

AGENDA ITEM 4(I) ITEM REFERRED FROM HEALTH AND HOUSING COMMITTEE

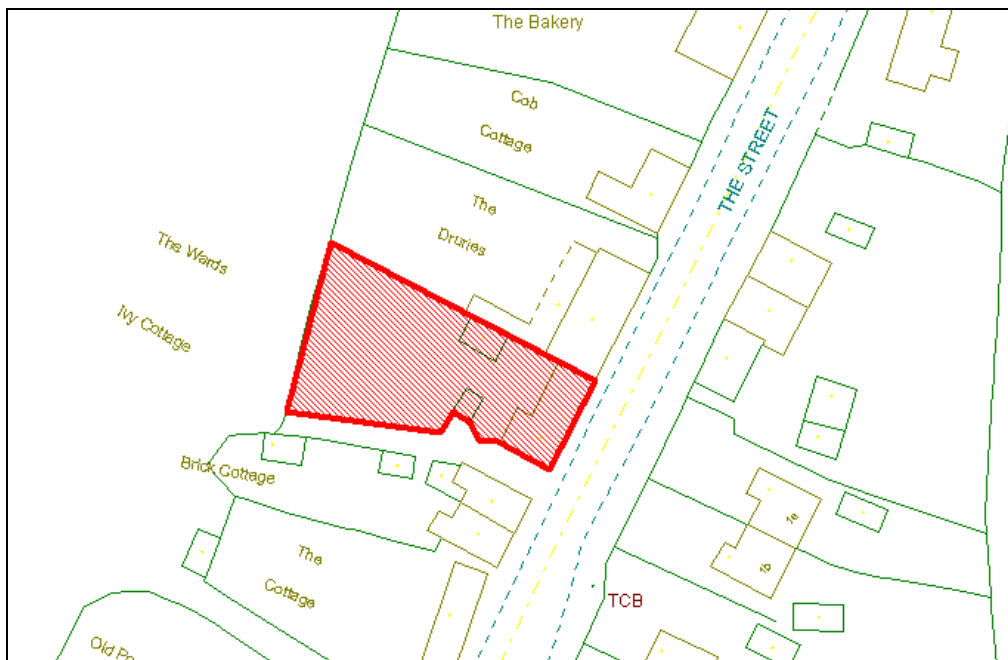
Committee: Health and Housing
Date: 9 June 2005
Agenda Item No: 9
Title: Sale of Council Property in High Roding
Author: Roz Millership (01799) 510516

Summary

- 1 This report advises the Committee of a proposal to sell a vacant non-traditional house and use the receipt on another housing project.

Background

- 2 One of the Council's current void properties, The Wards, is a Grade II listed timber framed three bedroomed link detached cottage situated in the parish of High Roding. Although visually the property is in reasonable condition a survey of the property has established that the council will incur excessive expenditure to retain the cottage in a lettable standard due to its age and construction. In addition ongoing annual maintenance costs will be in the region of £800.



The Way Forward

- 3 Under the circumstances the Committee may feel that it would be appropriate that the cottage is sold on the open market in its present condition. To ensure that the best sale price is achieved the property would be sold through sealed bid tenders. It should be noted that this receipt can be treated as a Capital Allowance which can be put towards the Decent Homes programme, an affordable housing scheme or regeneration scheme elsewhere in the district.

- 4 RECOMMENDED to the Resources Committee that the sale of The Wards, High Roding be approved with appropriate terms and conditions agreed by the Council in accordance with the Council's Standing Orders.

Background Papers: none

Committee: Resources Committee
Date: 23 June 2005
Agenda Item No: 5
Title: Financial Strategy and Budget Process 2006/07
Author: Philip O'Dell 01799-510670

Summary

- 1 This report provides a brief introduction and context for the forthcoming budget process for both revenue and capital spending and proposes a timetable for the months ahead.

Background

- 2 The 2006/07 budget setting process has already commenced. Work is in hand to identify internal and external spending pressures affecting the Council and Service Plan guidelines are being produced with a view to Committees receiving information in September.
- 3 The Budget Prioritisation Process developed and used to set the revenue budget for the current year is being refined and proposals for its use in the forthcoming process will be brought to the next meeting of this Committee on 28 July 2005.
- 4 Broad financial projections for the General Fund budget over the next 3 years are also being worked on for the July meeting, although it is already clear that, with the pension deficit problem to solve and the likely large increase in waste management costs, significant savings on the overall budget will be required in the medium term, unless external funding from the Government increases significantly. Currently, no increase at all in government funding has been assumed for 2006/07.
- 5 The need to make significant savings is reinforced by the emerging requirements of the Annual Efficiency Statement (Gershon) regime, which will require the Council to save a total of at least £400,000 in 'cashable' terms over the current year and the next two years.
- 6 The Committee is reminded that several 'Low' priority services made significant reductions in their budgets for the current financial year and that, while further opportunities for efficiencies always come along, there is a view that some services can only save more by reducing the quality of what they provide.

- 7 It is clear that the Council needs to improve its approach to preparing its Capital Programme, not least because of the links to the revenue budget, and this will be a key feature of the approach in the coming months. The recommendation from the Health and Housing Committee to Full Council on 19 July that the Council continues to manage its housing stock, will, if approved by the Council, provide a starting point for a complete review of the Capital Programme, not least because the Stock Options process has identified new options for investment in the housing stock.
- 8 Consultation on all aspects of the budget process also needs to improve significantly and detailed proposals to achieve this are being prepared.

Medium Term Projections

- 9 The Council's 2005/06 General Fund budget process involved a 4.5 % increase in the council tax and assumed increases of the same percentage for 2006/07 and 2007/08. The budget projections for both of these forecast years included inflation provision for salaries, other costs and fees and charges income. The 2006/07 budget projection arising from these assumptions gave a projected surplus on the budget of approximately of £64,000, with the 2007/08 budget moving to a deficit of around £90,000. These sums, although significant, are not large in the context of the Council's overall budget and it could be said that in broad terms the budget is in balance over the next two financial years, sustained as it will be by two further 4.5% increases in the council tax if the Council confirms those preliminary plans and if the government allows council tax increases at that level.
- 10 It must be stressed however that these figures do not include provision for spending pressures relating to
- Increased waste collection costs
 - Pension deficit
 - Legislative effects of the Queen's Speech and other government initiatives
 - New or amended Council priorities, including the next revision of the Corporate Plan
 - Specific potential projects within the current Corporate Plan
 - Items identified during the Service Planning process just starting
- 11 It follows that any further increase in ongoing revenue spending for the two forecast years will need to be funded by one or a combination of the following:
- Increases in government funding
 - Increases in other external funding
 - Increases in fees and charges income over and above that already assumed
 - Reductions in existing budgets

Reserves

- 12 The Council's Final Accounts for 2004/05 are still being finalised prior to presentation to this Committee on 28 July. These Accounts will contain details of the Council's significant level of earmarked reserves (i.e. those existing for specific purposes) but are likely to indicate that the Financial Management Reserve (existing to support unexpected items, policy priorities, and budget variations) continues to run down. Use of this Reserve to support ongoing revenue spending would in any event be unsustainable. On this basis the Financial Management Reserve is unlikely to play a significant role in the budget process for 2006/07.

Capital Programme

- 13 The Council's Capital Programme, involving spending of approximately £15m over the next three years, indicates projected capital receipts of £4.3m will be remaining at 31st March 2008. These receipts, via the income they earn, are an important source of revenue funding for the Council. Nevertheless, there are pressures arising for new capital spending on both the General Fund and the Housing Revenue Account, and a full review of the Council's capital position is planned, including a review of the current Debt Free status.

Proposed Timetable

- 14 The following approach is proposed and takes account of the wishes expressed by Members that budget reports appear during only two of the three committee cycles between September and February:

July 2005	Report to Resources Committee with initial General Fund projections, policy context and proposed approach to Budget Prioritisation
September 2005	Summarised Service Plans to Committees, including new spending pressures and possible efficiencies Capital Programme Review to Committees Resources Committee to issue financial targets to Committees based on Budget Prioritisation Resources Committee to receive review of Debt Free status and issue guidance on Capital Programme
October/ November/ December 2005	Officers to prepare base budgets, options to achieve savings required, further examine new spending pressures, review fees and charges, prepare Capital Programme and undertake budget consultation with the public

November 2005 No reports to Committees proposed on General Fund budget or Capital Programme pending completion of work by officers.

Resources Committee may receive an overall progress report and consider any national funding issues emerging

January 2006 Committees to consider base budgets, proposals regarding spending pressures, savings options, fees and charges and Capital Programme items. Full Service Plans based on proposed budgets to be considered and agreed.

Health and Housing Committee to agree Housing Revenue Account budget and rent levels

February 2006 Resources Committee to monitor compliance with the guidelines it issued and make appropriate adjustments based on the external funding settlement and feedback via the budget consultation process

Council to agree General Fund budget, council tax level and Capital Programme

RECOMMENDED that this Committee:

1. Notes the background to the forthcoming budget setting process
2. Agrees the timetable outlined in paragraph 14 for the preparation of revenue and capital budgets

Background Papers: Budget Book 2005/06

Committee: Resources Committee
Date: 23 June 2005
Agenda Item No: 6
Title: Annual Work Programme
Author: Philip O'Dell (01799) 510670

Summary and Recommendations

- 1 This report provides Members with details of the known reports that are to come before this Committee during the year. It recommends that the

Committee note the programme and advise of any further reports that it would wish to receive.

Background

- 2 Each Committee is invited to consider, at the beginning of the new Committee year, a forward programme of the reports that it requires to come before it during the year.
- 3 Officers have drafted a programme at Appendix 1 to this report.

Background Papers: None.

**RESOURCES COMMITTEE
ANNUAL WORK PROGRAMME 2005/06**

July 28	Sept 29	November 17	February 2	February 9	March 23
Final Accounts 2004/05	CPA Improvement Plan	Procurement Strategy	CPA Improvement Plan	Prudential Indicators	CPA Improvement Plan
Financial Strategy and Budget Process 2006/07	Financial Strategy and Budget Process 2006/07	Financial Strategy and Budget Process 2006/07	Financial Strategy and Budget Process 2006/07	Financial Strategy and Budget Process 2006/07	Integrated Customer Management Update
Performance Monitoring- Quarter 1 Consultation Strategy	Performance Monitoring-Quarter 2	Final Accounts 2004/05 Audit Opinion	Performance Monitoring-Quarter 3	Council Tax Recommendation	
Corporate Plan Review	Communications Strategy	Review of Polling Districts	Annual Audit Letter		
Performance Management Framework and Performance Improvement Plan	Corporate Plan Review Integrated Customer Management Update	Benefit Fraud Review Integrated Customer Management Update	Treasury Management Policy Corporate Plan Review		
Budgetary Control 2005/06	Budgetary Control 2005/06		Budgetary Control 2005/06 Capital Programme		
Review of Community Wardens	Capital Programme				
Revised Requirements for Comprehensive Performance Assessment	Human Resources Strategy				

Committee: Resources

Date: 23 June 2005

Agenda Item No: 7

Title: Three year funding of Emergency Planning Partnership

Authors: Sarah Baker (01799) 510436
Philip O'Dell (01799) 510670

Summary

- 1 This report identifies an urgent need to agree funding for years two and three (2006/07 and 2007/08) of a three-year partnership with the County Council and other Essex authorities in respect of Emergency Planning partnership working. A commitment to the initiative needs to be given in a matter of days to ensure the Council's participation is ensured and to make the whole approach viable for this Council and others.

Background and Rationale

- 2 The Council's Revenue Support Grant for 2005/06 includes approximately £18,000 of additional funding for Emergency Planning (known at national level as Civil Contingencies). This budget was not ringfenced by the government, but was added to the Emergency Planning budget for the 2005/06 financial year during the budget process. To meet with the requirements of the Council's budget prioritisation process a saving of £3,000 was made from the overall budget for Emergency Planning, making the overall increase in the budget a net £15,000.
- 3 Negotiations for a County wide solution to the overall staffing and skills shortage in the Emergency Planning area have now progressed to the stage where a three year annual contribution of £15,000 from this Council will provide us with 50% of an additional post available locally to assist with the programme of work required. It will also allow us to make use of other specialists within the overall resources pool. It is likely all other councils (Including District, Unitary and County) will be joining this scheme with the exception of 2 districts who will be employing an Emergency Planning Officer between them and giving the officer the same role as the Essex Joint Emergency Planners.
- 4 The Council's Emergency Planning Officer believes that Uttlesford DC should enter into the Essex authorities Emergency Planning partnership. The Civil Contingencies Act 2004 became fully operational on the 1st April 2005, although compliance is not compulsory until October 2005. Regulations contained within the Act mean that if we continue to finance emergency planning at its current level we will not be fully compliant. Guidance has been given on how to comply with the Act and it's seven new duties. With this guidance in mind, a working group was formed consisting of 6 people, 2 each District, Unitary and County Emergency Planning Officers. The group looked

specifically at ways that each authority could best comply with the Act. With Guidance documents and draft regulations for reference the group determined that to achieve compliance with the Act each district/unitary would need to have 1.5FTE employees for Civil Contingencies/Emergency Planning. In order for each authority to maintain high levels of Emergency Planning experience and specialist input on all aspects of emergency planning and disaster recovery, it was recognised that individual authorities employing an extra part-time planner would not achieve this. The Essex authorities Emergency Planning partnership is the best possible financially viable method of achieving compliance with the Act. The County authority will be responsible for employing a team of skilled/experienced Emergency Planning Officers, who will be contracted to work 50% of their time at County level on strategic planning to support the districts and 50% of their time at district/unitary level helping to develop policies and plans to meet the new regulations and implementing them. This partnership would also allow for specialist advice to be available to all districts in order to cover all aspects of the Act and emergency planning, from risk assessment and business continuity planning to exercise writing and plan verification. The Essex authorities Emergency Planning Partnership will be operational in the first instance for three years. This allows sufficient length of contract to be able to attract high calibre Emergency Planning Officers, it is also thought to cover the amount of time required to complete a planning cycle within the new framework of regulations e.g. Risk assessment, community risk register, plan and exercise. If the council does not support this option we will need to assess how best we can comply with the Act as a stand-alone authority, this would be in direct conflict with the spirit of the Act, which promotes sharing of information and co-operation as part of the Act itself. Essex County Council are now at the point of recruiting 10 posts to cover the needs of the district that are joining the joint arrangements.

- 5 The Community and Leisure Committee have responsibility for this budget. They have not yet been consulted regarding the proposal, but will be sent a copy of this report prior to formal agreement being signed.

Financial Implications

- 6 The cost of £15,000 for year one of the partnership is already within the budget for the service. The cost for the following two years, also £15,000 per annum, and not subject to index-linking of price increases, will require earmarking into the base budgets for 2006/07 and 2007/08. It is unclear whether the Council will continue to receive additional Revenue Support Grant sufficient to fund the cost in these years, although informal Ministerial comments indicate that this will be the case. If this is not so, and the Council has proceeded with the partnership approach, the amount lost will add to the likely need for corporate savings or may need funding from reserves. The County Council have also indicated that lack of Revenue Support Grant funding for this initiative in 2006/07 and beyond on their own behalf or that of district councils could lead them to end the arrangement and terminate staff contracts. This is not built into the formal agreement being proposed but would be at the County's discretion.

RECOMMENDED that the sum of £15,000 is built into the Council's base budget for both the financial years 2006/07 and 2007/08 and that on this basis the three-year partnership arrangement for Emergency Planning work is approved, subject to completion of the necessary documentation.

Background Papers: Emergency Planning files and correspondence with Essex County Council, the Revenue Support Grant settlement 2005/06 and reports on the Council's budget process 2005/06.