

Key Decision Required:	Yes	In the Forward Plan:	Yes
-------------------------------	------------	-----------------------------	------------

**CABINET
16 DECEMBER 2009**

REPORT OF MANAGEMENT BOARD

A.4 REVISED FINANCIAL STRATEGY FOR 2010/11 AND BEYOND

(Report prepared by Roy Coulter, David Appleby and Karen Neath)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To allow Cabinet to:

- Consider the five year financial forecast for 2010/11 to 2014/15;
- Set out the overall strategic financial framework for 2010/11 and beyond upon which the detailed budgets are based;
- Make initial recommendations for the Council Tax increase for 2010/11.

EXECUTIVE SUMMARY

The Revised Financial Strategy sets out how the financial and budget position of the Council for 2010/11 and beyond has moved on since Cabinet considered the Initial Financial Strategy on 2 September 2009.

In September the Financial Forecast for 2010/11 was for a funding gap of **£0.561m**. Since then actions have been taken to address this and the latest information incorporated so that the position now forecast for 2010/11 is of a surplus of **£0.446m**.

Alongside actions taken to address the forecast funding gap in 2010/11 a review of the current year position has been undertaken and a revised budget for 2009/10 prepared. The detailed estimates commensurate with the revised forecast for 2010/11 and 2009/10 are presented elsewhere on the agenda.

As a result of the budgetary changes the Service Improvement Budget now stands at **£1.785m** in 2009/10 (**£1.666m** uncommitted) and **£0.446m** in 2010/11. Members are asked to consider if they wish to allocate any of this funding. However, the report also sets out the forecast in future years which is of a deficit of up to **£2.724m** in 2011/12 and approaching **£1.0m** each year thereafter and suggests that Members may wish to retain the Service Improvement Budget as a buffer against future forecasts, pending consideration of future actions to address this forecast funding gap.

Members are also asked to make initial recommendations on the level of council tax they wish to levy for 2010/11.

RECOMMENDATION(S)

- a) **That Cabinet agrees the Revised Proposals for the Financial Strategy and Financial Forecast for 2010/11, as detailed in the report.**

- b) That, subject to a) above, Cabinet determines their proposals for the Council Tax increase for 2010/11.
- c) That Cabinet determines if they wish to re-allocate any of the uncommitted Service Improvement Budget of £1.666m in 2009/10 and £0.446m in 2010/11.
- d) That if the final financial position is more or less advantageous to the Council (from either revised estimates or estimates for 2010/11) then any increase or decrease is adjusted against the Service Improvement Budget.
- e) That Cabinet notes the proposed approach to the Financial Strategy for 2011/12.
- f) That Cabinet requests the Corporate Management Committee's comments on these Revised Financial Strategy Proposals.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

Careful planning to ensure financial stability underpins the Council's capacity to achieve the objectives set out in the Corporate Plan and Community Strategy. Individual elements of the Financial Strategy are risk assessed against the aspirations of the Council, as well as statutory service requirements. The approach for 2010/11 builds on previous successful financial planning and is key to the Council's aim to deliver excellent, sustainable and joined up services to everyone in the District.

This report will have direct implications on the Council's ability to deliver on the commitments, objectives and priorities set out in both the Corporate Plan and the Community Strategy up to 2016. It will particularly impact on the speed with which the Council can deliver its priorities, rather than the priorities themselves.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The financial implications are set out in the body of the report.

Although the availability of financial resources is a key component in the delivery of services there will also need to be appropriate input of other resources such as staffing, assets, IT etc.

Risk

There are clearly risks associated with the Strategy. The actions to achieve a fully funded budget, including restricting cost pressures, give rise to the potential for items that have not been funded to emerge or for increases in income etc. not to materialise in reality. This is particularly so given the current economic climate.

The strategy adopted in compiling the Revised Forecast has taken a risk-based approach. There are a substantial number of areas that could lead to additional expenditure being incurred, such as: -

- Non achievement of income;
- Emergence of cost pressures not included as Priority 1;

New legislation;
Local or national emergency;
Non achievement of underspend provision;
Inflation higher than estimated;
Requests for supplementary estimates;
Continuing adverse change in interest rates.

In view of the above it is important that the Council has a sufficient level of uncommitted reserves set aside to support the approach identified in this Strategy. An uncommitted reserve of approximately **£4m** (including the **£1.6m** minimum working balance) has been approved previously to insure against the eventuality that some of the events listed above actually occur and is still considered appropriate.

LEGAL

The Council is legally required to calculate a budget requirement and set a Council Tax for each financial year.

The Secretary of State may designate capping (for the present financial year) or nominate capping (for the following financial year) for an authority if in his opinion its budget requirement is excessive. In each case the Secretary of State must inform the authority in writing, and the Local Authority has 21 days in which to make written representations. Following receipt of any representations the Secretary of State may confirm his designation/nomination, or may alter these (including the amount proposed to be the maximum for the budget requirement for that financial year if designated, or the following financial year if nominated).

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

These implications have no impact on the Financial Strategy itself. However, they are taken account of in the delivery of individual services and projects.

Consultation - 2008 Place Survey

As part of the performance framework for local government a new national indicator set was introduced in April 2008, replacing the Best Value Performance Indicators and providing a new focus on improving outcomes for local people and places. Central to this is the need to capture the views of our residents through the Place Survey so that improvement plans reflect local requirements and, by tracking changing perceptions over time, ensure that interventions made in an area result in the right outcomes for local people.

The Place Survey covered residents' satisfaction with the area and public services, perceptions of community cohesion and safety, and priorities for improving quality of life.

When asked which things are most important in making somewhere a good place to live the following were considered to be the most important

- | | |
|-------------------|-----|
| ➤ Health services | 48% |
| ➤ Level of crime | 45% |
| ➤ Clean streets | 36% |

And again when asked which most need improving the top three were as follows

- | | |
|-----------------------------|-----|
| ➤ Activities for teenagers | 44% |
| ➤ Road and pavement repairs | 36% |
| ➤ Job prospects | 29% |

Satisfaction with the Council overall has decreased since 2006 (from 50% to 45%) reflecting the national situation. When the service level satisfaction results are put in context the Council has performed reasonably well with street cleanliness, refuse collection, recycling, libraries, theatres and value for money being perceived as above average and sports/leisure facilities, museums and parks/gardens being below average.

Feelings of safety both during the day and after dark have improved since 2006 but there is still a high perception of anti social behaviour being a problem especially drug use/dealing and drunk/rowdy behaviour.

A number of specific improvements have been introduced and budgeted for/external funding obtained which should improve residents' perceptions of the Council

- Refurbishment of children's play areas across the district
- Green Flag award for the Clacton Seaside Gardens and Greensward
- Working with Trading Standards on initiatives to reduce teenage drinking
- Development of new public conveniences
- Introduced free swimming for residents aged 60 and over and 16 and under.
- Developed initiatives to increase the number of affordable homes in the district
- Provided support to the Pier Ward Multi Agency Centre aimed at providing a range of health and wellbeing related services and the Jaywick Strategic Leadership Group to develop proposals for renewal and regeneration

PART 3 – SUPPORTING INFORMATION

BACKGROUND

Cabinet considered the Initial Financial Strategy at their meeting on 2 September 2009. At that meeting Cabinet resolved :

(a) That Members note the Initial Forecast for 2010/11 and beyond.

(b) That a further report be made to Cabinet in December, after a full review of each Portfolio has been undertaken by the relevant Cabinet Member in conjunction with the Leader, the Finance Portfolio Holder and the Head of Finance or similar senior Officer. Each review to be completed by 30 September 2009 in line with the emerging Corporate Plan.

(c) That the Corporate Management Committee be consulted on the initial proposals and any recommendations be mindful of the Council's legal requirement to present a balanced budget.

(d) That as part of the 5 Year Strategy the £4 million general reserve figure is revisited to ensure it is sufficient.

Since September and in line with the recommendations above a number of actions have been carried out. Meetings have been held as set out in recommendation b) above. This

has resulted in a number of efficiencies being identified that can reduce the base budget position as well as a few areas where additional expenditure is required. The outcomes from the meetings are set out in **Appendix D** and have been incorporated into the detailed budgets.

The Corporate Management Committee considered the Initial Financial Strategy at their meetings on 2 and 5 October. The comments from the Committee were considered by Cabinet on 11 November. At that meeting Cabinet resolved:

That, although the comments of the Corporate Management Committee are disappointing because that Committee recommended funding additional cost pressures with no corresponding reduction, each comment will be reviewed individually in the context of the revised Financial Strategy in December.

Further to this the comments of the committee from 2 and 5 October are attached at **Appendix E** together with the Finance Portfolio Holder's detailed responses.

The level of reserves has been revisited in light of the risks identified as part of the Financial Strategy and also in line with the Council's strategic risk register, and the figure of **£4m** (including the **£1.6m** working balance) is still deemed to be sufficient.

Additional work has also been undertaken to consult with Heads of Service, address issues arising from the quarterly Corporate Budget Monitoring report and review the cost pressures. The results have also been incorporated within the detailed budgets for a revised 2009/10 and 2010/11 estimate position which are presented elsewhere on this agenda.

CURRENT POSITION

In September 2009, the Initial Forecast identified a potential funding gap for 2010/11 of **£0.561m** as follows:

Item	2010/11 £'000
Base Budget from 2009/10	21,613
Changes to Council Expenditure	
Inflation and increments	612
Priority 1 Cost Pressures	588
Removal of one-off items from 2009/10	(1,094)
Other Budget Adjustments	(622)
Changes to Grant Funded Expenditure	(446)
Changes to Council Income	
Changes to Grant Funded Income	521
Carry Forwards from the Base Budget	1,481
Initial Base Budget Requirement for 2010/11	22,653
Financed by	
Central Government Support	14,199
Amount to be Raised from Council Tax (at 2.5%)	7,813
Forecast Surplus on Collection Fund	80
Initial Forecast Position for 2010/11	22,092

The detailed actions taken since September to review the budget position and to address the predicted funding gap are set out below:

Re-Visit Priority 1 Cost Pressures

A comprehensive review of all of the Priority 1 and other items originally included in the Initial Financial Forecast (shown at **Appendix A**) has been undertaken to determine the current appropriateness of inclusion as a Priority 1 and the associated cost. The costs have also been checked by Heads of Service and revised where appropriate to reflect the current estimated position.

Following this further review it has been necessary to amend the Priority 1 items proposed to be funded as follows:

- **£0.150m reduction for Dovercourt Swimming Pool Air Handling Units** – This work will now be included as part of a wider refurbishment of Dovercourt Swimming Pool as agreed by Council on 1 December 2009. The priority 1 cost pressure has therefore been removed.
- **£0.050m reduction Disaster Recovery costs** – At their meeting on 30 September 2009, Cabinet considered a report on arrangements for disaster recovery within the Council. Following decisions made by Cabinet on how to take this forward the cost pressure for the Liberata contract has been reduced by **£0.010m** and the cost pressure for Technology Disaster Recovery Improvements of **£0.040m** has been moved to a priority 2.
- **£0.014m reduction in loss of market rental income** – Following the outcome of rent reviews the anticipated loss of rental in relation to Manningtree and Walton markets has been reduced.
- **£0.015m increase in loss of Development Control Income** – The property market is still being affected by the current economic situation. Following a review of the position relating to development control income it is anticipated that there will be a slightly higher loss in 2010/11 than first thought.

The full list of Priority 1 items proposed to be included for funding in the budgets are shown at **Appendix B** along with other priorities that are not proposed to be funded.

The total change from the review of the Priority 1 cost pressures has resulted in a decrease in costs of **£0.199m**.

Review of Underspends and Overspends

The estimate for 2009/10 included provisions for underspends of **£0.431m** on salaries and wages and **£0.250m** on other budget headings. Provisions for these have also been built into the forecast base budget for 2009/10 and beyond.

Both underspends and overspends have also been reviewed as part of the budget setting process and have been taken account of in the draft estimates where appropriate.

Review of Inflationary Increases

The 2009/10 estimates were based on an assumed pay award of 2.5%. The agreed pay award for 2009/10 is for 1%. This has resulted in the salary budget for 2009/10 being reduced by **£0.260m**. The impact of this lower pay award has also fed into the base position for 2010/11.

The salary estimates for 2010/11 have been prepared on the basis of a 2.0% increase in 2010/11. Previously, provision had been made to allow for the pay award being greater than that allowed within the detailed salary estimates. In light of the current economic situation and a national agenda to keep public sector pay increases low, this provision has now been removed.

This ongoing impact of the 1% pay award for 2009/10 and the removal of the provision for a higher increase has resulted in a reduction in the 2010/11 budget of **£0.407m**. In the event that the pay award was higher than 2.0% in 2010/11 then the additional funding would need to be found elsewhere within the budget, probably from within the Service Improvement Budget.

There have been minor reductions totalling **£0.005m** in other inflation allowances made in the Initial Financial Strategy making a total reduction of **£0.412m** in 2010/11.

Review of 2009/10 Budget

Following a review of the 2009/10 budget position, the Finance Portfolio Holder put forward a number of recommendations which he asked to be included in the Revised Financial Strategy. These included the following three recommendations in relation to funding previously agreed by Council on 19 February 2009 to fund Leisure capital projects:-

Use of unallocated capital receipts	£0.280m	Capital receipts not to be used for Leisure projects. Hold in unallocated capital receipts reserve pending future decisions on the use of capital receipts to fund capital projects.
Leisure Projects Reserve	£0.335m	Reserve not to be used for Leisure projects. Transfer £335,000 to a new Planning and Enforcement reserve. This new reserve to be used to fund a Planning and Enforcement budget of £235,000 and the budget for planning inquiries of £100,000 (see below). Delegation for utilisation of the Planning and Enforcement budget to reside with Assistant Chief Executive and Head of Financial Services in consultation with Finance Portfolio Holder and Planning Portfolio Holder.
Planning Inquiries	£0.100m	Following the funding of a new Planning and Enforcement budget from the Planning and Enforcement reserve (see above) transfer £100,000 to general reserve.

Following the decision of Council on 1 December 2009 to utilise this funding to undertake the redevelopment of Dovercourt Swimming Pool these recommendations are not now being put forward by the Finance Portfolio Holder. The remaining recommendations, set out in **Appendix C**, have been reflected in the 2009/10 revised budgets elsewhere on your agenda.

The overall impact of the recommendations is that a further **£0.260m** has been added to the Service Improvement Budget in 2009/10. If unspent this will provide a further 'cushion' against the anticipated deficit position in 2011/12 and beyond.

These recommendations also mean that the level of uncommitted reserves will stand at **£3.9m** which is still deemed to be an appropriate level following the review requested by Cabinet on 2 September.

Budget Review Meetings

Following the recommendation made by Cabinet on 2 September, budget review meetings have taken place with all Portfolio Holders and Heads of Services. This has resulted in the identification of efficiency savings that can be removed from the base budget as well as a few expenditure items that need to be included. The net figure is a reduction of **£0.341m**. The reviews also identified **£0.083m** which can be removed in 2009/10. The detailed changes are set out in **Appendix D**.

Corporate Management Committee

On the 2 and 5 October the Corporate Management Committee considered the Initial Financial Strategy and the detailed cost pressures. The detailed comments of the Committee following that review together with the response of the Finance Portfolio Holder are set out in **Appendix E**. Where appropriate and in accordance with the Finance Portfolio Holders comment the necessary adjustment to the financial strategy and detailed budgets have been made.

Other Budget Adjustments as a Result of the Estimate Process

A thorough review has taken place of the 2009/10 budget position which has resulted in the identification of additional savings arising from an analysis of the position of **£0.425m**. Of this figure **£0.578m** relates to a reduction in salary budgets including the impact of the 1% pay award set out above. Grant in relation to the Local Authority Business Growth Incentive scheme of **£0.061m** has been received that was not budgeted for. Conversely there are further anticipated costs in relation to interest of **£0.177m** and a reduction in Development Control and Building Control income of **£0.115m**.

The estimate process also identified some savings and additional costs arising from a detailed review of the budget position for 2010/11 amounting to a small increase of **£0.032m**.

The full list of all the changes can be seen in the Revised Financial Forecast for 2010/11 shown at **Appendix F**. A more detailed analysis of these budget changes is also set out in the report on the detailed estimates elsewhere on your agenda and which are consistent with the financial forecast for 2010/11 set out below.

Revised Financial Forecast 2010/11

When the variations set out above are taken into account this results in a Revised Forecast for 2010/11 of a surplus position of **£0.446m** as summarised in the following table:-

Revised Financial Forecast 2010/11

Item	As At 2/09/2009 £'000	Change to 16/12/2009 £'000	As At 16/12/2009 £'000
Base Budget	21,613		21,613
Changes to Council Expenditure			
Priority 1 Cost Pressures	588	(199)	389
Inflation and increments	612	(412)	200
Removal of one-off items from 2009/10	(1,094)	0	(1,094)
Changes to Grant Funded Expenditure	(446)	0	(446)
Budget Review Meetings	0	(341)	(341)
Other Budget Adjustments	(622)	(32)	(654)
Changes to Council Income			
Carry Forwards from the Base Budget	1,481	0	1,481
Grant Income removed	521	0	521
Initial Base Budget Requirement	22,653	(984)	21,669
Amount raised from Council Tax (at 2.5%)	7,813	23	7,836
Forecast Central Government Support	14,199	0	14,199
Forecast Surplus on Collection Fund	80	0	80
Forecast Position 2010/11	22,092	0	22,115
Funding Gap	561	(1,007)	(446)

The detailed movements giving rise to the current position are set out in **Appendix F**. At present this surplus has been included within the Service Improvement Budget for 2010/11.

Service Improvement Budget

The Service Improvement Budget currently provides for:

- Funding currently unforeseen expenditure in 2010/11
- Funding Member aspirations
- A balancing budget should any changes occur to the estimates prior to the Council considering the detailed budgets on 18th February 2010.

Following the adjustments identified above, the Service Improvement Budget stands at **£1.785m** in 2009/10 and **£0.446m** in 2010/11. Of these sums **£0.119m** is committed to previously agreed projects leaving **£1.666m** available in 2009/10 and **£0.446m** available in 2010/11.

The Service Improvement Budget is subject to Members' decision on how they may wish to allocate it. However the following should be taken into account:-

- The funding gap for 2011/12 is currently forecast to be up to **£2.724m** and the

outlook for public sector funding is bleak. It is anticipated that the Local Government Settlement for 2011/12 onwards will be very hard and could result in a reduction in the level of Government funding for the Council. It is also uncertain how quickly areas such as planning or investment income will recover, if they do, to previous levels. Whilst the forecast needs to be revisited in the new year, a funding gap of any where near the magnitude of **£2.0m** will result in very significant problems for the Council. It will not be manageable unless the Council takes firm action to reduce its core costs. Decisions taken as part of the 2010/11 Strategy must be clearly focused on protecting the 2011/12 financial position as far as possible. In light of this it would be prudent for members' to retain the funding available in the Service Improvement Budget to provide a buffer in 2011/12 until the position on the level of funding and other areas becomes clearer. Even so, if the Service Improvement Budget were utilised to meet any funding gap in 2011/12 this could only be done on a one-off basis. Further action would still be needed to reduce the Council's core costs.

- Members may wish to fund additional items from the Service Improvement Budget and may wish to have regard to the priority 2 cost pressures and the comments of the Corporate Management Committee and the Finance Portfolio Holder's response attached at **Appendix E**. However, members should be aware that unless additional items are included on a one-off basis or compensating reductions are made elsewhere this would increase the deficit in future years.
- Members may wish to review the amount of Council Tax to be levied in 2010/11. Members could utilise some of the Service Improvement Budget to reduce the level of Council Tax. The section below examines this in more detail and indicates the cost of reducing the Council Tax below **2.5%**. Members should be aware however that any decision to reduce the Council Tax now will have an ongoing impact on the Council's ability to raise income and will increase the forecast deficit in future years.

Council Tax Assumptions

The Initial Financial Forecast was based on an assumed increase in Council Tax of **2.5%** as is this revised forecast.

For information and comparison the 2009/10 Council Tax for a Band D property (excluding parish precepts) for all Essex Districts is shown in the following table:-

District	Annual Council Tax (£)	Weekly Council Tax (£)
Harlow	251.55	4.84
Basildon	251.19	4.83
Castle Point	222.93	4.29
Rochford	197.28	3.79
Colchester	171.00	3.29
Brentwood	169.47	3.26
Maldon	166.46	3.20
Braintree	158.85	3.05
Chelmsford	158.64	3.05
Tendring	149.88	2.88

Epping Forest	146.61	2.82
Uttlesford	143.28	2.75
Essex Average	180.42	3.47
All England Average – Districts	163.01	3.13

In determining the actual level of Council Tax, Members should have regard to the following:

Council Tax

The Initial Financial Strategy assumed that the level of Council Tax increase would be **2.5%**. The Revised Strategy has also been based on the assumption of a **2.5%** Council Tax increase updated for the latest taxbase position.

The following table shows the difference in the level of income that could be achieved at various levels of Council Tax below **2.5%**:-

Council Tax Increase	Band D Amount		Reduction in Resources Compared to 2.5% Level £
	Annual £	Weekly £	
0.0%	149.88	2.88	191,283
0.5%	150.63	2.90	153,027
1.0%	151.38	2.91	114,770
1.5%	152.13	2.93	76,513
2.0%	152.88	2.94	38,257
2.5%	153.63	2.95	0

Although the assumptions in this Strategy and in the Budget Report follow the Cabinet's Initial Financial Strategy of a **2.5%** Council Tax rise, Members may wish to consider this figure against the backcloth of the Capping criteria set out below.

Capping

The Secretary of State has two options for deciding how to deal with authorities that are considered to have set excessive budgets. He can either "designate" an authority, which means that it is capped in the current year, or "nominate" an authority, which means that he can set a notional budget to be used for comparison in the following year or designate it in the following year.

In deciding whether to designate or nominate authorities for 2009/10, the Government considered not just the level of Council Tax increase but also the increase in budget. The legislation requires the Secretary of State to determine his excessiveness principles, one of which must relate to an authority's budget requirement - which, broadly speaking is the authority's spending financed through formula grant and council tax.

The Secretary of State can also determine other principles and, as in previous years, decided to set a second principle based on council tax.

Capping Criteria Used For 2009/10

Criteria	Capping limits (All Authorities)	Tending
Budget increase	More than 4% over previous year and	3.4%
Increase in Council Tax	More than 5.0% over previous year	4.0%

For 2009/10 action was taken against two Police Authorities.

In announcing the unchanged 2010/11 Local Government Settlement for consultation on 26 November, the Local Government Minister said "... I expect to see the average council tax increase fall to a sixteen year low next year...." She added "Keeping council tax under control is a top priority for government which is why it will not hesitate to use capping powers again to protect taxpayers from excessive increase." The average Band D council tax increase in 2009/10 was 3% which was then the lowest since 1993.

FURTHER HEADINGS RELEVANT TO THE REPORT

OUTLOOK FOR 2010/11 AND BEYOND

Despite previous success as we move towards 2011/12 the financial position is likely to deteriorate.

The economic climate remains uncertain and this makes accurate forecasting much more difficult than in the past.

The Public Sector financial environment will be extremely challenging. The Council is unlikely to be able to achieve a balanced budget without a reduction in our expenditure base or a substantial increase in the level of Council Tax. Even if this latter option were politically acceptable, it is not feasible due to the capping restrictions which are unlikely to be eased and may be strengthened.

The Financial Forecast shown in **Appendix G** identifies a deficit of up to **£2.724m** for 2011/12. We are likely to face the combined thrust of substantially increased cost pressures and a worsening public sector financial position. The impact of the 2010 Triennial Pension review will first be felt in 2011/12 and it is likely that the next three year settlement for 2011/12 to 2013/14 will be much tighter and could result in a reduction in the level of government funding. Each 1% reduction in Government funding would cost this Council around £140,000. Due to the uncertainty of the level of the Government Settlement in future years, the 2011/12 forecast has been calculated on a range of assumptions from a 1% increase to a 10% decrease. Potentially, the funding gap could be far greater than **£2.724m**.

The following will also need to be considered in drawing up the detailed forecast for 2011/12 and beyond:

- A **0.5%** increase in the employee, employer and self-employed rates of National Insurance Contributions from April 2011;
- Cremator replacement including mercury abatement equipment – the reserve will

be **£0.400m** short of estimated costs;

- Free swimming grant support of **£0.130m** per annum ceases;
- A potential shortfall of up to **£0.500m** to fund Disabled Facilities and Private Sector Renewal Grants.

Even if the Council is able to manage the forecast funding gap in 2011/12 there is likely to be an ongoing shortfall of around **£1.0m** if the anticipated level of government support does not keep pace with expenditure in terms of inflation and other cost pressures.

As set out above, the Service Improvement Budget, if not allocated elsewhere, could help to meet the predicted funding gap in 2011/12. This would have the advantage of allowing time for the position to become clearer so that future forecasting could be done with better knowledge of the Government funding available. However, this could only be done on a one-off basis and further action is still required to reduce the Council's core costs.

Therefore a fundamental analysis of the Council's budgets will be carried out with the aim of reviewing where the budget is spent and assessing this against the stated priorities, targets and outcomes of the Council. This will inform the work that will need to be undertaken as we move towards 2011/12 to examine where the budget can be reduced or re-prioritised.

BACKGROUND PAPERS FOR THE DECISION

Working papers held in Accountancy

APPENDICES

Appendix A	Summary list of Priority 1 cost pressures included in the Initial Financial Forecast and Strategy along with other priorities excluded from the forecast.
Appendix B	Revised Priority 1 cost pressures proposed to be funded in the Revised Financial Forecast along with all other priorities which will not be funded.
Appendix C	2009/10 Budget – Finance Portfolio Holder Recommendations
Appendix D	Outcome of Budget Review Meetings with Portfolio Holders and Heads of Services
Appendix E	Comments from Corporate Management Committee Re: Initial Financial Forecast and Initial Financial Strategy 2010/11 and Beyond and the Finance Portfolio Holder's Response
Appendix F	Revised Forecast 2010/11
Appendix G	Forecast 2011/12 and Beyond

INITIAL FINANCIAL STRATEGY 2010/11 AND BEYOND												
REVENUE COST PRESSURES			Change compared to 2009/10					Investment Type	Service to Enter			FAP Team
Ref No.	Service	Title	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000		Impact (1 - 4)	Likelihood (A - F)	Services Risk Assessment	Strategic (1 - 5)
BenRevR01	Benefits and Revenues	Concessionary Bus Passes - Production of Passes			90					A	1A	1
CPR01	Corporate Performance	Liberata Contract - Increase in cost	30	30	30	30	30	1A	1	A	1A	1
CSR01	Community Services	Disabled Go - third year of contract	8						2	A	2A	1
EnvR07	Environmental Services	Establish Bathside Border Inspection Post					180	4	1	A	1A	1
FSR01	Financial Services	Specialist and Other Insurance Assistance for Retender	12			12		1A	1	A	1A	1
FSR02	Financial Services	Additional Pension Scheme Costs following Pension Fund Triennial Actuarial Review 2010		500	500	500	500	1A	1	A	1A	1
FSR03	Financial Services	Consultancy to Upgrade Agresso Major Releases			20			1A	2	A	2A	1
FSR05	Financial Services	Reduction in Investment Income due to Lower Interest Rates	105	75	80	80	80	1A	1	A	1A	1
LegR01	Legal Services	District Council Elections		120					1	A	1A	1
PlanR02	Planning	Reduction in Building Control Income	74	74	74	74	74		1	A	1A	1
PlanR03	Planning	Reduction in Development Control Income	50	50	50	50	50		1	A	1A	1
TPR01	Technical and Procurement	Loss of Rental Income Manningtree Market	12	12	12	12	12	1A	2	A	2A	1
TPR10	Technical and Procurement	Loss of Income Walton Market	23	23	23	23	23		1	A	1A	1
		TOTAL PRIORITY 1	314	884	879	781	949					
BenRevR02	Benefits and Revenues	Use of Bailiff for Ctax and NNDR	39	39	39	39	39		3	C	3C	2
EnvR01	Environmental Services	Bathside Pollution Control				100	100		1	A	1A	2
EnvR02	Environmental Services	Network Rail Legal Costs	50						1	A	1A	2
EnvR04	Environmental Services	Improvements to Street Cleaning			140	140	140	2	2	A	2A	2
EnvR08	Environmental Services	Household Food Waste Collection Service (part funding)		7	28	28	28	4	1	A	1A	2
EnvR09	Environmental Services	Household Waste and Recycling Collection Contract		37	220	220	220	1B	1	A	1A	2
EnvR11	Environmental Services	Dog Warden Service				5	5	1B	1	B	1B	2
HRR01	Human Resources and Customer Services	External Legal Advice	20	20	20	20	20	4	2	A	2A	2
HRR02	Human Resources and Customer Services	Increase in Training Budget	10	10	10	10	10	4	2	B	2B	2
HRR03	Human Resources and Customer Services	Job Evaluation Maintenance	200	200	200	200	200		2	C	2C	2
HRR04	Human Resources and Customer Services	Member Training	10	30	10	10	10	4	2	B	2B	2
HRR05	Human Resources and Customer Services	Repair and Maintenance Office Buildings	50	50	50	50	50	4	2	B	2B	2
HRR06	Human Resources and Customer Services	Repair and Maintenance Depots General	10	10	10	10	10	4	2	B	2B	2
HRR07	Human Resources and Customer Services	Investors in People Assessment			15			4	1	A	1A	2
HRR14	Human Resources and Customer Services	Upgrade of Toilet facilities at the Town Hall and Council Offices Weeley	45					4	2	B	2B	2
PlanR01	Planning	E-Planning ICT Investment Licence	49	49	49	49	49		1	A	1A	2
PlanR04	Planning	Listed Buildings - Conservation Area Projects and Buildings	100	50	50	50	50		2	A	2A	2
PlanR05	Planning	Investment in Planning Enforcement	32	33	33	33	33		2	A	2A	2
PlanR06	Planning	Local Development Framework	50	50	50	50	50		1	A	1A	2
PlanR07	Planning	Cost of major Planning Inquiries	50	25	20	20	20		1	A	1A	2
TPR03	Technical and Procurement	Replacement of Hand Held Computers for Civil Enforcement Officers	5	5				1A	2	A	2A	2
TPR04	Technical and Procurement	Renewal and Replacement of Street Nameplates	10	10	10	10	10		2	B	2B	2
TPR05	Technical and Procurement	Implement a Realistic Programme of Car Park Maintenance	50	50	50	50	50		2	B	2B	2
TPR07	Technical and Procurement	Dangerous Structures Officers Standby Payments	8	8	8	8	8		1	A	1A	2
TPR08	Technical and Procurement	Emergency Planning Standby Payments for First Call Officers	8	8	8	8	8		1	A	1A	2
TPR09	Technical and Procurement	Reduction in Parking Revenue at Harwich Quay	10	10	10	10	10		2	C	2C	2
		TOTAL PRIORITY 2	806	701	1,030	1,120	1,120					

CSR03	Community Services	Raise the Profile of the Council at the Tendring Show	15						3	C	3C	3
CPR02	Corporate Performance	Public Engagement on 2011 Census	10	0	0	0	0	4	1	A	1A	3
CPR03	Corporate Performance	Community-i Website Improvement	8	8	8	8	8	4	3	C	3C	3
EnvR05	Environmental Services	Public Convenience Refurbishment	250	250	250	250	250	2	3	C	3C	3
FSR04	Financial Services	Additional Costs re VAT partial exemption	200	200	200	200	200	1A	3	B	3B	3
HRR15	Human Resources and Customer Services	Resurface Apron of Weeley Workshop	25					4	2	B	2B	3
HRR16	Human Resources and Customer Services	Bird Proofing Roof of 88-90 Pier Avenue	30					4	2	B	2B	3
HRR13	Human Resources and Customer Services	Extension of Absence Management	12	12	12	12	12	4	2	B	2B	3
PlanR08	Planning	Increased resources on Urban Design Advice	30	30	30	30	30		2	A	2A	3
TPR02	Technical and Procurement	Introduction of Debit Card Facility Pay and Display at car parks	8	6	6	6		3	3	A	3A	3
TOTAL PRIORITY 3			588	506	506	506	500					

TOTAL ALL PRIORITIES

1,708 2,091 2,415 2,407 2,569

INITIAL FINANCIAL STRATEGY 2010/11 AND BEYOND												
INITIAL CAPITAL BUSINESS CASE AND APPRAISAL			Change compared to 2009/10					Investment Type	Service to Enter		Services Risk Assessment	FAP Team
Ref No.	Service	Title	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000		Impact (1 - 4)	Likelihood (A - F)		Strategic (1 - 5)
BenRevC01	Benefits and Revenues	Replacement of High Volume Printers	7	7				1B	2	B	2B	1
BenRevC02	Benefits and Revenues	Replacement of DIP Scanning Machine	42					1B	2	B	2B	1
BenRevC03	Benefits and Revenues	Replacement Folding and Inserting Machine			30			1B	2	B	2B	1
CPC01	Corporate Performance	Technology Disaster Recovery Improvements	40	40				1A	1	A	1A	1
HRC02	Human Resources and Customer Services	Replacement Boiler - Council Offices Weeley	35					4	2	B	2B	1
LeiC02	Leisure Services	Rolling Vehicle / Plan Replacement Programme					150	1A	1	A	1A	1
LeiC04	Leisure Services	Dovercourt Swimming Pool - Installation of Air Handling Units	150					2/4	2	A	2A	1
TOTAL PRIORITY 1			274	47	30	0	150					
EnvC01	Environmental Services	Empty Homes Strategy Implementation	100	100	100	100	100	4	1	A	1A	2
EnvC02	Environmental Services	Private Sector Renewal Financial Assistance	500	500	500	500	500	4	2	A	2A	2
EnvC03	Environmental Services	Mandatory Disabled Facilities Grants	300	300	300	300	300	4	2	B	2B	2
EnvC04	Environmental Services	New Public Convenience - Clacton Town Centre			350			4	2	B	2B	2
HRC04	Human Resources and Customer Services	Replacement Windows - Council Offices Weeley	45					4	2	B	2B	2
LeiC01	Leisure Services	Weeley Crematorium Provision of Additional Car Park and Lighting	200					2/4	3	A	3A	2
LeiC03	Leisure Services	Refurbishment of Brightlingsea Paddling Pool	60				150	1B	1	A	1A	2
LeiC05	Leisure Services	Clacton Leisure Centre - Replacement Roof		170				2/4	3	C	3C	2
LeiC06	Leisure Services	Childrens Play Area's Rolling Replacement Programme	40	40	40	40	40	2/4	2	D	2D	2
LeiC07	Leisure Services	Leisure Services Car Parks and Roadway Repairs Programme	30	30	30	30	30	2/4	2	C	2C	2
LeiC08	Leisure Services	Replacement of Beach Hut supports in Walton	30	30	30	30	30	2/4	1	A	1A	2
TPC01	Technical and Procurement	Rewaterproof Car Park Decks at High Street Car Park Clacton	55					1A	1	A	1A	2
TOTAL PRIORITY 2			1,360	1,170	1,350	1,000	1,150					
HRC01	Human Resources and Customer Services	Installation of CCTV at Council Offices Weeley	15					4	2	B	2B	3
HRC07	Human Resources and Customer Services	Expansion of the existing Building Management System	20					4	2	B	2B	3
TOTAL PRIORITY 3			35	0	0	0	0					
TOTAL ALL PRIORITIES			1,669	1,217	1,380	1,000	1,300					

REVISED FINANCIAL STRATEGY 2010/11 AND BEYOND														
REVENUE COST PRESSURES			Change compared to 2009/10					Investment Type	Service to Enter			FAP Team	Note	
Ref No.	Service	Title	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000		Impact (1 - 4)	Likelihood (A - F)	Services Risk Assessment	Strategic (1 - 5)		
BenRevR01	Benefits and Revenues	Concessionary Bus Passes - Production of Passes			90					A	1A	1		
CPR01	Corporate Performance	Liberata Contract - Increase in cost	20	20	20	20	20	1A	1	A	1A	1	1	
CSR01	Community Services	Disabled Go - third year of contract	8						2	A	2A	1		
EnvR07	Environmental Services	Establish Bathside Border Inspection Post					180	4	1	A	1A	1		
FSR01	Financial Services	Specialist and Other Insurance Assistance for Retender	12			12		1A	1	A	1A	1		
FSR02	Financial Services	Additional Pension Scheme Costs following Pension Fund Triennial Actuarial Review 2010		500	500	500	500	1A	1	A	1A	1		
FSR03	Financial Services	Consultancy to Upgrade Agresso Major Releases			20			1A	2	A	2A	1		
FSR05	Financial Services	Reduction in Investment Income due to Lower Interest Rates	105	75	80	80	80	1A	1	A	1A	1		
LegR01	Legal Services	District Council Elections		120					1	A	1A	1		
PlanR02	Planning	Reduction in Building Control Income	74	74	74	74	74		1	A	1A	1		
PlanR03	Planning	Reduction in Development Control Income	65	65	65	65	65		1	A	1A	1	2	
TPR01	Technical and Procurement	Loss of Rental Income Manningtree Market	5	5	5	5	5	1A	2	A	2A	1	3	
TPR10	Technical and Procurement	Loss of Income Walton Market	16	16	16	16	16		1	A	1A	1	4	
		TOTAL PRIORITY 1	305	875	870	772	940							

Note

- 1 This cost pressure has been reduced by £10,000 following the recommendations made by Cabinet on 30 September 2009 in relation to Disaster Recovery.
- 2 This cost pressure has been increased by £15,000 to reflect the anticipated latest position on development control income.
- 3 This cost pressure has been reduced by £7,000 to reflect the new rent.
- 4 This cost pressure has been reduced by £7,000 to reflect the new rent.

BenRevR02	Benefits and Revenues	Use of Bailiff for Ctax and NNDR	39	39	39	39	39		3	C	3C	2	
CSR03	Community Services	Raise the Profile of the Council at the Tendring Show	15						3	C	3C	2	5
EnvR01	Environmental Services	Bathside Pollution Control				100	100			A	1A	2	
EnvR02	Environmental Services	Network Rail Legal Costs	50						1	A	1A	2	
EnvR04	Environmental Services	Renewal of Street Cleaning Contract		35	140	140	140	2	2	A	2A	2	6
EnvR05	Environmental Services	Public Convenience Refurbishment	250	250	250	250	250	2	3	C	3C	2	7
EnvR08	Environmental Services	Household Food Waste Collection Service (part funding)		7	28	28	28	4	1	A	1A	2	
EnvR09	Environmental Services	Household Waste and Recycling Collection Contract		37	220	220	220	1B	1	A	1A	2	
EnvR11	Environmental Services	Dog Warden Service				5	5	1B	1	B	1B	2	
HRR01	Human Resources and Customer Services	External Legal Advice	20	20	20	20	20	4	2	A	2A	2	
HRR02	Human Resources and Customer Services	Increase in Training Budget	10	10	10	10	10	4	2	B	2B	2	
HRR03	Human Resources and Customer Services	Job Evaluation Maintenance	200	200	200	200	200		2	C	2C	2	
HRR04	Human Resources and Customer Services	Member Training	10	30	10	10	10	4	2	B	2B	2	
HRR05	Human Resources and Customer Services	Repair and Maintenance Office Buildings	50	50	50	50	50	4	2	B	2B	2	
HRR06	Human Resources and Customer Services	Repair and Maintenance Depots General	10	10	10	10	10	4	2	B	2B	2	
HRR07	Human Resources and Customer Services	Investors in People Assessment			15			4	1	A	1A	2	
HRR14	Human Resources and Customer Services	Upgrade of Toilet facilities at the Town Hall and Council Offices Weeley	45					4	2	B	2B	2	
PlanR01	Planning	E-Planning ICT Investment Licence	49	49	49	49	49		1	A	1A	2	
PlanR04	Planning	Listed Buildings - Conservation Area Projects and Buildings	100	50	50	50	50		2	A	2A	2	
PlanR05	Planning	Investment in Planning Enforcement	32	33	33	33	33		2	A	2A	2	
PlanR06	Planning	Local Development Framework	50	50	50	50	50		1	A	1A	2	
PlanR07	Planning	Cost of major Planning Inquiries	50	25	20	20	20		1	A	1A	2	
TPR03	Technical and Procurement	Replacement of Hand Held Computers for Civil Enforcement Officers	5	5				1A	2	A	2A	2	

TPR04	Technical and Procurement	Renewal and Replacement of Street Nameplates	10	10	10	10	10		2	B	2B	2	
TPR05	Technical and Procurement	Implement a Realistic Programme of Car Park Maintenance	50	50	50	50	50		2	B	2B	2	
TPR07	Technical and Procurement	Dangerous Structures Officers Standby Payments	8	8	8	8	8		1	A	1A	2	
TPR08	Technical and Procurement	Emergency Planning Standby Payments for First Call Officers	8	8	8	8	8		1	A	1A	2	
TPR09	Technical and Procurement	Reduction in Parking Revenue at Harwich Quay	10	10	10	10	10		2	C	2C	2	
		TOTAL PRIORITY 2	1,071	986	1,280	1,370	1,370						

Note

5 This cost pressure has been moved from a priority 3 in accordance with the comments of Corporate Management Committee

6 The title of this cost pressure and the amount arising in 2011/12 have been updated.

7 This cost pressure has been moved from a priority 3 in accordance with the comments of Corporate Management Committee

CSR03	Community Services	Raise the Profile of the Council at the Tendring Show	0						3	C	3C	3	8
CPR02	Corporate Performance	Public Engagement on 2011 Census	10	0	0	0	0	4	1	A	1A	3	
CPR03	Corporate Performance	Community-i Website Improvement	8	8	8	8	8	4	3	C	3C	3	
EnvR05	Environmental Services	Public Convenience Refurbishment	0	0	0	0	0	2	3	C	3C	3	9
FSR04	Financial Services	Additional Costs re VAT partial exemption	200	200	200	200	200	1A	3	B	3B	3	
HRR15	Human Resources and Customer Services	Resurface Apron of Weeley Workshop	25					4	2	B	2B	3	
HRR16	Human Resources and Customer Services	Bird Proofing Roof of 88-90 Pier Avenue	30					4	2	B	2B	3	
HRR13	Human Resources and Customer Services	Extension of Absence Management	12	12	12	12	12	4	2	B	2B	3	
PlanR08	Planning	Increased resources on Urban Design Advice	30	30	30	30	30		2	A	2A	3	
TPR02	Technical and Procurement	Introduction of Debit Card Facility Pay and Display at car parks	8	6	6	6		3	3	A	3A	3	
		TOTAL PRIORITY 3	323	256	256	256	250						

Note

8 This cost pressure has been moved to a priority 2 in accordance with the comments of Corporate Management Committee

9 This cost pressure has been moved to a priority 2 in accordance with the comments of Corporate Management Committee

TOTAL ALL PRIORITIES

1,699	2,117	2,406	2,398	2,560
--------------	--------------	--------------	--------------	--------------

REVISED FINANCIAL STRATEGY 2010/11 AND BEYOND													
INITIAL CAPITAL BUSINESS CASE AND APPRAISAL													
Ref No.	Service	Title	Change compared to 2009/10					Investment Type	Service to Enter		Services Risk Assessment	FAP Team	
			2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000		Impact (1 - 4)	Likelihood (A - F)		Strategic (1 - 5)	
BenRevC01	Benefits and Revenues	Replacement of High Volume Printers	7	7				1B	2	B	2B	1	
BenRevC02	Benefits and Revenues	Replacement of DIP Scanning Machine	42					1B	2	B	2B	1	
BenRevC03	Benefits and Revenues	Replacement Folding and Inserting Machine			30			1B	2	B	2B	1	
CPC01	Corporate Performance	Technology Disaster Recovery Improvements	0	0				1A	1	A	1A	1	10
HRC02	Human Resources and Customer Services	Replacement Boiler - Council Offices Weeley	35					4	2	B	2B	1	
LeiC02	Leisure Services	Rolling Vehicle / Plan Replacement Programme					150	1A	1	A	1A	1	
LeiC04	Leisure Services	Dovercourt Swimming Pool - Installation of Air Handling Units	0					2/4	2	A	2A	1	11
TOTAL PRIORITY 1			84	7	30	0	150						

Note

10 This cost pressure has been moved to a priority 2 following the recommendations made by Cabinet on 30 September 2009 in relation to Disaster Recovery.

11 This cost pressure has been removed following the decision of Council on 1 December 2009 to undertake a wider refurbishment of Dovercourt Swimming Pool including these works.

CPC01	Corporate Performance	Technology Disaster Recovery Improvements	40	40				1A	1	A	1A	2	12
EnvC01	Environmental Services	Empty Homes Strategy Implementation	100	100	100	100	100	4	1	A	1A	2	
EnvC02	Environmental Services	Private Sector Renewal Financial Assistance	500	500	500	500	500	4	2	A	2A	2	
EnvC03	Environmental Services	Mandatory Disabled Facilities Grants	300	300	300	300	300	4	2	B	2B	2	
EnvC04	Environmental Services	New Public Convenience - Clacton Town Centre			350			4	2	B	2B	2	
HRC04	Human Resources and Customer Services	Replacement Windows - Council Offices Weeley	45					4	2	B	2B	2	
LeiC01	Leisure Services	Weeley Crematorium Provision of Additional Car Park and Lighting	200					2/4	3	A	3A	2	
LeiC03	Leisure Services	Refurbishment of Brightlingsea Paddling Pool	60				150	1B	1	A	1A	2	
LeiC05	Leisure Services	Clacton Leisure Centre - Replacement Roof		170				2/4	3	C	3C	2	
LeiC06	Leisure Services	Childrens Play Area's Rolling Replacement Programme	40	40	40	40	40	2/4	2	D	2D	2	
LeiC07	Leisure Services	Leisure Services Car Parks and Roadway Repairs Programme	30	30	30	30	30	2/4	2	C	2C	2	
LeiC08	Leisure Services	Replacement of Beach Hut supports in Walton	30	30	30	30	30	2/4	1	A	1A	2	
TPC01	Technical and Procurement	Rewaterproof Car Park Decks at High Street Car Park Clacton	55					1A	1	A	1A	2	
TOTAL PRIORITY 2			1,400	1,210	1,350	1,000	1,150						

Note

12 This cost pressure has been moved from a priority 1 following the recommendations made by Cabinet on 30 September 2009 in relation to Disaster Recovery.

HRC01	Human Resources and Customer Services	Installation of CCTV at Council Offices Weeley	15					4	2	B	2B	3	
HRC07	Human Resources and Customer Services	Expansion of the existing Building Management System	20					4	2	B	2B	3	
TOTAL PRIORITY 3			35	0	0	0	0						
TOTAL ALL PRIORITIES			1,519	1,217	1,380	1,000	1,300						

2009/10 BUDGET - FINANCE PORTFOLIO HOLDER'S RECOMMENDATIONS**Leisure Capital Projects**

Funding agreed by Council:	£m	Comments	Finance Portfolio Holder's Recommendations
Borrowing	Up to 1.250	Borrowing is subject to business case	Borrowing not to be undertaken.

Other Potential Funding	£m	Comments	Finance Portfolio Holder Recommendations
Contribution from Harwich School	0.200	Contribution offered towards refurbishment of Harwich Sports Centre.	Contribution not to be accepted.

Cabinet Items included in the 2009/10 Budget

Item	£000	Comment	Finance Portfolio Holder's Recommendations
Member Learning	20		Reduce to £10,000 with this funding to be concentrated on learning for Chairs and Vice Chairs but open to all Members in accordance with Council decision on 27 th May 2009. Transfer remaining £10,000 to Service Improvement Budget.
Tendring Matters	15		£15,000 to be transferred from Tendring Matters to a budget to enable the potential for joint publications with ECC/Essex Works. Head of Human Resources to determine spend in consultation with Corporate Governance and Resources Portfolio Holder.
Grants to Theatres	10		Budget to be removed. Transfer £10,000 to the Service Improvement Budget.
2 Hour Parking	40		Reduce to £10,000 for the Head of Technical and Procurement to implement the scheme in consultation with the Technical and Finance Portfolio Holders. Remaining £30,000 to be transferred to the Service Improvement Budget.
Car Park Maintenance	50		Reduce to £20,000 for the Head of Technical and Procurement to undertake works at car parks. Remaining £30,000 to be transferred to the Service Improvement Budget.
Gateway Signage	10		Hold expenditure. Head of Technical and Procurement to

2009/10 BUDGET - FINANCE PORTFOLIO HOLDER'S RECOMMENDATIONS

			determine way forward in consultation with Finance and Technical Portfolio Holders on opportunities for a joint approach on gateway signage with Essex County Council.
Private Roads	20		Budget to be removed. £20,000 to be transferred to the Service Improvement Budget.
Project Tending	100	£20,000 vired for Leisure Trust (see below)	Budget to be removed. £100,000 to be transferred to the Service Improvement Budget.
Website	15		Funding to be utilised to introduce a mapping function for the website which allows access to information on and searches of community events.
Corporate Promotion	35		Budget to be removed. Transfer £21,000 back to general reserves and £14,000 to Special Activities / In-Bloom funding.
Joint Planning Document	40	£20,000 vired to fund Design Briefs	Budget to be removed. £20,000 to be transferred to the Service Improvement Budget.

Other Items

Special Activities / In-Bloom	39		New budget to be funded by £14,000 from the Corporate Promotion budget and £25,000 from the Service Improvement Budget (Lost Town Sculpture). Any future spend to be agreed by Head of Leisure Services in consultation with the Leisure and Finance Portfolio Holders.
Leisure Trust	20	Consultancy Provision	Not to proceed. Transfer £20,000 to the Service Improvement Budget.

Service Improvement Budget

Item	£000	Comments	Finance Portfolio Holder's Recommendations
Impact of Local Government and Involvement in Public Health Act	30		Hold as uncommitted in the Service Improvement Budget.
Audit Investigation	20	Awaiting final outcome of issues	Report already requested to come back to the Audit Committee in due course.
Graffiti removal	10		Hold expenditure. Acting Head of Environmental Services

2009/10 BUDGET - FINANCE PORTFOLIO HOLDER'S RECOMMENDATIONS

			to investigate possible use to demolish relevant toilet blocks together with £10,000 which is already available in the budget for that item and prepare a briefing note. Any future spend to be agreed by Acting Head of Environmental Services in consultation with the Environment and Finance Portfolio Holders.
Walton Forum – Lost Town Sculpture	25		Not to be paid. Transfer £25,000 to Special Activities / In-Bloom budget.
Conference / Voting System	65		Awaiting further report in accordance with decision of Cabinet on 10 th June.
Total SIB available in 2009/10	238	Needed for members schemes, emergency and contingency items	To be amended by any additions set out above.

Priority 1s included in the 2009/10 budget

Item	£000	Comment	Finance Portfolio Holder's Recommendations
Youth Homelessness	80	Currently included on an ongoing basis	A post has now been appointed to. £45,000 non salary expenditure to be transferred to Service Improvement Budget as the work can be accommodated within existing budgets following legislative changes.

Public Conveniences

Budgetary provision for public conveniences is as follows:

Scheme	£000	Finance Portfolio Holder's Recommendations
Public Conveniences – refurbishment and repairs	40	Hold £40,000 for repairs and £50,000 for Elm Grove Car Park public convenience. Lowest tenders were accepted for the West End and Dovercourt public conveniences in accordance with the decision of Cabinet on 10 th June and work has proceeded accordingly.
Dovercourt public conveniences	350	
West End, Dovercourt	60	
Elm Grove Car Park	50	
	500	

OUTCOME OF BUDGET REVIEW MEETINGS WITH PROTFOLIO HOLDERS AND HEADS OF SERVICE

Service	Item	2009/10 £	2010/11 £
<u>Reductions in Budget</u>			
Benefits and Revenues	Cashiers Overtime	0	10,000
	Revenues and Benefits Overtime	0	5,550
	Agency Staff	0	2,620
	Training Courses	0	5,000
	Training Subsistence	0	60
	Training Travelling	0	1,000
	Car Allowances	0	5,000
	Parking Fees	0	100
	Car Hire	0	500
	TV Licence	0	120
	Telephone Charges	0	10
	NNDR Government Grant	0	4,006
	Concessionary Bus Passes Stationery	0	2,000
	Concessionary Bus Passes Postage	0	500
		0	36,466
Community Services	Training Courses	0	610
	Printing and Stationery	0	2,000
	Photocopy Hire	0	1,270
	Advertising	0	240
	Miscellaneous	0	660
	CCTV Maintenance Costs	0	10,000
	CCTV Fixed Communication Lines	0	3,000
		0	17,780
Corporate Performance	Asset Management -Consultancy fees	0	410
	Community Asset Rent Offsetting Scheme	0	4,000
	Salaries Overtime	0	620
	Training Courses	0	2,620
	Public Transport	0	400
	Car Allowances	0	600
	Printing and Stationery	0	2,000
	Books and Periodicals	0	50

OUTCOME OF BUDGET REVIEW MEETINGS WITH PROTFOLIO HOLDERS AND HEADS OF SERVICE

Service	Item	2009/10	2010/11
		£	£
	Mobile Telephone Costs	0	150
	Hospitality	0	750
	Computer Application Software	3,000	3,000
	ICT Service Agreements	28,000	0
	Additional ICT Services	0	8,000
		31,000	22,600
Technical and Procurement	Town Centre Enhancements	0	6,000
	Car Allowances	0	6,000
	Books and Periodicals	0	1,000
	Payments to Contractors	0	1,390
	Engineers and Architects	0	7,000
	Telephone Charges	0	500
	Telephones - officers rentals reimbursed	0	510
	Sewerage Services - First Time Rural Scheme	0	6,000
	Central Purchasing - Application Software	0	8,000
	Central Purchasing - Subscriptions paid	0	15,000
	Emergency Planning - Payment to Contractors	0	3,000
	Additional Car Park Income - Off Street	85,000	85,000
		85,000	139,400
Leisure	Decorative Lights - Repairs	0	7,190
	Decorative Lights - Electric	0	2,970
	Clacton TIC - Seasonal Staff	0	2,000
	Car Allowances	0	2,000
	Skate Park - Grounds Maintenance	0	13,460
		0	27,620
Regeneration	Jaywick Enterprise Centre - Repairs	0	500
	Jaywick Enterprise Centre - Vandalism	0	1,000
	Mill Lane - Maintenance	0	2,400
	Mill Lane - NNDR	0	1,620
	Mill Lane - Bulk Bins	0	1,030

OUTCOME OF BUDGET REVIEW MEETINGS WITH PROTFOLIO HOLDERS AND HEADS OF SERVICE

Service	Item	2009/10	2010/11
		£	£
	Economic Promotion - Subscriptions	0	7,630
	Rural Regeneration - Grants	0	3,000
		0	17,180
Human Resources and Customer Services	Office Accommodation - Floral Displays	0	1,600
	Coastlines - Printing and Stationery	0	1,810
		0	3,410
Planning	Reduced Postage Costs	6,000	6,000
	Reduced Stationery costs	2,000	2,000
	Dovercourt THI	0	20,320
		8,000	28,320
Legal Services	Members Printing	0	10,000
	Members Postage	0	5,000
	Committee Services - Miscellaneous Expenses	0	440
	Print Unit - Photocopier Hire	0	5,000
	Print Unit - External Print Costs	0	5,000
	Print Unit - Equipment and Tools	0	500
		0	25,940
Financial Services	Insurance Loss Control Allowance	25,000	25,000
		25,000	25,000
Environmental Services	Public Health - Equipment and Tools	0	2,000
	Defective Drains - Investigations	0	1,000
	Contaminated Land Clean Ups	0	40,000
	Slum Clearance - Grants	0	2,000
	Home Energy Conservation Act - Miscellaneous	0	550
		0	45,550
Housing	Lease Car Allowance	0	2,000
	Telephone Rentals Reimbursement	0	1,000

OUTCOME OF BUDGET REVIEW MEETINGS WITH PROTFOLIO HOLDERS AND HEADS OF SERVICE

Service	Item	2009/10	2010/11
		£	£
	Miscellaneous Computer Costs	0	350
	Homelessness - Youth Lodgings	0	52,900
		0	56,250
Revenue Funded Capital Projects	Members ICT Project	4,000	0
	Email Archiving	14,000	0
		18,000	0
TOTAL REDUCTIONS TO BUDGET		167,000	445,516
<u>Additions to Budget</u>		2009/10	2010/11
Service	Item	£	£
Planning	Implementation of Haslam Report Recommendations	0	10,000
	IT Costs - Licences	49,000	8,000
		49,000	18,000
Technical and Procurement	Reduction in Car Park Income - PCN Off Street	10,000	10,000
	Reduction in Car Park Income - PCN On Street	25,000	25,000
	Reduction in Car Park Income - Parking Schemes	0	50,000
		35,000	85,000
Environmental Services	Training	0	1,000
		0	1,000
TOTAL ADDITIONS TO BUDGET		84,000	104,000
TOTAL NET REDUCTION IN BUDGETS		83,000	341,516

COMMENTS FROM CORPORATE MANAGEMENT COMMITTEE RE: INITIAL FINANCIAL FORECAST AND INITIAL FINANCIAL STRATEGY 2010/11 AND BEYOND

Service	Cost pressure reference	Cost pressure title	Corporate Management Committee comment	Impact 2010-11 £,000	Impact 2011-12 to 2014/15 £,000	Response of the Finance Portfolio Holder
GENERAL COMMENTS IN RESPONSE TO THE INITIAL FINANCIAL STRATEGY						
						<p>A contribution of £100,000 has been made to the Jaywick Strategic Leadership Group (JSLG) which, alongside funding from ECC, will enable the community team working in Jaywick to be engaged until March 2013. In addition a provision of £50,000 to fund capital works in Jaywick is also available but has not yet been committed. The provision of further funding will be considered as required in consultation with the other partners on the JSLG.</p>
			That the Committee is concerned at the apparent lack of ongoing revenue support for Jaywick Strategic Leadership Initiatives			

COMMENTS FROM CORPORATE MANAGEMENT COMMITTEE RE: INITIAL FINANCIAL FORECAST AND INITIAL FINANCIAL STRATEGY 2010/11 AND BEYOND

<p>That the Committee is concerned that the apparent lack of succession planning is having an impact on the Financial Strategy. Whilst staff vacancies within the Council provide financial savings they do put pressure on the quality and quantity of service provided to the community and on colleagues who have to cover the vacancies.</p>	<p>On 26 March 2009 Cabinet agreed an action plan to help the authority secure medium term financial stability. One of the actions in the first phase of the action plan was to undertake a review of the Senior and Middle Management Structure. Following on from this, on 24 November 2009, Human Resources Committee agreed a first stage senior management re-organisation for consideration by Council.</p> <p>In addition succession planning continues to be recognised within the Council's Strategic Risk Register. Issues arising and updates against this risk are subject to regular reports to the Audit Committee.</p>
<p>That the schedule of risks used to set the level of uncommitted reserves needs to be real and bona fide.</p>	<p>The risk based approach adopted is reviewed and updated each year as part of the Financial Strategy process and also reflects items identified within the Strategic Risk Register</p>

COMMENTS FROM CORPORATE MANAGEMENT COMMITTEE RE: INITIAL FINANCIAL FORECAST AND INITIAL FINANCIAL STRATEGY 2010/11 AND BEYOND

Service	Cost pressure reference	Cost pressure title	Corporate Management Committee comment	Impact 2010-11 £,000	Impact 2011-12 to 2014/15 £,000	Response of the Finance Portfolio Holder
REVENUE PROPOSALS IN RESPONSE TO THE FINANCIAL STRATEGY WITH NO DIRECT FINANCIAL IMPLICATION						
Community	CSR3	Tending Show	This cost pressure should be upgraded to a Priority 2.	-	-	Agreed. This item is included in the Revised Financial Strategy as a priority 2.
Finance	FSR2	Additional Pension Scheme Costs following Pension Fund Triennial Actuarial Review 2010	Cabinet should talk to Essex County Council with a view to ending the final salary pension scheme for new entrants.	-	-	It should be noted that the Local Government Pension scheme is a statutory national scheme and therefore not determined locally. However the point made is noted for consideration as and when an opportunity arises in the future to put forward local views on the current scheme arrangements.

COMMENTS FROM CORPORATE MANAGEMENT COMMITTEE RE: INITIAL FINANCIAL FORECAST AND INITIAL FINANCIAL STRATEGY 2010/11 AND BEYOND

Service	Cost pressure reference	Cost pressure title	Corporate Management Committee comment	Impact 2010-11 £,000	Impact 2011-12 to 2014/15 £,000	Response of the Finance Portfolio Holder
Environmental	ENVR4	Improvements to Street Cleansing	The Committee were advised that the correct description of the Cost Pressure was "Renewal of Street Cleaning Contract" and that there was a Cost Pressure of £35,000 in 2011/12.	-	-	The title and 2011/12 amount for this cost pressure have been amended in the Revised Financial Strategy.
	ENVR5	Public Convenience Refurbishment	This cost pressure should be upgraded to a Priority 2 and that Officers should also look at having attended toilets where appropriate in order to assist in cleaning and maintenance and act as a deterrent to vandalism.	-	-	Agreed. This item is included in the Revised Financial Strategy as a priority 2. The Acting Head of Environmental Services has been requested to look at this issue as part of the consideration of a strategic approach to the provision of public conveniences across the district.

COMMENTS FROM CORPORATE MANAGEMENT COMMITTEE RE: INITIAL FINANCIAL FORECAST AND INITIAL FINANCIAL STRATEGY 2010/11 AND BEYOND

Service	Cost pressure reference	Cost pressure title	Corporate Management Committee comment	Impact 2010-11 £,000	Impact 2011-12 to 2014/15 £,000	Response of the Finance Portfolio Holder
Human Resources	HRR15	Resurface Apron at Weeley Workshop	This cost pressure should be left as a Priority 3 but should form part of an overall strategy for the redevelopment of Weeley Workshop.	-	-	Noted and the Head of Human Resources and Customer Services has been requested to review the possibility of undertaking a strategic approach to the redevelopment of Weeley Workshop
Planning	PLANR5	Planning Enforcement	This cost pressure should be kept as a Priority 2 but that an agreed business case should be put forward and that also issues such as recruiting to the unfilled Principal Solicitor post an Officer with planning knowledge and also the issue of possible secondments from Development Control section should be looked at.	-	-	Noted and the relevant services have been requested to consider the points raised during the recruitment process along with the feasibility of secondments from Development Control.
Technical and Procurement	TPR1	Loss of Rental Income at Manningtree Market	The Committee would support a write-off of reasonable arrears if these had arisen due to the assessment of the market rent for the site having been over-valued.	-	-	It is agreed that reasonable arrears of debt should be written-off in line with the revised rental amount now agreed. This will be done in accordance with Financial Procedure Rules.

COMMENTS FROM CORPORATE MANAGEMENT COMMITTEE RE: INITIAL FINANCIAL FORECAST AND INITIAL FINANCIAL STRATEGY 2010/11 AND BEYOND

Service	Cost pressure reference	Cost pressure title	Corporate Management Committee comment	Impact 2010-11 £,000	Impact 2011-12 to 2014/15 £,000	Response of the Finance Portfolio Holder
Benefits & Revenues	BR1	Concessionary Bus Passes	The amount required for issuing bus passes every five years should be spread over the five years by making an annual charge which would be held in reserves in order to avoid a large cost pressure from arising every fifth year.	20	-20	The Government are currently consulting on making concessionary fare administration the remit of upper tier authorities. Once the outcome of this consultation is known the arrangements for future funding can be considered and the point made here will be taken into consideration.
Corporate Performance	CPR1	Liberata Contract	The Committee were advised that this cost pressure should now be reduced to £20,000 per annum	-10	-40	This cost pressure has been amended in the Revised Financial Strategy.
	CPR3	Community-i Website Improvement	This cost pressure should be upgraded to a Priority 1 in order to benefit residents, visitors and community groups but that an evaluation of the ongoing costs should be conducted as the Committee do not believe that it will be necessary to continue to spend £8,000 on an ongoing basis.	8	32	Not recommended for funding. However, the Head of Corporate Performance has been requested to draw up a Website Improvement Plan which can include consideration of this issue.

COMMENTS FROM CORPORATE MANAGEMENT COMMITTEE RE: INITIAL FINANCIAL FORECAST AND INITIAL FINANCIAL STRATEGY 2010/11 AND BEYOND

Service	Cost pressure reference	Cost pressure title	Corporate Management Committee comment	Impact 2010-11 £,000	Impact 2011-12 to 2014/15 £,000	Response of the Finance Portfolio Holder
Environmental	ENVR8	Household Food Waste Collection Service (part funding)	This cost pressure should be upgraded to a Priority 1.	-	91	There is no certainty around the requirement to meet this level of funding at the current time. The additional costs remain subject to a tender process and the level of funding available from ECC. Options remain within the Inter Authority Agreement to review the level of service provided against the level of funding available following the tender process.
Human Resources	HRR2	Increase in Training Budget	This should be upgraded to a Priority 1 in order to aid succession planning within the Council.	10	40	Not recommended for funding.
	HRR4	Member Training	This should be upgraded to a Priority 1 as Member Training will be particularly important in 2011/12 following the next District Council elections.	10	60	Not recommended for funding.

COMMENTS FROM CORPORATE MANAGEMENT COMMITTEE RE: INITIAL FINANCIAL FORECAST AND INITIAL FINANCIAL STRATEGY 2010/11 AND BEYOND

Service	Cost pressure reference	Cost pressure title	Corporate Management Committee comment	Impact 2010-11 £,000	Impact 2011-12 to 2014/15 £,000	Response of the Finance Portfolio Holder
	HRR6	Repair and Maintenance Depots General	This cost pressure should be upgraded to a Priority 1 with the priority for the spending of the monies to be Northbourne Depot.	10	40	Not recommended for funding.
Legal	LEGR1	District Council Elections	The amount required for running the four-yearly Council elections should be spread over the four years by making an annual charge which would be held in reserves, ring-fenced into the base budget on a pro-rata basis in order to avoid a large financial impact cost pressure from arising every fourth year. The Cabinet is also requested to ask the Returning Officer whether this amount includes a provision to hold the election count at more than one venue in the District i.e. at Clacton and at Harwich.	30	-30	It is recommended that this arrangement is implemented following the 2011 district council elections to make budgetary provision for the 2015 elections The amount requested of £120,000 provides for holding the elections at one venue within the district.

COMMENTS FROM CORPORATE MANAGEMENT COMMITTEE RE: INITIAL FINANCIAL FORECAST AND INITIAL FINANCIAL STRATEGY 2010/11 AND BEYOND

Service	Cost pressure reference	Cost pressure title	Corporate Management Committee comment	Impact 2010-11 £,000	Impact 2011-12 to 2014/15 £,000	Response of the Finance Portfolio Holder
Leisure	LEIC5	Clacton Leisure Centre Replacement Roof	A contribution of £50,000 a year should be transferred to reserves to meet the cost of a replacement roof.	50	150	This is currently a priority 2 capital cost pressure and has therefore not been agreed for funding.
	NEW	District-Wide: £5/Free Parking Option for Tendring Resident Beach Hut Owners	That the £5/Free Parking option District-wide for Tendring Resident Beach Hut owners approved as part of the 2009/10 budget but removed from the 2010/11 forecast should be reinstated.	6	24	Not recommended for funding.
Planning	PLANR4	Listed Buildings – Conservation Areas Projects & Buildings	This cost pressure should be upgraded to a Priority 1, subject to an agreed business case being put forward that will ensure that the money is practically spent on the buildings themselves and also to provide possible Officer support for the Policy and Conservation Manager.	100	200	Not recommended for funding. However, the Assistant Chief Executive has been asked to look at options for support to the Policy and Conservation Manager.

COMMENTS FROM CORPORATE MANAGEMENT COMMITTEE RE: INITIAL FINANCIAL FORECAST AND INITIAL FINANCIAL STRATEGY 2010/11 AND BEYOND

Service	Cost pressure reference	Cost pressure title	Corporate Management Committee comment	Impact 2010-11 £,000	Impact 2011-12 to 2014/15 £,000	Response of the Finance Portfolio Holder
Technical and Procurement	TPR4	Street Nameplates	This cost pressure should be upgraded to a Priority 1 in order to enable signs to be placed on both sides of those streets where they can be approached from both directions.	10	40	Not recommended for funding.
	TPR5	Implement a realistic programme of car park repairs	This cost pressure should be upgraded to a Priority 1 but that Officers should ensure that the money is spread across car parks across the whole of the District.	50	200	Not recommended for funding.

COMMENTS FROM CORPORATE MANAGEMENT COMMITTEE RE: INITIAL FINANCIAL FORECAST AND INITIAL FINANCIAL STRATEGY 2010/11 AND BEYOND

Service	Cost pressure reference	Cost pressure title	Corporate Management Committee comment	Impact 2010-11 £,000	Impact 2011-12 to 2014/15 £,000	Response of the Finance Portfolio Holder
	TPR7	Dangerous Structures standby payments	This cost pressure should be upgraded to a Priority 1 as there should be equity with Officers that receive payment for standby and that this issue be drawn to the Head of Paid Service's attention for him to look at under the Job Evaluation Scheme and also in respect of individual employment contracts these should reflect the need for standby arrangements for which an appropriate remuneration would be paid.	8	32	<p>Not recommended for funding.</p> <p>Where staff are required to attend out of hours this is recognised in their individual contracts and the Head of Service has discretion to give time of in lieu. There is also a need to adhere to the Working Time Directive. The Job Evaluation Scheme does not directly recognise where staff are called out of hours but there are provisions to recognise the additional responsibility this brings. If payments for standby were to be considered this would need to be done on a corporate basis as there are other services apart from Technical and Procurement where this currently relies on the goodwill of staff.</p> <p>The Head of Human Resources and Customer Services has been asked to further investigate this matter and provide a briefing paper.</p>

COMMENTS FROM CORPORATE MANAGEMENT COMMITTEE RE: INITIAL FINANCIAL FORECAST AND INITIAL FINANCIAL STRATEGY 2010/11 AND BEYOND

Service	Cost pressure reference	Cost pressure title	Corporate Management Committee comment	Impact 2010-11 £,000	Impact 2011-12 to 2014/15 £,000	Response of the Finance Portfolio Holder
	TPR8	Emergency Planning standby payments for first call officers	This cost pressure should be upgraded to a Priority 1 as there should be equity with Officers that receive payment for standby in other services and that this issue be drawn to the Head of Paid Service's attention for him to look at under the Job Evaluation Scheme and also in respect of individual employment contracts these should reflect the need for standby arrangements for which an appropriate remuneration would be paid.	8	32	<p>Not recommended for funding.</p> <p>Where staff are required to attend out of hours this is recognised in their individual contracts and the Head of Service has discretion to give time of in lieu. There is also a need to adhere to the Working Time Directive. The Job Evaluation Scheme does not directly recognise where staff are called out of hours but there are provisions to recognise the additional responsibility this brings. If payments for standby were to be considered this would need to be done on a corporate basis as there are other services apart from Technical and Procurement where this currently relies on the goodwill of staff.</p> <p>The Head of Human Resources and Customer Services has been asked to further investigate this matter and provide a briefing paper.</p>

COMMENTS FROM CORPORATE MANAGEMENT COMMITTEE RE: INITIAL FINANCIAL FORECAST AND INITIAL FINANCIAL STRATEGY 2010/11 AND BEYOND

Service	Cost pressure reference	Cost pressure title	Corporate Management Committee comment	Impact 2010-11 £,000	Impact 2011-12 to 2014/15 £,000	Response of the Finance Portfolio Holder
	TPR10	Loss of Income Walton Market	The Committee notes that this cost pressure can now be reduced to £15,700.	-7.3	-29.2	This cost pressure has been amended within the Revised Financial Strategy.
	NEW	Seafront Railings	That the £50,000 for Seafront Safety Barriers which was a Priority 1 cost pressure funded in 2009/10 and removed from the 2010/11 forecast should be reinstated.	50	-	Not recommended for funding.
TOTAL OF PROPOSED REVENUE PRIORITY 1 CHANGES				352.7	821.8	

COMMENTS FROM CORPORATE MANAGEMENT COMMITTEE RE: INITIAL FINANCIAL FORECAST AND INITIAL FINANCIAL STRATEGY 2010/11 AND BEYOND

Service	Cost pressure reference	Cost pressure title	Corporate Management Committee comment	Impact 2010-11 £,000	Impact 2011-12 to 2014/15 £,000	
Environment	ENVC4	New Public Convenience Clacton Town Centre	The Council should look now at other options such as small easy build "ready made" toilets and that this project should be brought forward in the timescale.	-	-	This item is currently a priority 2 and is therefore not agreed for funding. The Acting Head of Environmental Services has been requested to look at this issue as part of the consideration of a strategic approach to the provision of public conveniences across the district.
Leisure	LEIC4	Dovercourt Swimming Pool – Installation of Air Handling Units	Cabinet is requested to re-assess the other issues that need addressing at Dovercourt Swimming Pool such as the roof and changing facilities.	-	-	On 1 December 2009 Council agreed to undertake a wider refurbishment of Dovercourt Swimming Pool.
	LEIC8	Replacement of Beach Hut Supports in Walton	This cost pressure should be removed and dealt with in the same manner as The Walings at Frinton until such time as the Council knows what contribution will be made to this scheme by the Beach Hut owners at The Leas, Walton.	-	-	Options to address the issue around the beach hut supports remain open for consideration with the current cost pressure ensuring that a base position is recognised within the medium term financial plan.

COMMENTS FROM CORPORATE MANAGEMENT COMMITTEE RE: INITIAL FINANCIAL FORECAST AND INITIAL FINANCIAL STRATEGY 2010/11 AND BEYOND

Service	Cost pressure reference	Cost pressure title	Corporate Management Committee comment	Impact 2010-11 £,000	Impact 2011-12 to 2014/15 £,000	
Corporate Performance	CPC1	Technology Disaster Recovery Improvements	The Committee were advised that Cabinet had recently determined that this cost pressure should be moved to a Priority 2. The Committee however agreed that this cost pressure should stay at Priority 1 but that expenditure on this scheme should be closely monitored in order to get value for money and Officers should also look at cross working on this issue with other Local Authorities and also to make savings in other disaster recovery areas.	40	40	<p>This cost pressure has been re-designated as a priority 2 in the Revised Financial Strategy in accordance with Cabinet's decision on 30 September.</p> <p>The Head of Corporate Performance will continue to seek to get the best value for money in delivering Disaster Recovery arrangements.</p>
Environment	ENVC1	Empty Homes Strategy Implementation	This cost pressure should be upgraded to a Priority 1 but that Officers should explore any external funding opportunities as well.	100	400	<p>Not recommended for funding. However, the Acting Head of Environmental Services has and continues to explore opportunities for external funding including increasing joint working with RSLs.</p>

COMMENTS FROM CORPORATE MANAGEMENT COMMITTEE RE: INITIAL FINANCIAL FORECAST AND INITIAL FINANCIAL STRATEGY 2010/11 AND BEYOND

Service	Cost pressure reference	Cost pressure title	Corporate Management Committee comment	Impact 2010-11 £,000	Impact 2011-12 to 2014/15 £,000	Response of the Finance Portfolio Holder
	ENVC3	Mandatory Disabled Facilities Grant	This cost pressure should be upgraded to a Priority 1.	300	1,200	Not recommended for funding.
Leisure	LEIC1	Weeley crematorium Provision of Additional Car Park and Lighting	This cost pressure should be upgraded to a Priority 1.	200	-	Not recommended for funding.
	LEIC3	Refurbishment of Brightlingsea Paddling Pool	This cost pressure should be upgraded to a Priority 1 but that the Officers should work jointly with Brightlingsea Town Council to seek external funding and also to pursue alternative means of maintenance such as "vacuum cleaning" of the pool.	60	150	Not recommended for funding. However, the Head of Leisure Services has been requested to investigate working jointly with the Town Council, the availability of external funding and the use of alternative approaches to maintenance.
	LEIC6	Children's Play Area Rolling Replacement Programme	This cost pressure should be upgraded to a Priority 1.	40	160	Not recommended for funding. There are currently a number of ongoing schemes to provide additional play areas in the District.

COMMENTS FROM CORPORATE MANAGEMENT COMMITTEE RE: INITIAL FINANCIAL FORECAST AND INITIAL FINANCIAL STRATEGY 2010/11 AND BEYOND

Service	Cost pressure reference	Cost pressure title	Corporate Management Committee comment	Impact 2010-11 £,000	Impact 2011-12 to 2014/15 £,000	Response of the Finance Portfolio Holder
	LEIC7	Leisure Services Car Park's and Roadway Repairs Programme	This cost pressure should be upgraded to a Priority 1 and that funding be sought from Essex County Council for the installation of a properly tarmaced road to the Civic Amenity Site at West End Lane, Dovercourt in order to bear the weight of the County Council's contract vehicles that use the Civic Amenity Site.	30	120	Not recommended for funding. Discussions have previously taken place with Essex County Council and they have provided some funding towards upkeep of West End Lane.
TOTAL OF PROPOSED CAPITAL PRIORITY 1 CHANGES				770	2,070	

REVISED FORECAST 2010/11

	£000	£000
2009/10 Base Budget		21,613
Inflation and increments		612
Priority 1 Cost Pressures 2010/11		
Priority 1 Revenue	314	
Priority 1 Capital Funded from Revenue	274	588
One-off items in 2009/10 removed from 2010/11 and beyond base budget		
One-off Items in 2009/10 removed from 2010/11 forecast	(747)	
Careline Equipment Upgrade	(150)	
Relocation of Careline	(100)	
Seafront Safety Barriers	(50)	
Email Archiving Software	(14)	
Upgrade Payroll System	(13)	
Holland Public Hall - repairs to roof and library	(10)	
Investors in People	(10)	(1,094)
Other Budget Adjustments		
Service Improvement Budget	(250)	
Jaywick Strategic Leadership Group Initiatives	(150)	
Commitments carried forward from 2008/09	(86)	
Inflation Provision for Energy Costs Not Required	(60)	
Action Zone	(30)	
Milton Road Car park, Dovercourt	(25)	
Brightlingsea Pool	(25)	
Tour de Tendring	(20)	
West End, Dovercourt - Public Conveniences	(8)	
Toilets - Great Clacton	(8)	
Support the Introduction of DisabledGo	(7)	
District-Wide: £5/Free Parking Option for Tendring Resident Beach Hut Owners	(6)	
Dovercourt Seafront - Refurbishment	(2)	
Clacton - Two Additional Children's Play Areas	(1)	
Joint Use Sports Centre Reserve Depleted	27	
Manual Workers Reserve Depleted	29	(622)
Changes to Grant Budgets		
<i>Grant Income Reduced</i>		
Area Based Grant - Safer Stronger Communities	258	
Benefit Administration	202	
Growth Point Funding - Walton Master Plan	100	
<i>Grant Income Increased</i>		
Area Based Grant - Community Cohesion	(26)	
Concessionary Fares	(13)	521
<i>Grant Funded Expenditure Reduced</i>		
Area Based Grant - Safer Stronger Communities	(258)	
Benefit Administration	(127)	
Growth Point Funding - Walton Master Plan	(100)	
<i>Grant Funded Expenditure Increased</i>		
Area Based Grant - Community Cohesion	26	
Concessionary Fares	13	(446)
Carry Forwards from the Base Budget which are to be Removed		
Carry Forward from 2008/09	1,283	
Council Approved Schemes	87	
Commitments carried forward from 2008/09	86	
Brightlingsea Pool	25	1,481
FORECAST POSITION 2010/11 - Initial Financial Strategy 2 September 2009		22,653

REVISED FORECAST 2010/11

Review of Cost Pressures and Savings		
<i>Revision to P1 Cost Pressures</i>		
CPR01 - Liberata Contract	(10)	
PLANR03 - Development Control Income	15	
TPR01 - Loss of Rental Income Manningtree Market	(7)	
TPR10 - Loss of Income Walton Market	(7)	
CPC01 - Technology Disaster Recovery Improvements	(40)	
LEIC04 - Dovercourt Swimming Pool - Installation of Air Handling Units	(150)	(199)
Changes for Inflation and Increments		
Provision for 2% pay award and above in 2009	(412)	(412)
Budget Reviews with Portfolio Holders and Heads of Service		
<i>Reductions in Budget</i>		
Benefits and Revenues	-36	
Community Services	-18	
Corporate Performance	-23	
Environmental Services	-46	
Financial Services	-25	
Housing	-56	
Human Resources and Customer Services	-3	
Legal Services	-26	
Leisure	-28	
Planning	-28	
Regeneration	-17	
Technical and Procurement	-139	
<i>Additions to Budget</i>		
Environmental Services	1	
Planning	18	
Technical and Procurement	85	(341)
Other Budget Adjustments		
<i>Changes to Expenditure</i>		
Recharges into the General Fund	43	
Interest Payable	30	
NNDR costs	18	
Other Minor Budget Adjustments	-13	
Salaries	-40	
<i>Changes to Income</i>		
Second Homes Discount Scheme with ECC	-45	
Increase in Personal Land Search Fee	-25	(32)
REVISED FORECAST POSITION		21,669
FUNDING POSITION		
Local Government Finance Settlement		14,199
Council Tax (at 2.5%)		7,836
Surplus on Collection Fund		80
		22,115
FUNDING (SURPLUS) / DEFICIT		(446)

2010/11 FINANCIAL STRATEGY- FIVE YEAR FORECAST

A4 Appendix G

	2010/11 £000	Assumed	Assumed	Assumed	Assumed	Assumed	2012/13 £000	2013/14 £000	2014/15 £000
		Govt Grant Increase of 1%	Govt Grant Increase of 0%	Govt Grant Decrease of 2%	Govt Grant Decrease of 5%	Govt Grant Decrease of 10%			
Movement in Budget		2011/12	2011/12	2011/12	2011/12	2011/12			
		£000	£000	£000	£000	£000			
Base budget from prior year	21,613	22,115	22,115	22,115	22,115	22,115	21,857	22,033	22,238
Inflation	200	500	500	500	500	500	500	500	500
Priority 1s	389	1,000	1,000	1,000	1,000	1,000	500	500	500
One-off items in 2009/10 removed	(1,094)	0	0	0	0	0	0	0	0
Other Budget Adjustments	(654)	0	0	0	0	0	0	0	0
Budget Review Meetings	(341)	0	0	0	0	0	0	0	0
Changes to Grant Funded Expenditure	(446)	0	0	0	0	0	0	0	0
Changes to Grant Funded Income	521	0	0	0	0	0	0	0	0
Carry Forwards from the Base Budget	1,481	0	0	0	0	0	0	0	0
Forecast Budget	21,669	23,615	23,615	23,615	23,615	23,615	22,857	23,033	23,238
Government Grant	14,199	14,341	14,199	13,915	13,489	12,779	13,745	13,745	13,745
Council Tax at 2.5%	7,836	8,032	8,032	8,032	8,032	8,032	8,208	8,413	8,623
Surplus on collection fund	80	80	80	80	80	80	80	80	80
Available from Government Grant and Council Tax	22,115	22,453	22,311	22,027	21,601	20,891	22,033	22,238	22,448
Funding Gap	(446)	1,162	1,304	1,588	2,014	2,724	824	795	790