

Committee: Finance & Administration Committee

Agenda Item

Date: 8 February 2011

12

Title: General Fund and Council Tax 2011/12

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Item for decision

Summary

1. This report presents the 2011/12 General Fund revenue estimates for consideration by the Committee, with a request that the budget be recommended for approval by the Council on **24 February**.
2. This report 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 Committee earlier in today's agenda.
3. The General Fund budget requirement is estimated to be £8,150,175, which balances to the resources available assuming a Council Tax freeze.
4. Budgets for spending committees are as approved by the relevant committees between 12 January and 27 January.
5. This report is also consistent with the 2011/12 budget strategy approved by the Committee on 16 September, and the draft Medium Term Financial Strategy to be considered elsewhere 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 24 February for final approval.

Recommendations

7. Members are requested to:
 - a) Approve for recommendation to Council the General Fund budget requirement of £8,150,175, as summarised in paragraph 33 and detailed in Appendices B to D.
 - b) Approve for recommendation to Council the District Council Tax precept of £4,921,027, representing a freeze in the level of 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 January 2011

Local Government Finance Settlement 2011/12

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 2011/12. The estimates, as summarised in Appendix A, show a budget requirement of £8,150,175, which balances to the resources available, assuming a freeze in Council Tax.
10. The Finance & Administration Committee is requested to determine a recommended budget for consideration by the Council on **24 February**.
11. The estimates in this report are based on the recommended Capital Programme, Treasury Management Strategy and Housing Revenue Account budget for 2011/12 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 was conducted through the Citizens Panel with detailed results reported to all Committees in the November cycle.
14. In summary, responses favoured protecting budgets in the majority of cases. There was no strong indication in favour of increasing any budgets. For some services, notably those that include the word "Administration" or "Management" in the title, there was a majority in favour of reducing the budget. This has been interpreted as a comment on perceived bureaucracy in general rather than any specific dissatisfaction with the service.

15. A schedule of consultation responses and how they relate to the draft 2011/12 budget is included at Appendix A.

Parish Councils Consultation

16. Parish and town council clerks were sent an email on 17 November, giving their councils the opportunity to express views on the public consultation results and the council’s corporate priorities.
17. There were no responses, other than one disparaging comment about the costs and necessity of carrying out consultation relating to council priorities.

Business Ratepayers consultation

18. In lieu of writing to all business rate payers, the following organisations were sent an email on 24 December, requesting comments on the council’s priorities.
- Federation of Small Businesses – Mid & NW Essex
 - Saffron Walden Business Forum
 - Dunmow & District Chamber of Trade
 - Newport Business Association
 - Uttlesford Futures EDSL Group
19. One response was received, from the Uttlesford Futures EDSL Group. The issues raised will be covered by the discussion on the Corporate Plan, elsewhere on today’s agenda. In brief however, below are the key points of the response and the how they relate to the proposed budget.

Point made in EDSL response	SMB comment
There is uncertainty over future funding support for economic development in the district.	The Council has maintained an earmarked reserve for Economic Development.
A priority for the Council should be to address the looming issues of an aging population.	An elderly persons strategy will be developed in 2011.
Local spending is very important.	This is addressed by the Council’s Procurement Strategy.
The Council should allocate a budget for an Economic Development Officer.	There is provision in the budget for an officer to support the work of the EDSL Group.
The Council should ensure continuing priority and resources are devoted to energy efficiency measures.	The Energy Efficiency budget remains as does provision in the Capital Programme.
Appropriate budgetary allocation should be made to enable UDC to carry out its responsibilities under legislation for sustainability and biodiversity.	The proposed budget is sufficient to ensure that the Council fulfils its statutory responsibilities.

2011/12 resources available

20. By law the budget (net operating expenditure plus or minus transfers to and from reserves) has to balance to the total of the following items:
- Local Government Finance Settlement
 - Collection Fund Balance
 - Council Tax

Local Government Finance Settlement

21. On 13 December the Council received provisional notification of the Settlement for 2011/12. The provisional figure is **£3,187,256**, a reduction of 16.7% on the adjusted 2010/11 figure. Confirmation of the final figure is awaited.
22. The figure of £3,187,256 comprises Revenue Support Grant (£751,618) and a distribution from the National Non Domestic Rates pool (£2,435,638).
23. The reduction of 16.7% compares with inflation (as at December 2010) of 3.7% (Consumer Prices Index). This represents a real terms cut of 19.7%.
24. The Council has also received provisional notification of its Settlement for 2012/13. The figure is £2,770,607, which is reduction of 13.1% on the 2011/12 figure. Taking the two years together, the reduction is 27.6%. After allowing for inflation, the Settlement represents a real terms cut of 32.5%.
25. There are no indications of what funding councils will receive after April 2014. This is discussed in the Medium Term Financial Strategy.

Collection Fund Balance

26. 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.
27. The balance on the Collection Fund is shared between Essex County Council, Essex Police Authority, Essex Fire Authority and UDC. As at 31 March 2011 the Collection Fund is forecasted to be in surplus and the Council's share of this surplus is **£41,892**. This figure is added to the resources available to the Council's General Fund as part of balancing the budget for 2011/12.

Council Tax and Council Tax Freeze Grant

28. The Assistant Chief Executive - Finance, under delegated authority, has approved the Council Taxbase to be used when setting the 2011/12 Council Tax. The Taxbase, expressed in Band D equivalents, is 33,381, an increase of 1.4% on the 2010/11 figure. The 2010/11 UDC Band D Council Tax was £147.42. In accordance with the approved budget strategy, no change in this figure for 2011/12 has been assumed for the purpose of preparing this report, so that the 2011/12 figure remains as **£147.42**. Multiplied by the taxbase, this would produce a Council Tax yield of **£4,921,027**.

29. The Government has announced that funding will be made available to Councils who freeze their Council Tax in 2011/12. The funding will be equivalent to a rise of 2.5% and paid in each of the four years 2011/12 to 2014/15. For UDC this produces a grant of £123,026, which has been built into the budget. This is subject to formal confirmation.
30. Each 1% change in Council Tax would have a £49,000 effect on the level of Council Tax income, and an effect of £1.47 on 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 0.20% (30 pence on Band D).

Summary of resources available

31. Based on a Council Tax freeze, the total resources available to the General Fund are £8,150,175 as summarised below.

	£
Local Government Finance Settlement	3,187,256
Surplus on Collection Fund	41,892
Council Tax	4,921,027
Total	8,150,175

General Fund Budget

32. Appendix B is a summary of the budget for 2011/12, showing a budget requirement of £8,150,175 in line with the resources available detailed above.
33. A summary of the 2011/12 General Fund budget is shown in the table below. Further details are set out in Appendix C.

£000	2010/11	2011/12	Bottom line Increase/ decrease(-)
Committee budgets	9,217	8,403	-814
Corporate items (net)	40	41	1
Council Tax Freeze Grant	0	-123	-123
NET OPERATING EXPENDITURE	9,257	8,321	-936
Net transfer to/from(-) reserves	8	-53	-61
Use of Budget Equalization Reserve	-300	-118	182
NET BUDGET REQUIREMENT	8,965	8,150	-815
Funded by:			
Local Government Finance Settlement	-4,106	-3,187	919
Area Based Grant	-29	0	29
Council Tax	-4,853	-4,921	-68
Collection Fund Balance	23	-42	-65
TOTAL FUNDING	-8,965	-8,150	815
Figures exclude Landsbanki write off and use of reserve			

34. A subjective analysis of net committee expenditure is below.

	2010/11 Budget £m	2011/12 Budget £m	Bottom line increase / decrease (-) £m
Employees	8.454	8.195	-0.259
Premises	0.980	0.801	-0.179
Transport	0.685	0.712	0.027
Supplies & Services	5.098	4.383	-0.715
Transfer Payments (mainly Benefits)	17.584	18.271	0.687
Sub total - expenditure	32.801	32.362	-0.439
External funding	-1.553	-1.344	0.209
Specific government grants	-18.152	-18.636	-0.484
Fees & charges income	-3.879	-3.980	-0.101
Sub total - income	-23.584	-23.959	-0.375
Net committee expenditure	9.217	8.403	-0.814

35. The following table is a reconciliation of the movement from the 2010/11 budget requirement to the 2011/12 estimates. Details of all adjustments are given in Appendix D.

	£000
2010/11 Original Budget	8,965
Inescapable growth	500
Changes in circumstances	-729
Service investment	378
Service reductions	-308
Strategic Solutions savings	-777
Reduction in the use of reserves	121
2011/12 Original Budget	8,150
Figures exclude Landsbanki write off and use of reserve	

Commentary on key aspects

36. The following are the issues and changes in the budget, reproduced from reports to individual committees and updated for any new information.

Community & Housing

Community Safety

37. Government funding for CDRP has been withdrawn and accordingly the costs have been taken out of the budget. It is understood that the Government will be making some funds available, which will come through via the County Council. It is not yet clear how this will operate. Meanwhile, the CDRP itself will continue to function albeit on a reduced funding basis.

Conveniences – budget reduction £88,000

38. Most of this saving (£71,000) arises from terminating the Supaloos contract. The facilities themselves will be in situ until January 2012, but the costs will be charged to the 2010/11 financial year as part of the termination payment. The budget includes a sum to establish alternative provision in Stansted.
39. Net savings of £17,000 arise from the transfer of facilities in Great Dunmow and Saffron Walden to the respective Town Councils.

Drug Awareness – budget increase £2,000

40. This was a budget will net surplus of £2,000, whereby external partner contributions were used for training & awareness sessions. The partner contributions have been withdrawn for 2011/12. Removing the budgeted surplus gives in effect a budget increase of £2,000.

Grants & Contributions – no change in total budget

41. A saving of £10,000 arises due to the tapering grant arrangement with Saffron Walden Town Council following the transfer of various local amenities in 2010.
42. The budget includes a growth item of £9,800 to enable the Council to take over the LSP contribution towards the Council for Voluntary Services in Uttlesford (CVSU).
43. The budget includes contractual indexation for certain grants including grants payable to Citizens Advice Bureaux.
44. Budgets for Community Partnership schemes where no commitments or external funding exists have been taken out of the budget.
45. A new budget of £23,000 has been established to assist voluntary organisations that fall into hardship.
46. This budget includes the sum of £36,840 that the Council grants to the Citizens Advice Bureau in the Council's capacity as sole corporate trustee of the Saffron Walden Pig Market Charity. This is a share of the estimated income collected at the Faircroft Road Car Park. This arrangement that has been in place since 1980. Recently, the Council's External Auditors have recommended that the Council decides to award the grant in full knowledge that it is doing so in its capacity as the Charity's Trustee. In practice the grant is transacted through the accounts of the Pig Market Charity which are separately prepared and audited with an audit fee of £795.

Homelessness – budget reduction £14,000

47. A modest saving has been made on bed and breakfast costs due to a new short term accommodation facility becoming available. However other costs are expected to increase and in anticipation of this the Government has increased its grant funding. An increase in demand for this service is expected to arise, as experience suggests would tend to happen at the end of a recession. £20,000 is to be earmarked into a new Homelessness Reserve to provide a contingency for this.

Leisure PFI – budget increase £56,000

48. Contractual indexation of £63,000 has been budgeted for; the actual indexation will depend on the prevailing rate of inflation. There is an increase in income of £7,000 which slightly offsets the additional cost.

Museum – budget reduction of £25,000

49. Savings of £20,000 arise by agreeing to a request to reduce the hours of a member of staff. There may be a reduction in educational visits and exhibitions as a result. Modest savings in premises running costs are also being made.

Tourist Information Centre – budget reduction £10,000

50. 2010/11 was the final year of the tapering grant arrangement with Saffron Walden Town Council. Accordingly the budget is reduced to zero for 2011/12.

Development Control

Development Control – budget increase £56,000

51. The service budget is increasing from a net surplus of £41,000 in the 2010/11 Original Budget to a net expenditure of £15,000 in 2011/12, an increase of £56,000.
52. The main reason for the increase is that the £100,000 income budget for the Housing & Planning Delivery Grant scheme has been deleted, due to the abolition of the Scheme.
53. This is partially offset by a staffing costs saving of £41,000 arising from the transfer of work into the CSC. A budget of £10,000 for compensation has been removed due to there being very little spend in recent years. In the event of compensation becoming payable this can be met from reserves or favourable variances arising elsewhere in the budget.
54. Despite troubled economic times planning fee income has remained reasonably stable and no adjustment to the budgeted level of £566,000 is proposed. However, during the year a new local scheme of fees & charges is likely to be introduced which could affect the level of income. A report will be brought to Members when officers are in a position to bring forward proposals.

55. The Planning Development Reserve is forecasted to begin the financial year with a balance of £230,000 of which £50,000 is earmarked for specialist analysis and expert advice in connection with major applications, and £30,000 earmarked for temporary post(s)/agency staff. The remaining balance of £150,000 is earmarked as a contingency fund for future Stansted Airport related work.
56. When reviewing the draft budget the Committee discussed whether New Homes Bonus grant should be budgeted for. The advice of officers is that this would not be prudent because (a) the scheme is subject to confirmation (b) the Government has indicated that the scheme may be funded by reductions to other grants to local government (c) the method of distribution between local authority tiers is not yet known (d) over-budgeting for specific grant schemes contributed to the Council's problems in the past. The Committee agreed with this advice.

Planning Management & Administration – increase of £25,000

57. The 2011/12 budget includes net growth in salary costs of £20,000 relating to the new Head of Planning & Building Control (£61,000), partially offset by a saving arising from the deletion of an administrative post from the establishment (£30,000) and other minor salary-related savings (£10,000).

Environment

58. The budget does not include any significant cuts or new investment. However, some large adjustments have been necessary due to the County Council taking on responsibility for some services. In addition, substantial budget reductions have been achieved through efficiency savings and (in particular) reviewing waste budgets to remove the in-built contingencies built into previous years' budgets. Details of the significant adjustments are given below.

Assisted Travel – budget reduction £216,000

59. Responsibility for the Free Bus Travel scheme transfers to the County Council with effect from 1 April 2011 and therefore all related budgets are deleted, a net reduction of £216,000. In the provisional Local Government Finance Settlement the Government removed £256,000 of funding from its grant to the Council, so there is a net "loss" of £40,000. Compared with other possible outcomes from the grant adjustment process, this is a reasonably favourable result. There is a small residual sum in this budget relating to the supply of bus tokens.

Building Surveying – budget reduction £45,000

60. The Fee-Earning Building Control service has been running at a deficit in recent years. The service introduced a new scale of building regulation fees in October 2010 with the objective of ensuring that costs are covered. The full year effect of this is expected to be seen in 2011/12 and accordingly the budget assumes that the Fee-Earning service will break even.

61. The Council's Medium Term Financial Strategy and Strategic Solutions savings programme explicitly requires the Building Surveying service in its entirety to work towards a cost neutral position. Accordingly the Head of Service has proposed an increase in fees for Street Naming & Numbering services, which was agreed by the Environment Committee.
62. The overall result of the increased fees & charges is a reduction in the net budget for the Building Surveying service of £45,000.

Car Parking – budget increase £67,000

63. This budget is for income and expenditure relating to pay and display car parks in Saffron Walden, Great Dunmow and Stansted. The 2011/12 budget is for a net income of £587,000, reduced from £654,000 in 2010/11, which is therefore a budget increase of £67,000. The reasons are as below.
 - a. £19,000 – cost of VAT rise not passed onto customers.
 - b. £23,000 - reduced trend in the level of excess charges income. The Parking Partnership is to deploy additional staff which may reverse the trend. Meanwhile it is felt prudent to reflect the trend in the budget.
 - c. £14,000 - an adjustment to reflect the current trend on ticket income.
 - d. £10,000 - inescapable growth in budgeted costs has arisen, mainly due to business rates.

On Street Parking – budget increase of £176,000

Transport Administration – budget reduction of £174,000

64. These budgets relate to the on street parking activity administered on the Council's behalf by the Colchester Parking Partnership. From April 2011 responsibility transfers to the County Council and therefore all costs and income have been removed from the budget. The effect is to remove the net income of £176,000 from the On Street Parking budget (which therefore gives a budget increase of £176,000) and to remove costs of £152,000 from the Transport Administration budget. This means that there is a net loss to the council of £24,000. Net savings of £22,000 are being made from the Transport Administration budget, entailing the redundancy of one employee. There is a proposal for the County Council to commission the services it is taking responsibility for from a consortium of district councils led by the Colchester Parking Partnership. Details of this proposal will be reported separately to Members.

Solid Waste Management – budget increase of £2,000

65. The 2010/11 budget was a small net surplus of £2,000 but the forecasted net cost for the service in 2011/12 was £16,000. It is intended to cease providing this service to the general public. This is a discretionary service with suitable private sector alternatives. The small budgeted net surplus will now be taken out of the budget (to give a budget increase of £2,000), but unbudgeted costs of £16,000 shall be avoided. The Council's resources will be wholly focused onto servicing HRA properties.

Street Cleansing – no change in the overall budget

66. Efficiency savings of £20,000 have been identified, relating mainly to staff overtime budgets not required, and some modest saving on fuel costs.
67. When reviewing its budgets the Environment Committee requested that £20,000 be reinstated in this budget, so that there was no change overall, to allow for investment in additional litter picking. In practice, this money would be used for procuring agency staff to cover holiday and sickness absence of the UDC litter picking operatives.

Vehicle Management – budget increase - £28,000

68. This budget is concerned with repairs and maintenance of the refuse collection fleet. The fleet is aging (2011/12 will be the 6th year of the lease) and it is judged that additional expenditure on materials will be necessary to keep the vehicles operational and minimise disruption to services.

Waste Management – budget reduction - £256,000

69. The service covers the core costs and income of the refuse collection and recycling service. In recent years the budget has significantly underspent. The main reason for this is that the budget provided for worse case scenarios which have not in practice arisen. A zero based budgeting exercise has been carried out to ensure that costs and income are based on up to date volumetrics and a realistic set of assumptions. This has identified a net budget saving of £256,000. To ensure that the service has sufficient contingency funds available to manage adverse circumstances, it is proposed to increase the Waste Management Reserve from its present level of £282,000 to £400,000.

Finance & Administration

70. The budget does not include any significant cuts or new investment in services to the public. However in recognition of public consultation results (summarised above) and the financial climate generally, officers have made concerted efforts to identify efficiency savings across the range of corporate and support services. Some of these arise as a consequence of the proposed Revenues & Benefits partnership. Changes in the level of Government funding support for Benefits and the clarified legal position regarding land charges have increased

the budgeted income levels. The net reduction in the Committee's budgets from 2010/11 to 2011/12 is £412,000. Details of the significant adjustments are given below.

Benefits Administration – budget reduction (additional income) £109,000

71. The Government provides a grant to pay for the administration of Housing & Council Benefits. The amount is reducing from an estimated £373,000 in 2010/11 to £336,000 in 2011/12. However, the amount built into the base budget in 2010/11 is only £227,000, so the 2011/12 amount of £336,000 enables an increase in the budgeted income.

Business Improvement & Performance Team – budget reduction £33,000

72. One member of staff shall be on maternity leave for much of 2011 and another member of staff has been seconded to another role within the Council. The posts are not being backfilled while they are temporarily vacant. This reduces the Team's capacity to undertake service efficiency reviews although to a large extent this work is being led by the Corporate Team (see below).

Central Services – budget increase of £18,000

73. This budget covers the costs of running the mailroom and printroom. Some scanning-related activity is being transferred from the ICT and planning services which gives rise to an increase in the Central Services budget of £33,000 (there are equivalent reductions in the ICT and planning budgets).
74. Efficiency savings of £17,000 are to be made across a range of mailroom and printroom budget headings.

Conducting Elections – budget increase £78,000

75. The Council is required to budget for the cost of the 2011 District Elections in 2011/12. The balance on the Elections Reserve of £60,000 will be used to fund most of this cost.

Corporate Management – budget reduction of £70,000

76. This budget covers the cost of the Strategic Management Board, direct administrative support and corporate costs such as external audit fees and the staff pay award.
77. A £94,000 saving has been achieved by deleting a Director post as part of the management restructure previously agreed by Members.
78. A £50,000 saving arises from modifying the assumption regarding the staff pay award. The previous budget was for £80,000 which assumed a 1% pay award for all staff. There is as yet no information available about what, if any, pay award will be made. The Government's 2010 Budget announcements indicated a policy of limiting public sector pay rises to £250 for people with a salary of up to £21,000. Although it is not known if this will be implemented in local

government, it seems sensible to budget on this basis which in UDC gives rise to a cost of £30,000.

79. A Corporate Team has been established to manage delivery of the Strategic Solutions Workstreams. The Team comprises three existing Council staff who have been seconded from their substantive posts. It is currently intended that the Team will be in place until the end of September 2011. The cost of the team for six months is £76,000 and has been built into the Corporate Management Budget, to be funded from the Change Management reserve.

Council Tax Benefits – budget increase of £153,000

Housing Benefits – budget reduction of £7,000

80. These budgets contain the approximately £18 million of expenditure on benefits and the Government grant funding for these. The budgets have been recalibrated to assume a modest growth in caseload, taxbase and rent levels but also a more realistic assessment of Government grant receivable, equivalent to approx 98% of the expenditure on average. Account has been taken of the trends and performance in 2010/11, and some allowance has been made to reflect the risk of temporary fluctuations in performance in a year which is expected to see the service transfer to the new partnership with Harlow. The detailed figures are reproduced below so that Members can get a feel for the sums involved.

£000	2010/11 budgeted expenditure	2010/11 budgeted Govt funding	2010/11 budgeted net cost	2011/12 budgeted expenditure	2011/12 budgeted Govt funding	2011/12 budgeted net cost
Council Tax Benefits	3,917	3,918	-1	4,049	3,896	153
Rent Rebates	6,288	6,154	134	6,374	6,278	96
Rent Allowances	7,275	7,152	123	7,744	7,589	155
Sub Total	17,480	17,224	256	18,167	17,763	404
		(98.5%)			(97.8%)	
Other items (net)			(47)			(49)
TOTAL BUDGET			209			355

Customer Services Centre – budget reduction - £27,000

81. This reduction is to be achieved by not renewing the contracts of temporary staff. The saving is predicated on the basis that some customer enquiries relating to Revenues & Benefits will be dealt with by the new partnership with Harlow.

Democratic Representation – budget reduction - £17,000

82. This budget covers the cost of Members and Committees. Reductions in budgets are proposed to reflect the trend in levels of expenditure, which gives rise to a reduction of £7,000 for Members Expenses, £6,000 for subscriptions and small adjustments totalling £4,000 over various budget heads.

Financial Services – budget reduction - £12,000

83. The budget includes investments totalling £92,000, comprising the Procurement Manager (£44,000), technical accountancy (£31,000) and purchase of support from other councils and specialists (£17,000). This investment has been funded by reductions elsewhere in the Finance service budget totalling £92,000, comprising accountancy salary savings (£59,000), withdrawal from the Braintree Procurement Hub (£25,000) and miscellaneous savings over various budget heads (£8,000).
84. Contractual indexation on bank charges, treasury management advice and insurance policies adds £15,000 to the budget in 2011/12. A saving of £13,000 arises from a review of insurance cover and policy excess levels. Other miscellaneous savings of £14,000 give rise to a net saving of £12,000 overall.

Information & Communications Technology (ICT) – budget reduction - £112,000

85. The corporate scanning project comes to an end in 2011/12 and this gives rise to removal of one-off budgets totalling £35,000.
86. Activity with a budgeted value of £22,000 is transferring to the Central Services budget area as noted above.
87. A net reduction in the ICT budget of £26,000 arises from the secondment of a member of staff into the Corporate Team.
88. Other net savings of £29,000 have been identified through renegotiation and rationalisation of costs relating to telephones & communications, and software support.

Internal Audit – budget reduction - £16,000

89. A member of staff retires from the Council in early 2011 and the opportunity is therefore being taken to realise an efficiency saving. The intention is to reduce the establishment of the internal audit team by 0.4 FTE. Opportunities for joint working with other Councils are to be investigated.

Land Charges – budget reduction - £148,000

90. Due to national legal challenges and the resultant significant uncertainty, the 2010/11 budget assumed that land charges may have to be discontinued and amounts received refunded to customers. The legal position was resolved in the Summer of 2010 with the result that land charges may continue to be collected and retained. This enables a budgeted income of £160,000 to be reinstated. Some risk remains that the Government will issue additional guidance that affects fee levels, and the budget also depends upon the strength of the housing market. Additional costs of £12,000 arise, relating to increases in software costs and fees payable to the County Council.

Legal Services – budget reduction - £23,000

91. A saving has been made by an employee reducing their hours following return from maternity leave.

Local Taxation – budget reduction - £20,000

Non-Domestic Rates – budget reduction - £3,000

92. These budgets capture the recovery of court costs from debtors who fail to keep their accounts up to date. The budgeted income levels have been increased to reflect current and estimated future trends in the level of income.

Offices – budget reduction - £55,000

93. A saving of £21,000 has been made in the amount of business rates payable on the SW Offices, following an appeal and review initiated by officers. Cleaning and energy efficiency savings of £10,000 have been made.
94. A saving of £22,000 arises following the sale of the Dunmow office.

Revenues Administration – budget increase - £15,000

95. The budget includes investment of £25,000 into resources for training and quality control of benefits in line with the identified priority of improving accuracy levels. This in turn should help to minimise any penalties that may arise as a result of errors detected during the external audit process. Savings of £12,000 have been made across various budget heads for supplies & services.
96. At this stage no saving has been assumed in 2011/12 for the proposed Revenues & Benefits partnership with Harlow.
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Licensing

Taxi Licensing

97. In 2011/12 we shall see the full year effect of the revised fee tariff. The objective of reducing the fees was to bring about a temporary excess of costs over income in order to use up the surplus that has accumulated in previous years.
98. The estimated income for 2011/12 is £98,000, which compares with the forecast for 2010/11 of £153,000 and actual income of £208,000 in 2009/10. Costs are forecasted to remain fairly constant.
99. Apportionment of the committee budgets and adding an appropriate allowance for corporate costs and overheads shows that the taxi service is estimated to make a surplus of £4,000 in 2010/11 and a deficit of £55,000 in 2011/12. Details of apportionments and corporate costs will be shared with trade representatives in the normal way to ensure that there is confidence in the calculation of the deficit arising.
100. A Licensing Reserve has been established into which surpluses arising have been earmarked. Deficits that arise as a result of the reduced fee tariff will be covered by drawing upon the reserve so that in the medium term a revenue neutral position is achieved.
101. The following table shows the forecasted movements on the Licensing Reserve, and shows that the Reserve will go into deficit during 2013/14. In practice, there will need to be a revision of the fee tariff before that time to ensure continued neutrality and stability of the position.

Licensing Reserve – forecasted movements

£000	2009/10 actual	2010/11 forecast	2011/12 budget	2012/13 estimate	2013/14 estimate
Opening Balance	-	138	142	87	34
Surplus / deficit (-)	138	4	-55	-53	-50
Closing Balance	138	142	87	34	-16

Other Licenses

102. There are no particular issues to highlight for Members' attention with costs and income broadly expected to remain constant. After allowing for corporate costs and overheads, other licenses achieve a break even position.

Corporate items (“Below the line”)

Recharge to Housing Revenue Account (HRA)

HRA share of corporate core

103. These sums reflect HRA-related costs that for practical reasons are initially charged to the General Fund, and the HRA share of the Council’s overheads. The amount is based upon a detailed recharges methodology that is subject to continuous review to ensure that a fair proportion of costs is met by the HRA. This is estimated to be £24,000 less in 2011/12 than the estimated charge for 2010/11.

Investment income

104. This is interest earned on the Council’s temporary cash balances. Investments are governed by the Treasury Management Strategy, which appears elsewhere on today’s agenda. A modest increase in income has been budgeted for in expectation that there will be increases in interest rates in 2011/12.

Pension Fund

105. This budget contains the Council’s obligation to finance the Pension Fund deficit in accordance with the Funding Strategy approved by the Essex County Council Pension Fund. The figure is subject to formal confirmation in March although the County Council has stated that the figure can be safely assumed for budgeting purposes. Added Years payments to former employees who retired early are also budgeted for here.

Capital Financing costs

106. This budget reflects the cost of using capital and is comprised of interest payments on the refuse vehicle finance lease and Leisure PFI contract, and statutory charges to the General Fund that the Council is required to make to reflect the cost of capital resources consumed by the Capital Programme. The budget includes any interest and principal payments on loans taken out to finance elements of the capital programme. The figure here is consistent with the Capital Programme detailed elsewhere on today’s agenda.

Landsbanki impairment

107. As accounting regulations currently stand the Council shall be required to write off an estimate of the irrecoverable sum in the 2010/11 accounts. This shall be based on CIPFA guidance, informed by legal advice on the probable outcomes of the insolvency process. Legal proceedings are ongoing in Iceland to determine whether UK local authorities are to be treated as priority creditors. The estimated recovery for priority claims is 93% (to be paid over several years). Non-priority claims may realise up to around 30%. The Council has established a Contingency Fund which is expected to be sufficient to

accommodate the write off to be enacted in 2010/11, which means it is unlikely that any additional contribution in 2011/12 shall be required. Accordingly there is nothing in the budget for Landsbanki losses in 2011/12. In the event of a worse case outcome to the legal proceedings it is possible that additional write off will be necessary and this remains a major risk item in the Council's budget and finances generally.

Council Tax Freeze Grant

108. This is discussed earlier in this report. The figure is subject to confirmation but is consistent with the communications issued by DCLG.

General Fund Reserves

109. The report made by the Assistant Chief Executive - Finance 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 £1,130,000. The forecast balance on the Working Balance as at 31 March 2011 is £1,181,000, above recommended minimum level. There is no recommendation to reduce the balance. The 2011/12 budget therefore includes no transfer to or from the Working Balance.

110. The 2011/12 budget includes a transfer from the Budget Equalization Reserve of £117,947. 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.

111. Other proposed reserves transfers are as follows:

Homelessness	Transfer from General Fund of £20,000	To ensure that Government funding is earmarked for the purpose intended.
Waste Management	Transfer from General Fund of £118,000	To ensure adequate contingency following significant budget reductions
Elections	Withdrawal from reserve of £60,000	To offset costs of 2011 District Election
Licensing	Withdrawal from reserve of £55,000	To offset deficit in taxi licensing budgets
Change Management	Withdrawal from reserve of £76,000	To meet costs of the Corporate Team

Indicative Council Tax for 2011/12

112. 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 24 February.
113. 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.
114. 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 freeze in Council Tax. This is subject to the decisions of the Finance & Administration Committee on 8 February and Council on 24 February.
 - (b) The County Council precept requirement given here assumes that the County Council will freeze its level of Council Tax for 2011/12. This would require a Band D Council Tax of £1,086.75 – no change on the 2010/11 figure. The County Council will formally set its precept requirement on 22 February.
 - (c) The Essex Police Authority precept requirement given assumes that the Police Authority will freeze its level of Council Tax for 2011/12. This would require a Band D Council Tax of £132.03 – no change on the 2010/11 figure. The Police Authority will formally set its precept requirement on 14 February.
 - (d) The Essex Fire Authority precept requirement given here assumes that the Fire Authority will freeze its level of Council Tax for 2011/12. This would require a Band D Council Tax of £66.42 – no change on the 2010/11 figure. 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 £63.14, an average increase of £0.98 or 1.6%. The budget papers for Council will include a complete list of Parish precepts.

Calculation of Council Tax Levels 2011/12

	2011/12 Budget Requirement	2011/12 Council Tax at Band D	2010/11 Council Tax at Band D
Uttlesford District Council	£	£	£
General Fund Budget Requirement			
-District Council Purposes (note (a) above)	8,150,175	244.15	272.30
Parish/Town Council Precepts (note (e) above)	2,107,637	63.14	62.16
	10,257,812	307.29	334.46
Government Revenue Support Grant, National Non-Domestic Rate Distribution	(3,187,256)	(95.48)	(124.73)
Adjustment for anticipated deficit / (surplus) on Collection Fund in 2010/11	(41,892)	(1.25)	0.73
UDC's basic amount under S33 LGA 1992	7,028,664	210.56	209.58
LESS: Parish/Town Council Precepts	(2,107,637)	(63.14)	(62.16)
Basic amount under s. 34 of the 1992 Act for dwellings to which no special items relate.	4,921,027	147.42	147.42
Anticipated Essex County Council precept (note (b) above)	36,276,802	1,086.75	1,086.75
Anticipated Essex Police Authority precept (note (c) above)	4,407,293	132.03	132.03
Anticipated Essex Fire Authority precept (note (d) above)	2,217,166	66.42	66.42
Estimated Basic amount for areas where there are no special items.	47,822,288	1,432.62	1,432.62
Average Town/Parish Council precept	2,107,637	63.14	62.16
TOTAL COUNCIL TAX	49,929,925	1,495.76	1,494.78

115. The average Band D Council Tax is estimated to be £1,495.76. For comparison purposes, the average Band D Council Tax in 2010/11 for a Band D property was £1,494.78. The overall average increase in Council Tax levels for 2011/12 is therefore estimated to be £0.98 or 0.07%.

116. 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.

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

Authority	2011/12 Band D £	2010/11 Band D £	Increase %	Increase/year £	Increase/week £
Essex County Council	1,086.75	1,086.75	-	-	-
Essex Police Authority	132.03	132.03	-	-	-
Essex Fire Authority	66.42	66.42	-	-	-
Uttlesford District Council	147.42	147.42	-	-	-
Town/Parish councils (average)	63.14	62.16	1.6%	0.98	0.02
TOTAL BAND D	1,495.76	1,494.78	0.07%	0.98	0.02

118. 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.

Band	Dwellings		Proportion of Band D	Average 2011/12 Council Tax before Discounts	Average 2010/11 Council Tax before Discounts	Increase over 2010/11	Weekly increase over 2010/11	Weekly increase UDC element
	No.	%		£	£	£	PENCE	PENCE
A	1,006	3.1	6/9ths	997.17	996.53	0.64	1.2	-
B	3,638	11.2	7/9ths	1,163.37	1,162.61	0.76	1.5	-
C	7,721	23.8	8/9ths	1,329.56	1,328.70	0.86	1.7	-
D	6,321	19.4	9/9ths	1,495.76	1,494.78	0.98	1.9	-
E	5,590	17.2	11/9ths	1,828.15	1,826.97	1.18	2.3	-
F	3,895	12.0	13/9ths	2,160.54	2,159.14	1.40	2.7	-
G	3,935	12.1	15/9ths	2,492.93	2,491.32	1.61	3.1	-
H	399	1.2	18/9ths	2,991.52	2,989.56	1.96	3.8	-
Total	32,505	100.0						

119. The amount of Uttlesford DC Council Tax, by each Council Tax band, is summarised below.

Band	Dwellings		Proportion of Band D	2011/12 UDC Council Tax £	2010/11 UDC Council Tax £	Increase (0%)	
	No.	%				£/year	£/week
A	1,006	3.1	6/9ths	98.28	98.28	-	-
B	3,638	11.2	7/9ths	114.66	114.66	-	-
C	7,721	23.8	8/9ths	131.04	131.04	-	-
D	6,321	19.4	9/9ths	147.42	147.42	-	-
E	5,590	17.2	11/9ths	180.18	180.18	-	-
F	3,895	12.0	13/9ths	212.94	212.94	-	-
G	3,935	12.1	15/9ths	245.70	245.70	-	-
H	399	1.2	18/9ths	294.84	294.84	-	-
Total	32,505	100.0					

Outstanding Issues

120. As at 28 January, the following issues were outstanding; the updated position will be reported verbally.

- Confirmation of the Local Government Finance Settlement.
- Confirmation of Council Tax Freeze Grant.
- Final formal notifications of the formal precept figures from Essex County Council, Essex Police Authority and Essex Fire Authority.

121. 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 24 February.

Risk Analysis

122. 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.

List of Appendices

- APPENDIX A Citizens Panel consultation results
- APPENDIX B General Fund summary
- APPENDIX C Committee budgets
- APPENDIX D Schedule of budget adjustments
- APPENDIX E General Fund Reserves

CITIZENS PANEL CONSULTATION RESULTS

Service	Citizens Panel verdict	Action taken in 2011/12 budget		
Animal Warden	Protect budget	No service reductions. Minor efficiency saving.	√	
Assisted Travel	Protect budget	Budget transfers to Essex County Council	√	
Building Surveying	Protect budget	Service maintained; additional income due to new fees structure	√	
Car Parking	Protect budget	Service maintained, budget increase due to reduced income	√	
Committee Administration	Reduce budget	No service reductions. Minor efficiency saving.	√	
Communications	Reduce budget	No service reductions. Minor efficiency saving.	√	
Community Information Centres	Protect budget	Budget slightly increased. Investment in Stansted.	√	
Community Safety	Protect budget	Budget maintained at existing level, however CDRP funding withdrawn	X	
Conservation & Enhancement	Protect budget	Service maintained, additional income from pre-application charges	√	
Conveniences	Protect budget	Supaloo contract terminated. Other facilities devolved	X	
Customer Services Centre	Reduce budget	Budget reduced by £27,000	√	
Day Centres	Protect budget	No service reductions. Minor efficiency saving.	√	
Democratic Representation	Reduce budget	Budget reduced by £17,000	√	
Emergency Planning	Protect budget	Budget maintained	√	
Energy Efficiency	Reduce budget	Savings arising from employee departure reinvested in external support	√	
Enforcement	Protect budget	Budget maintained at existing level	√	
Grants & Contributions	Protect budget	Budget maintained	√	
Homelessness	Protect budget	Additional government funding, to be held in earmarked reserve	√	
Housing Strategy	Protect budget	Service maintained, efficiency savings made	√	
Land Charges	Protect budget	No service reductions. Income budget reinstated	√	
Land Drainage	Protect budget	No service reductions. Minor efficiency saving.	√	
Licensing	Protect budget	Budget maintained at existing level, reduced taxi licences income.	√	
Local Amenities	Protect budget	Service maintained, new budget for Flitch Green community centre	√	
Museum Saffron Walden	Reduce budget	Budget reduced by £25,000	√	
Office Services	Reduce budget	Budget reduced by £55,000	√	
On Street Parking	Protect budget	Budget transfers to Essex County Council	√	
Pest Control	Protect budget	Budget maintained	√	
Planning	Protect budget	No service reductions. Minor efficiency saving.	√	
Planning Management and Administration	Reduce budget	Budget increase, new head of service.	X	
Planning Policy	Reduce budget	Budget maintained at existing level	X	
Public Health	Protect budget	Budget maintained	√	
Revenues Administration	Reduce budget	Budget increased, however Harlow partnership to be implemented.	√	
Solid Waste Management	Protect budget	Budget removed, service to the public to be withdrawn	X	
Sports Development	Protect budget	Budget maintained	√	
Street Cleansing	Protect budget	Budget maintained at existing level	√	
Transport Administration	Reduce budget	On street transfers to Essex County Council. Off street maintained	X	
Waste Management	Protect budget	Service maintained with substantial efficiency savings made	√	

GENERAL FUND SUMMARY

£000	2010/11 Original Budget	2010/11 Restated Budget	2011/12 Original Budget	Increase / decrease (-)
Community & Housing	1,780	1,411	1,330	-81
Development Control	279	279	360	81
Environment	1,694	1,687	1,250	-437
Finance & Administration	5,931	5,931	5,519	-412
Licensing	-91	-91	-56	35
Sub-total – Committee budgets	9,593	9,217	8,403	-814
Recharge to HRA	-930	-930	-926	4
HRA share of corporate core	-267	-267	-247	20
Investment income	-72	-72	-85	-13
Pension Fund	465	465	465	0
Capital Financing Costs	478	844	834	-10
Landsbanki Impairment	1,014	1,162	0	-1,162
Council Tax Freeze Grant	0	0	-123	-123
Sub-total – Net Operating Expenditure	10,281	10,419	8,321	-2,098
Transfer to Working Balance	85	85	0	-85
Transfer from Elections Reserve	30	30	-60	-90
Transfer from Licensing Reserve	0	0	-55	-55
Transfer to Waste Reserve	0	0	118	118
Transfer to Homelessness Reserve	0	0	20	20
Transfer from Landsbanki Contingency Fund	-1,014	-1,162	0	1,162
Transfer from Change Management Reserve	-107	-107	-76	31
Sub-total - Net Expenditure	9,275	9,265	8,268	-997
Transfer from Budget Equalization Reserve	-310	-300	-118	182
BOTTOM LINE	8,965	8,965	8,150	-815
Funding Available				
Local Government Finance Settlement	-4,106	-4,106	-3,187	919
Area Based Grant	-29	-29	0	29
Council Tax	-4,853	-4,853	-4,921	-68
Collection Fund Surplus(-) / Deficit	23	23	-42	-65
Total Funding Available	-8,965	-8,965	-8,150	815
OVERALL NET POSITION				0

APPENDIX C

COMMUNITY & HOUSING COMMITTEE							
£000	2009/10 Actual	2010/11 Original Budget (restated)	2010/11 Current Budget	2010/11 Forecast Outturn	2011/12 Original Budget	Original Budget increase / decrease (-)	Comments
Animal Warden	31	31	31	30	30	-1	
Bridge End Gardens	60	0	0	0	0	0	Service has transferred to SWTC
Community Information Centres	53	56	46	47	58	2	Includes £10k investment in Stansted
Community Safety	52	54	54	56	55	1	External funding and budget for CDRP reduced
Community & Leisure Management	47	48	48	48	48	0	
Community Wardens	59	61	61	61	64	3	
Conveniences	140	122	122	362	34	-88	Supaloos contract terminated; some facilities transferred
Day Centres	48	58	58	74	55	-3	
Drug Awareness	-5	-2	-2	-2	0	2	Withdrawal of external funding
Emergency Planning	42	44	45	45	45	1	
Environmental Management & Admin	89	89	89	89	89	0	
Grants & Contributions	134	211	211	207	211	0	
Homelessness	64	87	90	94	73	-14	B&B cost savings / extra Govt funding (reserve set up)
Housing Grants	15	15	15	15	15	0	
Leisure & Administration	39	42	40	41	40	-2	
Leisure PFI	-133	-114	-114	-114	-58	56	Contractual indexation on PFI contract
Life Line	-84	-67	-66	-71	-75	-8	
Museum Saffron Walden	252	237	237	233	212	-25	Reduced education officer hours; premises cost savings
Pest Control	25	17	17	24	17	0	
Port Health	5	0	0	0	0	0	Service ceased in 2009/10
Public Health	370	374	374	377	382	8	
Sports Development	11	38	38	38	35	-3	
Tourist Information Centre	20	10	10	9	0	-10	Grant to SWTC finished in 2010/11
Committee Total	1,334	1,411	1,404	1,663	1,330	-81	

APPENDIX C (continued)

DEVELOPMENT CONTROL COMMITTEE	2009/10	2010/11	2010/11	2010/11	2011/12	Original	
£000	Actual	Original	Current	Forecast	Original	Budget	Comments
		Budget	Budget	Outturn	Budget	Increase/ Decrease(-)	
Development Control							
Expenditure							
Employees	459	480	540	551	453	(27)	Temporary posts no longer required
Transport	10	10	10	10	10	0	
Supplies and Services	153	165	260	241	152	(13)	Compensation budget reduction
Total	622	655	810	802	615	(40)	
Income							
HPDG	(429)	(100)	0	0	0	100	HPDG scheme abolished by Government
Fee Income	(620)	(566)	(566)	(566)	(566)	0	
Pre-Application Charges	(26)	(24)	(24)	(28)	(32)	(8)	
Footpath Diversion	(9)	(6)	(6)	(7)	(2)	4	
Total	(1,084)	(696)	(596)	(601)	(600)	96	
Net Total	(462)	(41)	214	201	15	56	
Planning Mgt.& Admin.							
Expenditure							
Employees	284	305	305	306	325	20	New Head of Service; administrative post deleted
Supplies and Services	29	22	22	26	22	0	
Total	313	327	327	332	347	20	
Income							
External Charges	(7)	(7)	(7)	(6)	(2)	5	
Net Total	306	320	320	326	345	25	
Committee Net Total	(156)	279	534	527	360	81	

APPENDIX C (continued)

ENVIRONMENT COMMITTEE							
£000	2009/10 Actual	2010/11 Original Budget (restated)	2010/11 Current Budget	2010/11 Forecast Outturn	2011/12 Original Budget	Original Budget increase / decrease (-)	Comments
Assisted Travel	159	219	219	124	3	-216	Service transfers to ECC from April 2011
Building Surveying	117	77	77	47	32	-45	Fees & charges increased to cover costs
Car Parking	-652	-654	-654	-626	-587	67	VAT increase absorbed; reduced level of PCN income
Cemetery Saffron Walden	-4	0	0	0	0	0	Service has transferred to SWTC
Conservation & Enhancement	93	95	113	100	87	-8	Increase in income
Depots	39	38	38	47	38	0	
District Monitoring & Enforcement	37	38	38	38	38	0	
Energy Efficiency	29	29	29	105	58	29	Contributions from other UDC services have ceased
Housing Strategy	107	102	114	93	84	-18	Efficiency savings made
Industrial Estate	27	0	0	0	0	0	Service ceased in 2009
Land Drainage	54	52	52	51	50	-2	Saving on staff travel costs
Local Amenities	57	70	74	82	60	-10	Reduction in budget for new community centres
On Street Parking	-150	-176	-176	-157	0	176	Service transfers to ECC from April 2011
Planning Grants	5	5	8	8	5	0	
Planning Policy	276	274	309	307	277	3	
Solid Waste Management	-3	-2	-2	4	0	2	Service is being withdrawn
Street Cleansing	273	264	271	257	264	0	
Street Services Management & Admin	249	271	272	244	258	-13	Efficiency savings made
Transport Administration	310	313	313	313	139	-174	On Street service transfers to ECC from April 2011
Vehicle Management	277	272	272	311	300	28	Extra materials due to ageing fleet.
Waste Management	126	400	401	371	144	-256	Zero Based Budget exercise completed.
Committee Total	1,426	1,687	1,768	1,719	1,250	-437	

APPENDIX C (continued)

FINANCE & ADMINISTRATION COMMITTEE							
£000	2009/10 Actual	2010/11 Original Budget (restated)	2010/11 Current Budget	2010/11 Forecast Outturn	2011/12 Original Budget	Original Budget increase / decrease (-)	Comments
Benefit Administration	-250	-227	-227	-282	-336	-109	Government grant cut, but higher than budgeted sum
Business Improvement & Performance Team	0	200	200	170	167	-33	2 posts temporarily vacant not being filled
Central Services	289	174	174	168	192	18	Scanning costs transferring here from ICT budget
Committee Administration	88	108	108	103	106	-2	
Communications	145	161	163	148	156	-5	
Conducting Elections	0	2	2	1	80	78	Cost of 2011 District election
Corporate Management	1,009	954	992	959	884	-70	Director saving / pay award saving / costs of Corp Team
Council Tax Benefits	-89	7	7	81	160	153	Revised estimate of net expenditure
Customer Services Centre	350	306	319	299	279	-27	Staff saving from not renewing temp contracts
Democratic Representation	360	367	367	357	350	-17	Reductions in expenses, subscriptions and misc budgets
Electoral Registration	99	98	97	94	93	-5	
Enforcement	171	167	167	166	171	4	
Financial Services	888	940	1,024	1,007	928	-12	Insurance contract saving
Housing Benefits	167	202	202	215	195	-7	
Human Resources	124	202	199	189	193	-9	
Information Technology	701	927	1,017	966	815	-112	End of scanning project / various efficiency savings
Internal Audit	114	117	117	118	101	-16	Efficiency saving - reduced hours
Land Charges	-87	113	113	-41	-35	-148	Land charges income can now be retained
Legal Services	137	145	145	125	122	-23	Efficiency saving - reduced hours
Local Tax Collection	-163	-118	-118	-118	-138	-20	Amended to reflect current and predicted trend
Non Domestic Rates	-94	-93	-93	-93	-96	-3	
Office Services	374	367	368	308	312	-55	Dunmow saving / cleaning contract / NNDR saving
Resources Miscellaneous	-56	-52	-52	-59	-59	-7	
Revenues Administration	898	864	865	900	879	15	Extra resources for benefits training and quality control
Committee Total	5,175	5,931	6,156	5,781	5,519	-412	

APPENDIX C (continued)

LICENSING COMMITTEE								
£000	2009/10 Actual	2010/11 Original Budget	2010/11 Current Budget	2010/11 Forecast Outturn	2011/12 Original Budget	Original Budget increase / decrease (-)	Comments	
Employee Expenses	91	91	91	93	94	3		
Supplies and Services	18	37	37	37	37	0		
Direct Expenditure	109	128	128	130	131	3		
Taxi	-208	-132	-147	-153	-98	34	Full year effect of revised fee tariff	
Other Licences	-91	-87	-87	-87	-89	-2		
Direct Income	-299	-219	-234	-240	-187	32		
Committee Total	-190	-91	-106	-110	-56	35		

SCHEDULE OF BUDGET ADJUSTMENTS

INESCAPABLE GROWTH			
			£000
Various	Contractual pay inflation		86
Conducting Elections	2011 District Council Election		78
Leisure PFI	Leisure PFI contractual indexation		63
Licensing	Taxi licensing income effect of revised tariff		50
Corporate item below the line	Reduction in recharges to HRA		24
Vehicle Management	Vehicle management extra materials required for ageing fleet		24
Car Parks	Car parks income trend in penalty charges		23
Homelessness	Correction of budgeting error in Homelessness income budget		20
Car Parks	Car parks income trend in P&D income		14
Car Parks	Car parks income effect of VAT change		19
Car Parks	Car parks costs, mostly business rates		11
Pest Control	Pest Control income trend		8
Financial Services	Insurance contractual indexation		8
Transport Administration	Off street parking contractual indexation		8
Various	Minor items		64
	Total		500

APPENDIX D (CONTINUED)

CHANGES IN CIRCUMSTANCES		£000
Council Tax Benefits / Housing Benefits	Net changes to Benefits expenditure & income budgets	146
Development Control	HPDG grant income budget removed	100
Community Safety	Loss of external funding for Crime & Disorder Reduction Ptrshp	90
On Street Parking / Transport Administration	On Street parking services transferred to County Council	24
Corporate Management	External Audit fee 5% reduction	-8
Lifeline	Maintenance budget no longer required	-10
Corporate item below the line	Adjustment to capital financing costs budget	-10
Community Information Centres	Net saving arising from staffing changes	-11
Corporate item below the line	Trend on investment income	-13
Licensing	Budget for CRB checking recharges	-15
Housing Strategy	Net saving due to maternity leave	-16
Street Services Management & Admin	Net saving arising from admin team staffing changes	-16
Local Tax Collection / Non Domestic Rates	Increased trend in recovery of court costs	-23
Homelessness	Increase in Government funding for Homelessness	-25
Local Amenities	Priors Green community centre budget no longer required	-25
Offices	Reduction in Office business rates & cleaning costs	-26
Transport Administration	Redundancy arising from transfer of On Street parking	-30
Information Technology	Scanning project comes to an end during the year	-35
Development Control	Two temporary posts no longer required, work transferred to CSC	-41
Corporate Management	Reduction in budget for staff pay award	-50
Community Safety	Crime & Disorder Reduction Partnership budget removed	-90
Benefits Administration	Increase in budget for DWP Benefits Administration grant	-109
Corporate item below the line	Council Tax Freeze Grant	-123
Land Charges	Land charges income budget reinstated	-160
Assisted Travel	Free bus travel service transferred to County Council	-217
Various	Minor items (net)	-36
	Total	-729
	Figures exclude Landsbanki write off and use of reserve	

APPENDIX D (continued)

SERVICE INVESTMENT		£000
Corporate Management	Corporate Team established to implement Strategic Solutions	76
Planning management & admin	New Head of Service	61
Financial Services	Procurement Manager	44
Financial Services	Interim accountancy support to implement IFRS	31
Energy Efficiency	Energy management consultancy SLA with Braintree	26
Revenues Administration	Additional resources for training, quality control and benefits changes	25
Grants & Contributions	New contingency fund for voluntary organisations in hardship	23
Energy Efficiency	Support for energy management & utilities bills management	20
Street Cleansing	Additional resources for litter picking	20
Local Amenities	New community centre at Flitch Green	15
Financial Services	SLA with Basildon for finance IT system development	12
Community Information Centres	Investment in facilities at Stansted	10
Grants & Contributions	Funding of CVSU	10
Financial Services	Specialist consultancy support for VAT and HRA	5
	Total	378

APPENDIX D (continued)

SERVICE REDUCTIONS		£000
Financial Services	Reduction in Accountancy posts	-59
Energy Efficiency	Vacant energy efficiency surveyor post not replaced	-42
Business Improvement Team	Posts not being filled while temporarily vacant (secondment/maternity)	-33
Planning management & admin	Vacant administrative post not replaced	-30
Grants & Contributions	Uncommitted Community Partnership budgets no longer required	-27
Information Technology	Saving arising from a member staff on secondment	-26
Financial Services	Essex Procurement Hub membership cancelled	-25
Internal Audit	Reduction in establishment of 0.5 FTE	-19
Communications	Budgets for Place Survey and Citizens Panel set up costs no longer needed	-13
Development Control	Reduction in planning compensation budget	-10
Human Resources	Staff security checks budget removed	-10
Financial Services	IFRS consultancy budget not needed	-5
Financial Services	Subscriptions and seminars budget reduced	-3
Drug Awareness	Budget for drug awareness training removed as no external funding	-2
Housing Strategy	Subscriptions budget reduced	-2
Committee Administration	Postage saving (reduction to one posting per week)	-2
	Total	-308

APPENDIX D (continued)

STRATEGIC SOLUTIONS SAVINGS		£000
Waste management	Saving arising from Zero Based Budget exercise	-266
Corporate Management	Deletion of Director post	-94
Conveniences	Saving arising from termination of Supaloos contract	-71
Various	Budget Slack adjustments	-63
Building Surveying	Additional income from revised fees structure	-51
Information Technology	Efficiency saving related to Revs & Bens transfer to Harlow	-39
Museum Saffron Walden	Reduction in educational visits, savings on building maintenance	-30
Customer Services Centre	Efficiency saving related to Revs & Bens transfer to Harlow	-28
Financial Services	Efficiency saving related to Revs & Bens transfer to Harlow	-24
Offices	Saving arising from sale of Dumow Offices	-22
Legal Services	Efficiency saving related to Revs & Bens transfer to Harlow	-19
Conveniences	Transfer of facilities in Saffron Walden, Great Dunmow & Felsted	-17
Central Services	Efficiency saving related to Revs & Bens transfer to Harlow	-17
Solid Waste Management	Removal of service to the public	-16
Grants & Contributions	Tapering of grant to SW Town Council relating to local facilities transfer	-10
Tourist Information Centre	Tapering of grant to SW Town Council relating to TIC	-10
	Total	-777

APPENDIX D (continued)

		£000
	NET REDUCTION IN THE USE OF RESERVES	
Budget Equalization Reserve	Budgeted use of the reserve reduced from £300k in 2010/11 to £118k in 2011/12	182
Waste Management Reserve	Transfer to the reserve to ensure adequate contingency following ZBB savings	118
Change Management Reserve	Budgeted use of the reserve reduced from £107k in 2010/11 to £76k in 2011/12	31
Homelessness Reserve	New reserve set up due to increase in Government funding	20
Licensing Reserve	Withdrawal from reserve to offset reduction in income	-55
Working Balance	£85,000 transferred in 2010/11, no transfer proposed for 2011/12	-85
Elections Reserve	£30,000 paid into the reserve in 2010/11. £60,000 withdrawal in 2011/12	-90
	Total	121
	Figures exclude Landsbanki write off and use of reserve	

GENERAL FUND RESERVES

		2010/11	2010/11	2010/11		2011/12	2011/12	
		Forecast	Transfers	Forecast	Forecast	Forecast	Forecast	Forecast
Reserve	Balance	Transfer from	between	Transfer to	Balance	Transfer from	Transfer to	Balance
	31-Mar-10	General Fund	reserves	General Fund	31-Mar-11	General Fund	General Fund	31-Mar-12
Working Balance	1,096	85			1,181			1,181
Business Development	42				42			42
Change Management	547		123	-539	131		-76	55
Elections	32	30			62		-60	2
Energy Efficiency	92			-92	0			0
Homelessness	0				0	20		20
Housing Benefits	100	20			120			120
Landsbanki Contingency	1,162			-1,162	0			0
Licensing	138	4			142		-55	87
Planning Development	770		-123	-379	268			268
Waste Management	282				282	118		400
Budget Equalization	1,499			-284	1,215		-118	1,097
Total	5,760	139	0	-2,456	3,443	138	-309	3,272

Note: Forecast balances 31.3.2011 and 31.3.2012 exclude forecasted 2011/12 underspend of £584,000.