

**Committee:** Finance & Administration Committee

**Agenda Item**

**Date:** 9 February 2010

**9**

**Title:** General Fund and Council Tax 2010/11

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Item for decision

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### Summary

1. This report presents the 2010/11 General Fund revenue estimates for consideration by the Committee, with a request that the budget be recommended for approval by the Council on 18 February.
2. This report must be considered alongside the report made by the Chief Finance Officer under Section 25 of the Local Government Act 2003, to be received by the Committee earlier in today's agenda.
3. The General Fund budget requirement is estimated to be £8,964,513, which balances to the resources available assuming a Council Tax increase of 2.9%.
4. Budgets for spending committees are as approved by the relevant committees between 13 January and 28 January.
5. This report is also consistent with the 2010/11 budget strategy approved by the Committee on 12 October, and the draft Medium Term Financial Strategy to be considered later on the agenda.
6. This report, annotated with the Committee's decision and with the formal council tax resolution appended, will be submitted to the Full Council on 18 February for final approval.

### Recommendations

7. Members are requested to:
  - a) Approve for recommendation to Council the General Fund budget requirement of £8,964,513, as summarised in paragraph 37 and detailed in Appendices A to F.
  - b) Approve for recommendation to Council the District Council Tax precept of £4,853,361, representing an increase of 2.9% on Council Tax.

### Background Papers

8. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

Corporate Plan

Medium Term Financial Strategy

Budget reports to individual committees 13 January – 28 January 2010

Local Government Finance Settlement 2010/11

## Impact

Communication/Consultation	Consultation carried out is summarised below.
Community Safety	No specific implications
Equalities	No specific implications
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

9. This report provides detailed revenue estimates for the General Fund and Council Tax for 2010/11. The estimates, as summarised in Appendix A, show a budget requirement of £8,964,513, which balances to the resources available, assuming an increase in Council Tax of 2.9%.
10. The Finance & Administration Committee is requested to determine a recommended budget for consideration by the Council on 18 February.
11. The estimates in this report are based on the recommended Capital Programme, Treasury Management Strategy and Housing Revenue Account budget for 2010/11 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.

## Consultation

12. Consultation has been carried out as summarised below.

### Residents Consultation

13. Consultation with residents followed the same format as last year, with a tear out and return form in Uttlesford Life. Residents were once again asked to rank their top three priorities from a provided list. The consultation was also replicated on-line. The consultation was well publicised before and during the response period in local newspapers. For the first time this year, the council also conducted a door-to-door survey of residents from across the district. The top three priorities emerging from this process were addressing health inequalities, reducing crime and disorder in partnership the police and others, and sharing services with other local authorities to keep council tax as low as possible.

### **Parish Councils Consultation**

14. Parish and town council clerks were sent an email, giving their councils the opportunity to express views on the district council's corporate priorities.
15. Five parish councils responded. One (Hadstock) did not make any suggestions about corporate priorities. The comments received from the remaining four parish councils can be summarised thus:
16. Arkesden ranked its top three priorities as continuing with sound financial management, keeping streets and open spaces clean and safe and reducing crime and disorder in partnership with the police and others.
17. Ugley ranked its top three priorities as reducing crime and disorder, sharing services and enforcement of planning decisions
18. Great Canfield listed five priorities it "deemed to be of high importance" which were: sharing services, opposing expansion at Stansted Airport, managing development and providing affordable housing, reducing crime and disorder, and coordinating services through the Sustainable Community Strategy and LAA. Great Canfield PC also commented that transferring responsibility for services only demonstrated sound financial management if the overall cost effectiveness is improved.
19. Newport identified six priorities in a narrative response. In summary, these were:
  - To coordinate housing, employment and transport policies and ensure the Strategic Housing Land Availability Assessment also identifies employment land and transport needs and that the results are reviewed with parish councils to get broad agreement across the district
  - To complete and implement the Housing Strategy 2009-12
  - To adopt a "more positive role" in planning issues
  - To increase the provision of activities for young people in the villages
  - To increase funding to tackle the high CO2 footprint of Uttlesford residents to the same level as the budget to oppose expansion at Stansted Airport. If this is not possible, cut one budget and increase the other until they are equal
  - Introduce smaller bins for "ordinary rubbish" and kitchen waste where households would like it and introduce a "far more wide ranging" business recycling service.

### **Business Ratepayers consultation**

20. A letter was sent to every business ratepayer inviting comment on the Council's priorities, and inviting people to a business breakfast to discuss this. The key issues emerging from this process were concerns about the level of business rates and the impact of the forthcoming revaluation exercise. These issues are outside the control of UDC. However, a review of discretionary relief policy is due to be carried out in 2010.

## **2010/11 resources available**

21. The following items comprise the resources available to the Council:

- Local Government Finance Settlement (RSG/NDR)
- Area Based Grant
- Collection Fund Balance
- Council Tax

### **Local Government Finance Settlement**

22. On 20 January the Council received confirmation of the Settlement for 2010/11. The confirmed figure is £4,106,237, an increase of 0.5% on the 2009/10 figure. This confirms the provisional figure announced in November 2007, November 2008 and November 2009. It is subject to ratification by Parliament in February.
23. The figure of £4,106,237 comprises Revenue Support Grant (£520,659) and a distribution from the National Non Domestic Rates pool (£3,585,578).
24. The increase of 0.5% compares with inflation (as at December 2009) of 2.9% (Consumer Prices Index). The settlement is a real terms cut.
25. There are no indications of what funding councils will receive after April 2011. This is discussed in the Medium Term Financial Strategy.

### **Area Based Grant**

26. A non-specific government grant of £28,819 has been announced for 2010/11.

### **Collection Fund Balance**

27. The Collection Fund is an account separate from the General Fund, managed by the Council in its capacity as a billing authority for Council Tax and Non-Domestic Rates. Surpluses and deficits arise on the fund depending upon such factors as collection rates, bad debts and taxbase. Conceptually, the balance on the Collection Fund, if reality matched assumptions perfectly, would be nil. Inevitably, surpluses and deficits arise.
28. The balance on the Collection Fund is shared between Essex County Council, Essex Police Authority, Essex Fire Authority and Uttlesford District Council. As at 31 March 2010 the Collection Fund is forecasted to be in deficit and the Council's share of this deficit is £23,904. This figure is deducted from the resources available to the Council's General Fund as part of balancing the budget for 2010/11.

### **Council Tax**

29. The Chief Finance Officer, under delegated authority, has approved the Council Taxbase to be used when setting the 2010/11 Council Tax. The Taxbase, expressed in Band D equivalents, is 32,922, an increase of 1.7% on the 2009/10 figure. The 2009/10 UDC Band D Council Tax was £143.28. An increase of 2.9% as been assumed for the purpose of preparing this report, with the 2010/11 Band D figure increasing by £4.14 to £147.42. Multiplied by the taxbase, this would produce a Council Tax yield of £4,853,361.

30. Ministers have again made clear that the Government is prepared to take tough capping action, and that it expects that the average Council Tax increases will be below 3%. This relates to the average increase for the country as a whole; there is no specific requirement or expectation that Uttlesford's Council Tax increase shall be substantially below 3%. The following table illustrates the effect on Council Tax of increases from 0% to 5%.

% increase from 2009/10 Council Tax	2010/11 Band D equivalent £	Increase on the 2009/10 Band D Council Tax £	2010/11 Increase per week £	Illustrative Council Tax Yield for 2010/11 £m	Increase on 2009/10 Council Tax yield £m
0%	143.28	0.00	0.00	4.717	0.078
1%	144.71	1.43	0.03	4.764	0.126
2%	146.15	2.87	0.06	4.812	0.173
<b>2.9%</b>	<b>147.42</b>	<b>4.14</b>	<b>0.08</b>	<b>4.853</b>	<b>0.215</b>
3%	147.58	4.30	0.08	4.859	0.220
4%	149.01	5.73	0.11	4.906	0.267
5%	150.44	7.16	0.14	4.953	0.314

31. Each 1% rise in Council Tax provides additional Council Tax yield of £47,000, and adds £1.43 to a Band D Council Tax bill. An increase or decrease in the budget of £10,000 is equivalent to an increase or decrease in Council Tax of 0.21% (30 pence on Band D).

32. Due to the challenging financial outlook and substantially below inflation increase in central government funding, a council tax increase at or close to inflation (2.9%) is required given the Council's financial position. A rise above 3% would create a potential risk of Government capping.

33. For individual households the amount paid will depend on the valuation band for each property, the parish area in which they are located, and whether any discounts, exemptions or benefits apply.

### Summary of resources available

34. Based on a 2.9% Council Tax increase, the total resources available to the General Fund are £8,964,513 as summarised below.

	£
Local Government Finance Settlement	4,106,237
Area Based Grant	28,819
Deficit on Collection Fund	-23,904
Council Tax	4,853,361
<b>Total</b>	<b>8,964,513</b>

## General Fund Revenue Estimates

35. Appendix A details the revenue estimates for 2010/11, showing a budget requirement of £8,964,513 in line with the resources available detailed above. (The figures in Appendix A have been rounded to the nearest £1,000 for ease of review). Also included are 2008/09 and 2009/10 figures for comparison purposes.
36. The following table is a reconciliation of the movement from the 2009/10 budget requirement to the 2010/11 estimates:

	£m	£m
<b>2009/10 Original Budget</b>		<b>8.770</b>
<u>Economic impact</u>		
Pay inflation	0.104	
Land charges income budget adjustment	0.180	
Housing & Council Tax Benefits increased net costs	0.230	
Reduction in building control income	0.050	
Other reductions in fees & charges income	0.114	
Reduction in investment income	0.033	
Reduction in government grant for concessionary travel	0.060	
		0.771
<u>Growth</u>		
Corporate scanning project	0.107	
Asset management	0.020	
CRB & Safeguarding Children checking	0.010	
Payment Card Industry Accreditation	0.025	
Homestart & Crossroads funding	0.014	
Citizens Advice Bureau funding	0.005	
		0.181
<u>Savings &amp; additional income</u>		
Insurance contract saving	-0.043	
Industrial Estate budget removed	-0.046	
Housing & Planning Delivery Grant	-0.100	
ECC funding for waste disposal costs	-0.100	
Increase in trade waste income	-0.067	
Community assets transfer net saving in year 1	-0.017	
Net reductions in staffing costs	-0.018	
Net reductions in non-pay expenditure	-0.063	
		-0.454
<u>Budget adjustments</u>		
Stansted G2 budget removed	-0.200	
PFI interest cost reclassified to capital financing costs	-0.127	
Parking partnership set up costs budget removed	-0.050	
Minor adjustments (net)	-0.015	
		-0.392
<u>Other items</u>		
Landsbanki Impairment	1.014	
Net reduction in Pensions Fund contributions	-0.064	
Increase in capital financing costs (now includes PFI)	0.156	
Increase in contribution from HRA	-0.045	
Change in the use of reserves	-0.972	
		0.089
<b>2010/11 Original Budget</b>		<b>8.965</b>

37. A summary of the 2010/11 General Fund budget is shown in the table below. Further details are set out in Appendix A, with each Committee's budget shown in detail in Appendices B to F.

<b>General Fund Summary</b>	<b>2009/10 Original</b>	<b>2010/11 Original</b>
	£m	£m
Community & Housing Committee	1.876	1.780
Development Control Committee	0.615	0.279
Environment Committee	1.844	1.694
Finance & Administration Committee	5.306	5.931
Licensing Committee	-0.121	-0.091
<b>Sub total – Direct Expenditure on services</b>	<b>9.520</b>	<b>9.593</b>
Landsbanki Impairment	-	1.014
Transfers to HRA	-1.152	-1.197
Capital financing costs	0.322	0.478
Investment income	-0.105	-0.072
Pensions Fund costs	0.529	0.465
Transfers to Reserves	-	0.115
Transfers from Reserves	-0.344	-1.431
<b>NET BUDGET REQUIREMENT</b>	<b>8.770</b>	<b>8.965</b>

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

	<b>2009/10 Original Budget</b>	<b>2010/11 Original Budget</b>
	£m	£m
Employees	8.546	8.454
Premises	1.148	0.980
Transport	0.725	0.685
Supplies & Services	5.280	4.667
Transfer Payments	15.693	18.281
<b>Sub total – expenditure</b>	<b>31.392</b>	<b>33.175</b>
Agency recharges	-1.596	-1.553
Government grants	-15.873	-18.152
Other income	-4.403	-3.877
<b>Sub total – income</b>	<b>-21.872</b>	<b>-23.582</b>
<b>Net committee expenditure</b>	<b>9.520</b>	<b>9.593</b>

### Commentary on key aspects

39. The following are the issues and changes in the budget, reproduced from reports to individual committees:

## **Community & Housing**

40. There is a saving in the Saffron Walden Museum budget arising from an expected change in status that qualifies the Museum for business rates relief.
41. Progress has been made towards reducing the subsidy of the Pest Control service, based upon the revised fees & charges agreed by the Committee.
42. Since 2008/09 Public Health income levels have reduced by around £80,000, due to legislative changes removing the requirement to check certain products and economic pressures affecting the volume of food products transported by air freight. An increase in the Public Health budget was therefore necessary in 2009/10. The Public Health budget for 2010/11 is expected to continue at approximately the same level as for 2009/10.
43. The Grants and Contributions budget includes a grant of £50,000 to Saffron Walden Town Council to operate local amenities in accordance with the transfer approved by the Council. Also included are grants totalling £13,600 relating to Uttlesford Homestart and Uttlesford Crossroads. It is felt that as these projects operate district-wide, it is more appropriate for UDC to provide the funding.

## **Development Control**

44. Despite the economic downturn, it is expected that planning fee income will continue at a level consistent with that assumed in the 2009/10 budget. Planning fees for major applications are expected to compensate for a reduction in income relating to minor applications.
45. There is no new budgetary provision for Stansted-related costs. Unspent Stansted-related budgets from previous financial years have been transferred to the Planning Development earmarked reserve and are available to support Stansted and other major planning-related activity when required.
46. The Council was awarded a provisional allocation of £429,363 of Housing & Planning Delivery Grant (HPDG) for 2009/10. Although not a ring fenced grant, the Council's budget strategy is to earmark HPDG sums received for housing- and planning-related purposes. Accordingly the HPDG has been transferred to the Planning Development reserve. This will be available to draw upon in 2010/11 to support one-off projects or service improvements. The costs of any such one-off activities are not built into the budget, but will be met from the reserve with a neutral effect on the Development Control committee budget bottom line. The Committee will be kept informed via budget monitoring reports during the year.
47. 2010/11 will be the third and final year of the present HPDG scheme. Based upon the current distribution methodology, the Council will be entitled to receive HPDG in 2010/11 if LDF work progresses as anticipated. However, forecasting the amount receivable with a high degree of confidence is not possible, and there is a possibility that pressures on public finances and/or a change of Government could result in the scheme being scaled back or even withdrawn. The 2010/11 budget assumes that the award will be £100,000, but Members should bear in mind that



the actual amount received will differ according to the relative performance of other councils and the extent of continued Government support for the scheme. There is a possibility that the amount received may be significantly higher, but because the amount cannot be forecasted accurately, to build a higher estimate into the budget would be imprudent as any shortfall would have to be made good by savings elsewhere. In addition, a higher estimate would put pressure on 2011/12 and subsequent budgets if the scheme does not continue beyond 2010/11.

### **Environment**

48. Budgets relating to Saffron Walden Cemetery and the Industrial Estate have been removed, as the Council will no longer be providing these services.
49. The budget for Building Surveying is showing an increased net cost due to predicted reduction in fee levels arising from the economic downturn. Opportunities to reduce costs via partnership working are being explored, with funding awarded by Improvement East for business case development and implementation costs.
50. The Local Amenities budget has been reduced to reflect the transfer of some sites to Saffron Walden Town Council. However, £25,000 has been added to this budget to cover costs arising from the Council's temporary ownership of new community facilities at Priors Green and Oakwood Park, pending transfer to the relevant parish councils.
51. The Assisted Travel budget assumes a reduction in specific grant from Central Government in line with their proposed redistribution of funding. This is still to be confirmed. This budget is difficult to estimate with a high degree of accuracy due to the demand-led nature of this service, pending compensation claims and the financial relationship with Essex County Council, which is subject to variability.
52. The Waste Management budget has reduced as a result of forecasted additional income from trade waste and additional contributions by Essex County Council.

### **Finance & Administration**

53. An adjustment to the Land Charges budget has been made for the reasons detailed in a confidential report approved by the Committee on 28 January.
54. Housing & Council Tax Benefits budgets are forecasted to be approximately £230,000 higher next year due to increased caseload and refined assumptions about the proportion of expenditure recoverable from Government grant. There is no provision for any DWP clawback of grant already paid.
55. The IT budget includes the costs of implementing the corporate scanning project. It is proposed that these costs be funded by a transfer from the Change Management Reserve elsewhere within the budget.
56. The Communications budget includes provision for the Place Survey and new Citizens Panel initiative.

57. The budget relating to the Business Improvement & Performance Team is now separately analysed. It was previously part of "Corporate Management". Some costs relating to Central Services, Communications, Customer Services and Telephony have been reallocated to the IT budget. Comparative figures are represented so that all figures are presented on a consistent basis.

### **Licensing**

58. The only significant point to draw to Members' attention is that the taxi licensing income budget has been reduced in line with the reduced fees agreed by the Committee, to ensure that income is more closely aligned with costs.

59. Any adverse financial variances arising during the year relating to taxi licensing will be supported by the Licensing Reserve, newly created by the excess of income over expenditure arising in 2009/10.

### **Landsbanki impairment**

60. Although the situation is more encouraging than a year ago, the legal and political situation in Iceland remains volatile. The Council will be required to write off the impairment in value to the General Fund in 2010/11. CIPFA are currently revising their guidance on how to calculate the impairment charge. The Council has allocated £1,014,000 to a Contingency Fund. If the situation deteriorates, the impairment charge may be greater than this, requiring additional revenue provision. Conversely, an improved and confirmed position could result in a smaller impairment charge, enabling Contingency monies to be freed up for other purposes.

### **General Fund Reserves**

61. The report made by the Chief Finance Officer under Section 25 of the Local Government Act 2003, received by the Committee earlier in today's agenda, recommended that the Working Balance be maintained at a minimum of £1,181,000. The forecast balance on the Working Balance as at 31 March 2010 of £1,096,000 is below the recommended minimum. The 2010/11 budget therefore includes a transfer to the Working Balance of £85,000.

62. The 2010/11 budget includes a transfer from the Budget Equalization Reserve of £310,000. The Medium Term Financial Strategy, later on today's agenda, explains the rationale for using this reserve to alleviate financial pressure during the next few years.

### Indicative Council Tax for 2010/11

63. Under Council Tax regulations, the budgetary requirements of Parish/Town Councils must be aggregated with the requirement of this authority, against which Government support is deducted in order to arrive at an average Council Tax figure for district/parish purposes. This figure is, however, totally hypothetical and will not be paid by any taxpayer (other than by pure coincidence). Total parish precepts are deducted from the average amount of Council Tax for Band D properties where no Parish/Town Council precept applies. Individual Parish/Town Council precepts are then added to the basic amount to determine the level of tax applicable to each parish area. A schedule of the precept requirements from Parish and Town Councils will be reported to the Council on 18 February.
64. Government support by way of the Local Government Finance Settlement is paid directly to each principal authority. Therefore, the County's and Police Authority's precept requirements reflect the amount required solely from Council Tax.
65. The legally required calculation is set out below, based on the Parish and Town Council precepts notified, and the **anticipated** precepts arising out of Essex County Council, Essex Police Authority and Essex Fire Service. It is important to note the following:
- (a) The General Fund Budget Requirement for District Council purposes has been based on a 2.9% increase in Council Tax. This is subject to the decisions of the Finance & Administration Committee on 9 February and Council on 18 February.
  - (b) The County Council precept requirement given here is the anticipated final figure as it represents the recommendation to the County Council meeting on 9 February. This would require a Band D Council Tax of £1,086.75 - an increase of £20.25 being 1.9%. The County Council will formally set its precept requirement on 9 February.
  - (c) The Essex Police Authority precept requirement given here is the anticipated final figure as it represents the recommendation to the Police Authority meeting on 15 February. This would require a Band D Council Tax of £132.03 - an increase of £3.78 being 2.95%. The Police Authority will formally set its precept requirement on 15 February.
  - (d) The Essex Fire Authority precept requirement given here is the anticipated final figure as it represents the recommendation to the Fire Authority meeting on 10 February. This would require a Band D Council Tax of £66.42 - an increase of £1.80 being 2.79%. The Fire Authority will formally set its precept requirement on 10 February.
  - (e) The Town/Parish Councils precept figures represent an aggregate total, showing an average Band D Council Tax of £62.16, an average increase of £5.95 or 10.59%. The budget papers for Council will include the final figures and a complete list of Parish precepts.

**Calculation of Council Tax Levels 2010/11**

	<b>2010/11 Budget Requirement</b>	<b>2010/11 Council Tax at Band D</b>	<b>2009/10 Council Tax at Band D</b>
<b>Uttlesford District Council</b>	£	£	£
General Fund Budget Requirement			
-District Council Purposes (note (a) above)	8,964,513	272.30	270.90
Parish/Town Council Precepts (note (e) above)	2,046,366	62.16	56.20
	11,010,879	334.46	327.10
Government Revenue Support Grant, National Non-Domestic Rate Distribution	(4,106,237)	(124.73)	(126.21)
Area Based Grant	(28,819)	-	-
Adjustment for anticipated deficit / (surplus) on Collection Fund in 2009/10	23,904	0.73	(1.41)
UDC's basic amount under S33 LGA 1992	6,899,727	209.58	199.48
LESS: Parish/Town Council Precepts	(2,046,366)	(62.16)	(56.20)
Basic amount under s. 34 of the 1992 Act for dwellings to which no special items relate. (see note 1 below)	4,853,361	147.42	143.28
<b>Anticipated</b> Essex County Council precept (note (b) above)	35,777,984	1,086.75	1,066.50
<b>Anticipated</b> Essex Police Authority precept (note (c) above)	4,346,803	132.03	128.25
<b>Anticipated</b> Essex Fire Authority precept (note (d) above)	2,186,775	66.42	64.62
<b>Estimated Basic amount for areas where there are no special items.</b>	<b>47,164,923</b>	<b>1,432.62</b>	<b>1,402.65</b>
<b>Average Town/Parish</b>	<b>2,046,366</b>	<b>62.16</b>	<b>56.20</b>

<b>Council precept</b>			
<b>TOTAL COUNCIL TAX</b>	<b>49,211,289</b>	<b>1,494.78</b>	<b>1,458.85</b>

66. The average Band D Council Tax is estimated to be £1,494.78. For comparison purposes, the average Band D Council Tax in 2009/10 for a Band D property was £1,458.85. The overall increase in Council Tax levels for 2010/11 is therefore estimated to be £35.93 or 2.46%.

67. The following is a summary of the above information:

Authority	2009/10 Band D £	2010/11 Band D £	Increase %	Increase/year £	Increase/week £
Essex County Council	1066.50	1086.75	1.9%	20.25	0.39
Essex Police Authority	128.25	132.03	2.95%	3.78	0.07
Essex Fire Authority	64.62	66.42	2.79%	1.80	0.03
<b>Uttlesford District Council</b>	<b>143.28</b>	<b>147.42</b>	<b>2.89%</b>	<b>4.14</b>	<b>0.08</b>
Town/Parish councils (average)	56.20	62.16	10.59%	5.96	0.11
<b>TOTAL BAND D</b>	<b>1458.85</b>	<b>1494.78</b>	<b>2.46%</b>	<b>35.93</b>	<b>0.69</b>

68. The following table shows the number of properties in each Council Tax band and the likely average headline Council Tax (before discounts or other reductions) applicable to that band. It shows the annual and weekly increases in Council Tax bills for all Bands, and the weekly increase related to UDC's share of the Council Tax bill. It shows that the UDC element of the Band D Council Tax bill will increase by 8 pence per week if an increase of 2.9% is approved.

Band	Dwellings		Proportion of Band D	Average 2010/11 Council Tax before Discounts	Average 2009/10 Council Tax before Discounts £	Increase over 2009/10 £	Weekly increase over 2009/10	Weekly increase UDC element £
	No.	%						
A	996	3.1%	6/9ths	996.53	972.57	23.96	0.46	0.05
B	3,613	11.3%	7/9ths	1,162.61	1,134.66	27.95	0.54	0.06
C	7,696	23.9%	8/9ths	1,328.70	1,296.76	31.94	0.61	0.07
D	6,177	19.3%	9/9ths	1,494.78	1,458.85	35.93	0.69	0.08
E	5,475	17.1%	11/9ths	1,826.97	1,783.04	43.93	0.84	0.10
F	3,777	11.8%	13/9ths	2,159.14	2,107.23	51.91	1.00	0.12
G	3,962	12.3%	15/9ths	2,491.32	2,431.42	59.90	1.15	0.13
H	390	1.2%	18/9ths	2,989.58	2,917.70	71.88	1.38	0.16

Total	32,086	100.0%		
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69. The amount of Uttlesford DC Council Tax, by each Council Tax band, is summarised below.

Band	Dwellings		Proportion of Band D	2010/11 UDC Council Tax £	2009/10 UDC Council Tax £	Increase (2.9%)	
	No.	%				£/year	£/week
A	996	3.1%	6/9ths	<b>98.28</b>	95.52	2.76	0.05
B	3,613	11.3%	7/9ths	<b>114.66</b>	111.44	3.22	0.06
C	7,696	23.9%	8/9ths	<b>131.04</b>	127.36	3.68	0.07
D	6,177	19.3%	9/9ths	<b>147.42</b>	143.28	4.14	0.08
E	5,475	17.1%	11/9ths	<b>180.18</b>	175.12	5.06	0.10
F	3,777	11.8%	13/9ths	<b>212.94</b>	206.96	5.98	0.12
G	3,962	12.3%	15/9ths	<b>245.70</b>	238.80	6.90	0.13
H	390	1.2%	18/9ths	<b>294.84</b>	286.56	8.28	0.16
Total	32,086	100.0%					

38% of Uttlesford residents are at Bands A-C for which the annual increase is £3.68 or lower, and the weekly increase 7 pence or lower.

19% of Uttlesford residents pay Council Tax at the headline “Band D” level, for which the annual increase is £4.14 and weekly increase is 8 pence.

43% of Uttlesford residents are at Bands E-H for which the annual increase ranges from £5.06 to £8.28, with the weekly increase between 10 and 16 pence.

### Outstanding Issues

70. As at 31 January, the following issues were outstanding; the updated position will be reported verbally.

- Final formal confirmation of the Revenue Support Grant settlement following parliamentary debate in February.
- Final formal notifications of the formal precept figures from Essex County Council, Essex Police Authority and Essex Fire Authority.

71. Based on the decisions taken at this meeting, a final budget report, together with formal Council Tax Resolutions will be presented to the Council on 18 February.

### Risk Analysis

72. 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.	2 (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.



**APPENDIX A**

**GENERAL FUND - SUMMARY**

£000	2008/09 Actual	2009/10 Original Budget	2009/10 Current Budget	2010/11 Draft budget
Community & Housing	1,686	1,876	1,704	1,780
Development Control	259	615	607	279
Environment	1,707	1,844	1,808	1,694
Finance & Administration	4,503	5,306	5,363	5,931
Licensing	-164	-121	-123	-91
<b>Sub-total – Committee budgets</b>	<b>7,991</b>	<b>9,520</b>	<b>9,359</b>	<b>9,593</b>
Recharge to HRA	-870	-885	-885	-930
HRA share of corporate core	-267	-267	-267	-267
Landsbanki Impairment	0	0	0	1,014
Investment income	-479	-105	-105	-72
Capital Financing Costs	266	322	527	478
Pension Fund costs	874	529	529	465
Capitalisation approval	-1,141	0	0	0
VAT refund	0	0	-268	0
VAT write off	144	0	0	0
<b>Sub-total – Net Operating Expenditure</b>	<b>6,518</b>	<b>9,114</b>	<b>8,890</b>	<b>10,281</b>
<u>Transfers to/from(-) earmarked reserves</u>				
Landsbanki Contingency Fund	993	0	0	-1,014
Business Development	0	0	0	0
Change Management	364	0	0	-107
Planning Development	141	0	0	0
Energy Efficiency	66	0	0	0
Waste Management	82	0	0	0
Licensing	0	0	0	0
Elections	0	0	0	30
Housing Needs Survey	-44	0	0	0
PFI	-1,102	0	0	0
General Fund Working Balance	35	0	0	85
<b>Sub-total - Net Expenditure</b>	<b>7,053</b>	<b>9,114</b>	<b>8,890</b>	<b>9,275</b>
Transfer to/from(-) Budget Equalization	1,499	-344	-78	-310
<b>NET BUDGET REQUIREMENT</b>	<b>8,552</b>	<b>8,770</b>	<b>8,812</b>	<b>8,965</b>
<b>Funding Available</b>				
Local Government Finance Settlement	-4,065	-4,086	-4,086	-4,106
Area Based Grant	-23	0	0	-29
LA Business Growth Incentive Scheme	-98	0	-42	0
Council Tax	-4,360	-4,638	-4,638	-4,853
Collection Fund Balance surplus(-)/deficit	-6	-46	-46	23
<b>Total Funding Available</b>	<b>-8,552</b>	<b>-8,770</b>	<b>-8,812</b>	<b>-8,965</b>

**APPENDIX B**

<b>COMMUNITY &amp; HOUSING COMMITTEE</b>				
<b>£000</b>	<b>2008/09 Actual</b>	<b>2009/10 Original Budget</b>	<b>2009/10 Current Budget</b>	<b>2010/11 Draft budget</b>
Animal Warden	29	31	31	31
Bridge End Gardens	54	55	54	0
Community Information Centres	46	55	54	56
Community Safety	51	55	54	55
Community Wardens	55	58	57	61
Conveniences	123	113	113	122
Day Centres	60	68	45	58
Drug Awareness	-4	-2	-2	-2
Emergency Planning	37	43	42	43
Environmental Management & Admin	133	90	89	89
Grants & Contributions	129	144	144	211
Homelessness	21	57	82	87
Housing Grants	15	15	15	15
Leisure & Administration	32	47	46	42
Leisure Management	46	48	48	48
Leisure PFI	347	380	221	255
Life Line	-72	-77	-77	-67
Museum Saffron Walden	242	260	258	237
Pest Control	32	24	23	17
Port Health	-17	-15	-16	0
Public Health	277	370	366	374
Sports Development	13	37	37	38
Tourist Information Centre	37	20	20	10
<b>Committee Total</b>	<b>1,686</b>	<b>1,876</b>	<b>1,704</b>	<b>1,780</b>
<u>Subjective Analysis</u>				
Employees	1,217	1,260	1,316	1,230
Premises	308	299	299	260
Transport	5	5	5	5
Supplies & Services	1,240	1,273	1,123	1,054
Transfer Payments	374	297	297	450
	<b>3,144</b>	<b>3,134</b>	<b>3,040</b>	<b>2,999</b>
Agency Recharges	-222	-125	-125	-160
Government Grants	-698	-657	-722	-600
Other Income	-538	-476	-489	-459
	<b>-1,458</b>	<b>-1,258</b>	<b>-1,336</b>	<b>-1,219</b>
<b>Committee Total</b>	<b>1,686</b>	<b>1,876</b>	<b>1,704</b>	<b>1,780</b>

**APPENDIX C**

<b>DEVELOPMENT CONTROL COMMITTEE</b>				
<b>£000</b>	<b>2008/09 Actual</b>	<b>2009/10 Original Budget</b>	<b>2009/10 Current Budget</b>	<b>2010/11 Draft budget</b>
<b>Development Control</b>				
<b>Expenditure</b>				
Employees	380	472	467	491
Consultants	51	50	50	55
G2 Application	137	450	200	0
IT	39	50	50	52
Advertising	32	41	41	34
Footpath Diversion	5	4	4	4
Direct Admin	17	16	16	19
<b>Total</b>	<b>661</b>	<b>1,083</b>	<b>828</b>	<b>655</b>
<b>Income</b>				
HPDG	-167	0	0	-100
G2 Application	-36	-250	0	0
Fee Income	-505	-566	-566	-566
Pre-Application Charges	-27	-27	-27	-24
Footpath Diversion	-4	-7	-7	-6
<b>Total</b>	<b>-739</b>	<b>-850</b>	<b>-600</b>	<b>-696</b>
<b>Net Total</b>	<b>-78</b>	<b>233</b>	<b>228</b>	<b>-41</b>
<b>Planning Management &amp; Administration</b>				
<b>Expenditure</b>				
Employees	330	366	362	305
Direct Admin	21	23	23	22
<b>Total</b>	<b>351</b>	<b>389</b>	<b>385</b>	<b>327</b>
<b>Income</b>				
External Charges	-14	-6	-6	-7
<b>Net Total</b>	<b>337</b>	<b>383</b>	<b>379</b>	<b>320</b>
<b>Committee Total</b>	<b>259</b>	<b>616</b>	<b>607</b>	<b>279</b>
<b>Subjective analysis</b>				
Employees	710	838	829	796
Supplies & Services	302	634	384	186
	<b>1,012</b>	<b>1,472</b>	<b>1,213</b>	<b>982</b>
Government Grants	-167	0	0	-100
Other Income	-586	-856	-606	-603
	<b>-753</b>	<b>-856</b>	<b>-606</b>	<b>-703</b>
<b>Committee Total</b>	<b>259</b>	<b>616</b>	<b>607</b>	<b>279</b>

**APPENDIX D**

<b>ENVIRONMENT COMMITTEE</b>				
<b>£000</b>	<b>2008/09 Actual</b>	<b>2009/10 Original Budget</b>	<b>2009/10 Current Budget</b>	<b>2010/11 Draft budget</b>
Assisted Travel	183	192	192	219
Building Surveying	83	56	49	77
Business Support & Development	0	0	42	0
Car Parking	-596	-670	-670	-654
Cemetery Saffron Walden	10	3	3	0
Conservation & Enhancement	102	101	100	95
Depots	37	37	37	38
District Monitoring & Enforcement	37	39	38	38
Energy Efficiency	-31	37	38	29
Housing Strategy	109	103	102	102
Industrial Estate	87	46	46	0
Land Drainage	51	52	52	52
Local Amenities	49	60	60	70
On Street Parking	-180	-211	-211	-176
Planning Grants	9	9	9	5
Planning Policy	260	296	293	274
Solid Waste Management	-10	-21	-22	-2
Street Cleansing	235	255	253	278
Street Services Management & Admin	211	273	269	271
Transport Administration	273	352	352	313
Vehicle Management	277	268	266	272
Waste Management	510	567	511	393
<b>Committee Total</b>	<b>1,706</b>	<b>1,844</b>	<b>1,809</b>	<b>1,694</b>
<u>Subjective analysis</u>				
Employees	2,678	2,886	2,853	2,759
Premises	429	365	365	270
Transport	491	472	428	435
Supplies & Services	1,263	1,395	1,437	1,433
Transfer Payments	352	383	383	351
	<b>5,213</b>	<b>5,501</b>	<b>5,466</b>	<b>5,248</b>
Agency Recharges	-1,120	-1,257	-1,257	-1,209
Other Income	-2,387	-2,400	-2,400	-2,345
	<b>-3,507</b>	<b>-3,657</b>	<b>-3,657</b>	<b>-3,554</b>
<b>Committee Total</b>	<b>1,706</b>	<b>1,844</b>	<b>1,809</b>	<b>1,694</b>

**APPENDIX E**

<b>FINANCE &amp; ADMINISTRATION COMMITTEE</b>				
<b>£000</b>	<b>2008/09 Actual</b>	<b>2009/10 Original Budget</b>	<b>2009/10 Current Budget</b>	<b>2010/11 Draft budget</b>
Benefit Administration	-254	-217	-217	-228
Business Improvement & Performance Team	150	195	195	200
Central Services	160	177	175	174
Committee Administration	88	92	91	95
Communications	150	150	149	161
Conducting Elections	7	32	32	2
Corporate Management	691	875	967	989
Council Tax Benefits	-126	-54	-54	7
Customer Services Centre	308	341	337	347
Democratic Representation	337	372	372	367
Electoral Registration	91	106	105	111
Enforcement	146	163	161	167
Financial Services	809	898	898	882
Housing Benefits	26	21	21	202
Human Resources	108	172	165	161
Information Technology	713	783	778	927
Internal Audit	105	117	116	117
Land Charges	-46	-67	-68	113
Legal Services	117	146	144	145
Local Tax Collection	-118	-120	-120	-118
Non Domestic Rates	-98	-91	-91	-93
Office Services	56	62	62	74
Offices Dunmow	30	35	35	24
Offices Saffron Walden	294	308	308	270
Resources Miscellaneous	-52	-52	-52	-52
Revenues Administration	810	862	854	887
<b>Committee Total</b>	<b>4,502</b>	<b>5,306</b>	<b>5,363</b>	<b>5,931</b>
<u>Subjective analysis</u>				
Employees	3,078	3,471	3,418	3,578
Premises	452	484	484	450
Transport	230	248	248	245
Supplies & Services	1,795	1,946	2,058	2,065
Transfer Payments	13,638	15,014	15,015	17,480
	<b>19,193</b>	<b>21,163</b>	<b>21,223</b>	<b>23,818</b>
Agency Recharges	-312	-214	-217	-184
Government Grants	-13,956	-15,216	-15,216	-17,452
Other Income	-423	-427	-427	-251
	<b>-14,691</b>	<b>-15,857</b>	<b>-15,860</b>	<b>-17,887</b>
<b>Committee Total</b>	<b>4,502</b>	<b>5,306</b>	<b>5,363</b>	<b>5,931</b>

**APPENDIX F**

<b>LICENSING COMMITTEE</b>				
<b>£000</b>	<b>2008/09 Actual</b>	<b>2009/10 Original Budget</b>	<b>2009/10 Current Budget</b>	<b>2010/11 Draft budget</b>
<b>Expenditure</b>				
Staffing costs	78	91	90	91
Inspection Fees	13	16	16	17
Direct Admin Costs	37	16	16	20
	<b>128</b>	<b>123</b>	<b>122</b>	<b>128</b>
<b>Income</b>				
Income - Hackney Carriages	-204	-157	-157	-132
Income - Other Licenses	-88	-87	-87	-87
	<b>-292</b>	<b>-244</b>	<b>-244</b>	<b>-219</b>
<b>Committee Total</b>	<b>-164</b>	<b>-121</b>	<b>-122</b>	<b>-91</b>
<u>Subjective analysis</u>				
Employees	78	91	90	91
Supplies & Services	50	32	32	37
	<b>128</b>	<b>123</b>	<b>122</b>	<b>128</b>
Other Income	-292	-244	-244	-219
<b>Committee Total</b>	<b>-164</b>	<b>-121</b>	<b>-122</b>	<b>-91</b>