finance & Admin	Information Technology	Telephone framework contract	-45	Ongoing
2. Finance & Admin	Financial Services	Net effect of restructure	-38	Ongoing
3. Finance & Admin	Corporate Management	Lower audit fees & consultancy costs	-30	Ongoing
4. Finance & Admin	Human Resources	Net effect of restructure	-27	Ongoing
5. Community Partnerships & Engagement	Committee Administration	Staff costs reduction	-22	Ongoing
6. Environment	Street Cleansing	Agency staffing cost reduction	-20	Ongoing
7. Finance & Admin	Central Services	Postage savings	-16	Ongoing
8. All portfolios	Various services	Lease cars withdrawn	-12	Ongoing
9. Community Partnerships & Engagement	Grants & Contributions	Planned tapering in grant to SWTC	-10	Ongoing
10. Finance & Admin	Offices	Saving from bringing cleaning in house	-10	Ongoing
11. Environment	Housing Strategy	Consultancy and software saving	-7	Ongoing
11. Housing General Fund	Building Surveying	Consultancy saving	-6	Ongoing
12. Environment	Grounds Maintenance	Agency staffing cost reduction	-5	Ongoing
13. Finance & Admin	Conveniences	Planned tapering in grant to Thaxted PC	-4	Ongoing
14. Environment	Street Services Management	Staff costs reduction	-3	Ongoing
			Total	
			-255	

APPENDIX C (continued)

SERVICE REDUCTIONS				
Portfolio	Service	Description	£000	One off or Ongoing
1. Community Partnerships & Engagement	Museum	Reduction to Museum Service	-15	Ongoing
			Total	-15

CHANGES TO INCOME				
Portfolio	Service	Description	£000	One off or Ongoing
Increases				
1. Finance & Admin	Local Council Tax Support	Council Tax cost and income sharing agreement	-126	Ongoing
2. Environment	Waste Management	Other net movement across Waste income budgets	-69	Ongoing
3. Finance & Admin	Revenues Admin	Council Tax New Burdens Grant	-62	Ongoing
4. Environment	Public Health	Increase in Food Inspections income	-30	Ongoing
5. Finance & Admin	Electoral Registration	Grant to fund IER system	-27	One Off
6. Community Safety	Licensing	Increase in Taxi licences demand	-26	Ongoing
7. Environment	Pest Control	New income - rats in domestic premises	-15	Ongoing
8. Environment	Car Parking	Car Parking fees receivable	-12	Ongoing
9. Environment	Public Health	Increase in Border Inspection fees	-5	Ongoing
10. Environment	Planning Management	Increase in Street Naming fees	-3	Ongoing
			Total	-375
Decreases				
11. Finance & Admin	Local Tax Collection	Net Court fees income reduction	23	Ongoing
12. Environment	Pest Control	Decrease in wasps and bees income	15	Ongoing
13. Housing General Fund	Lifeline	Net decrease in Lifeline fees	2	Ongoing
			Total	40
			Net Total	-335

APPENDIX D

GENERAL FUND RESERVES

Reserve	Actual Balance 01-Apr-13	Forecast transfer from General Fund	Forecast transfer to General Fund	Transfers between reserves	Estimated Balance 01-Apr-14	Forecast transfer from General Fund	Forecast transfer to General Fund	Estimated Balance 31-Mar-15
£'000								
Working Balance	1,214				1,214			1,214
<u>Contingency Reserves</u>								
Budget Equalisation	1,251	592			1,843		-748	1,095
Change Management	587	31	-94		524			524
Council Tax Freeze Grant Reserve	124				124	50		174
Landsbanki Contingency	165			-165	0			0
Local Government Resource Review	962		-237	165	890	73		963
Municipal Mutual	51				51			51
Subtotal	3,140	623	-331	0	3,432	123	-748	2,807
<u>Service reserves</u>								
Access Reserve	0				0	200		200
Business Development	117				117			117
Elections	47	20			67	20		87
Emergency Response	90				90			90
Hardship Fund	100				100			100
Homelessness	81	20			101			101
Licensing	63		-38		25		-25	0
Neighbourhood Front Runners	66	9			75			75
New Homes Bonus - Community Projects	26				26			26
New Homes Bonus - Contingency	830		-40		790			790
Planning Development	266	467	-9		724	17		741
Strategic Initiatives	0				0	1,000		1,000
Waste Management	79	184	-77		186			186
Subtotal	1,765	700	-164	0	2,301	1,237	-25	3,513
Total	6,119	1,323	-495	0	6,947	1,360	-773	7,534