

Key Decision Required	Yes	In the Forward Plan	Yes
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CABINET

23 DECEMBER 2008

REPORT OF MANAGEMENT BOARD

A.5 REVISED INITIAL FINANCIAL STRATEGY FOR 2009/10 AND BEYOND

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

1.0 PURPOSE OF THE REPORT

To consider the five year financial forecast for 2009/10 to 2013/14.

To set out the overall strategic financial framework for 2009/10 and beyond upon which the detailed budgets are based.

In agreeing the proposals in this report the Cabinet will also be making initial recommendations for the Council Tax increase for 2009/10.

2.0 BACKGROUND

2.1 Impact of the National Economic Climate on the Councils Finances

Since Members considered the Initial Financial Strategy in September 2008 there have been significant changes to the global, national and local economies.

The uncertainty in the banking sector has resulted in a low risk approach for investments with a higher percentage of the Councils money being invested in Treasury Stock. Whilst this is considered more secure the return on investment is significantly less. Interest rates have also fallen across all areas. This will result in a lower return from the Councils portfolio of investments.

The continued fall in house prices, house sales and land values has had a serious impact on the Councils income streams. Major reductions have been seen in Land Charges, Building Control and Planning income. These are expected to continue into 2009/10.

Asset sales will be more difficult and if achieved the return is likely to be lower than previously anticipated.

Utility costs have risen dramatically and the Council will see very significant increases in costs as previous contracts expire and new contracts are negotiated.

There may also be ongoing pressure from higher wage demands and contract costs that are generally linked to the Retail Prices Index.

2.2 Local Economic Background

Tendring is a low taxing Council. In 2008/09 Tendring's Band D level is **£144.12**. The all England Districts average is **£157.70** and the Essex average is **£175.99**. The highest Band D charge for Essex is **£242.10**.

Tendring has the third lowest tax in Essex if you exclude parish precepts– Epping and Uttlesford are lower. If the parish precepts are included then Tendring has the lowest tax in Essex.

- Within our area are some of the most deprived wards in the country.
- There is a disproportionately high elderly population which places further financial demands on the authority.
- The Council provides major coastal and tourism based infrastructure. This results in extra expenditure on areas ranging from coastal defence to seafront amenities such as decorative gardens, public toilets and seafront supervision etc;
- Our communities are geographically spread, with the major towns being along the coastal strip. This leads to financial pressures associated with amenities such as swimming pools being provided in multiple locations.

The gap between what we should be spending and our actual spending level is bridged by efficiencies from low staffing levels and good value for money in relation to service expenditure.

2.3 New Cost Pressures

The Financial Forecast shows that without any new costs the Council would have a surplus of **£0.724m**. Each year the Council has to fund around **£1.0m** of new costs in order to maintain the same or similar levels of service or to comply with statutory requirements.

2.4 Previous Success

Even with the low tax base, wide range of services and ever present cost pressures, the Council has continuously achieved balanced budgets.

Over recent years the Council has:-

- Managed out significant cost pressures;
- Substantially increased income levels;
- Achieved significant discretionary savings;
- Made substantial investments in key services;
- Established uncommitted reserves at an appropriate and sustainable level to match the risk;
- Adopted a strong risk based approach to financial management.

2.5 Financial Strategy 2008/09

The following principles were applied to the application of the additional funding that was available for 2008/09 (including savings from revised 2007/08 estimates which were rolled forward to 2008/09) in order to protect as far as possible the financial position for 2009/10.

Additional resources were applied to:-

- One-off expenditure, including that allocated to Tendring Regeneration Limited to support the Council's approach to regeneration and focus on regeneration outcomes for the District (Project Tendring).
- Capital programme expenditure (one-off).
- Funding key Priority 2 cost pressures that were likely to become Priority 1 (one-off where possible)
- Pre-funding future Priority 1 and 2 maintenance items (one-off)
- Pre-funding 2009/10 cost pressures.

One of the key aims was to support/reduce the funding requirement for 2009/10 and to avoid on-going expenditure as far as possible.

A similar approach needs to be considered again for the additional finances the Council may have available from the revised 2008/09 budget.

In summary:-

- Over **£2.6m** of extra one-off expenditure was included in the budgets achieved by strong and prudent financial management;
- This expenditure was used to improve the district whilst supporting our financial position in 2009/10;

The budget was based on a Council Tax rise of **4.0%**.

3.0 AN ASSESSMENT OF THE COUNCILS FINANCIAL FUTURE

Given the current economic situation it is important that a predicted overview is given of the Councils financial environment over the next few years.

Whilst the detailed analysis is shown in the report that follows, the table below provides a high level summary of the position. The figures represent a structured forecast of the scenario facing the Council.

Item	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Forecast Base Budget Requirement	22,064	23,203	24,913	25,205	26,705
Available from Government Grant and Council Tax (4%)	21,613	22,305	22,925	23,546	24,186
(Deficit)/Surplus	(451)	(898)	(1,988)	(1,659)	(2,519)
2008/09 Saving/Underspend					
Used to fund 2009/10 deficit	451	0	0	0	0
Remaining Unallocated Revenue Savings	747	0	0	0	0
Unallocated Capital Receipts*	280	**0	**0	**0	**0
Remaining available funds from 2008/09	1,027				

* The unapplied capital receipts can only be applied to capital expenditure.

** Assumes that asset sales will not be sufficient to result in unallocated receipts

The forecast base budget requirement assumes the previous year's gap is filled by one off funding which is then removed the following year. It also assumes that the Priority 1 cost pressures included for funding total **£0.500m**. Previous experience shows that around **£1.0m** of new cost pressures is included as Priority 1 each year.

The figures demonstrate that it is likely that the Council will face an increasing revenue deficit position for 2010/11 to 2013/14.

Members will appreciate that the 'highline' figures above contain a myriad of assumptions and forecasts. The detail upon which they are based is set out in the remaining pages of this report.

The detailed report covers the following:

- A review of the Initial Financial Strategy process and Forecast for 2009/10
 - Cost Pressures included and excluded
 - Other items included or excluded
 - Inflation included
 - One-off items from 2008/09 removed
 - Other budget adjustments
 - Changes to grant funded expenditure
 - Changes to grant funded income
 - Carry forwards from 2007/08 which have been removed
 - Government support
 - Council Tax assumptions
- The Revised Financial Strategy and Forecast – current position
 - Consultation with Corporate Management Committee
 - Cabinet's consideration of an Interim update
 - Approach to the Strategy for 2009/10 and beyond
 - Revisit the Cost Pressures included and excluded
 - Review underspends and overspends
 - Review Inflation
 - Other Budget changes as a result of the Estimate process
 - Changes to income
 - Changes to expenditure
 - Government support
 - Council Tax assumptions
 - Support from carry forward from 2008/09 revised estimates
 - The revised forecast for 2009/10
 - 2006 Residents Survey
- Council Tax level and Capping
- Risks and Reserves
- Summary position for Revised Estimates 2008/09 and proposed Budget 2009/10
 - Summary of potential resources available for consideration of reallocation
 - Application of potential resources
- Outlook for 2010/11 and likely budgetary problems
 - What should we do as we approach 2010/2011?
- Outlook for future years

- Implications to the Community Strategy and Corporate Strategy, Financial, Legal, Crime and Disorder and Equality and Diversity
- Conclusion
- Recommendations

4.0 A REVIEW OF THE INITIAL FINANCIAL STRATEGY PROCESS AND FORECAST FOR 2009/10

This part of the report revisits the Initial Strategy that the Cabinet proposed on 25 September 2008 and, following consideration of the comments from Corporate Management Committee, agreed on the 13th November 2008.

In order to establish the financial challenge that the Council faced over the short to medium term, a new five year forecast was produced.

To do this we:-

1. Identified, analysed and assessed cost pressures
2. Assessed inflation
3. Determined the impact of previous decisions on the 2009/10 budget
4. Removed one-off expenditure items
5. Identified any income that may cease (e.g. external grants etc)
6. Analysed and forecast the likely level of the Local Government Settlement as well as the level of Council Tax that the Council may levy.

4.1 Growth Expenditure Items (Cost Pressures)

The table below shows the total of the Cost Pressures/Growth Expenditure Items, as originally submitted by Heads of Service, for the five years of the forecast.

	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Revenue Growth Expenditure Items (GEI's)					
All Priorities	1,892	1,991	2,340	2,639	2,558
Capital Growth Expenditure Items (GEI's)					
All Priorities	3,667	2,079	1,747	1,592	1,643
Savings / Income					
All Priorities	(36)	(36)	(36)	(36)	(36)
TOTAL UNFUNDED ALL PRIORITIES	5,523	4,034	4,051	4,195	4,165

The Council could not afford to fund costs of this size. Consequently the Cost Pressures/Growth Expenditure Items were subjected to review and moderation.

This process included: -

- Prioritisation to identify those that we were very likely to have to fund. (Referred to as Priority 1)

- Further prioritisation to identify those that were at the highest risk of requiring funding (but would not be included in the proposed budget at this stage). These are referred to as Priority 2.
- Management by Heads of Service of the Cost Pressures/Growth Expenditure Items that cannot be afforded.

Following moderation of all the Cost Pressures/Growth Expenditure Items, the total identified as Priority 1 was as follows:

	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Revenue Growth Expenditure Items (GEI's)					
Priority 1	680	753	1,088	1,374	1,399
Capital Growth Expenditure Items (GEI's)					
Priority 1	275	84	7	112	163
Savings / Income					
Priority 1	(36)	(36)	(36)	(36)	(36)
TOTAL PRIORITY 1 PROPOSED FOR INCLUSION	919	801	1,059	1,450	1,526

The Initial Financial Strategy was progressed on the basis of including only Priority 1 items within the Initial Forecast.

Items totalling **£0.919m** were included in the Initial Financial Forecast for 2009/10 and **£0.801m** for 2010/11.

A summary list of the Cost Pressures/Growth Expenditure Items included in the Initial Strategy (strategically prioritised following review by the Financial Strategy Team) including Priority 1 (recommended for funding) and Priority 2 (i.e. those at the highest risk of requiring funding but would not be included in the proposed budget) is shown at **Appendix A**.

It was agreed that the situation would be reviewed when the Revised Strategy was considered in December 2008.

Having identified the amount of money that should be included within the 2009/10 Forecast for the Priority 1 Growth Expenditure Items the forecast then considered the other variations to the estimated budget.

4.2 Other Items Included in the Initial Financial Forecast for 2009/10

The starting point for the initial analysis was to move the 2008/09 budget on to a base budget position for 2009/10 that incorporated the following assumptions: -

- **Inflation**

The 2008/09 budget was re-priced to 2009/10 prices. Inflation was applied and assumed at the following rates: -

Item	Rate of Inflation	£'000
Pay and increments	2.5%	437
Contracts	4.0%	194
General expenditure	3.0%	463
Fees and charges	2.5%	(199)
Total		895

The general inflationary provision included in the initial forecast for 2009/10 was **3.0%** as set out above. This was higher than in previous years and reflected the economic climate that was emerging during the compilation of the initial forecast.

- **One-off items in 2008/09 to be Removed from 2009/10 and Beyond Base Budgets**

Items included in the 2008/09 budget on a one-off basis were removed as follows: -

One-Off Items In 2008/09 Removed from 2009/10 Forecast	£'000
Regeneration projects (Project Tendring)	(1,295)
Car park maintenance	(50)
Works to privately maintained highways	(20)
Clacton Cemetery - internal decoration	(10)
Dovercourt Cemetery - internal decoration	(6)
Brightlingsea Swimming Pool sustainability project	(50)
Introduction of residents parking zones in Harwich, Clacton and Walton	(10)
Dovercourt Swimming Pool - repairs and maintenance	(17)
Harwich Masterplan - Gas House Quay	(200)
Clacton County High School - changing rooms	(100)
Weeley Crematorium - air conditioning	(15)
Seafront shelters	(30)
Cost of external legal support to clear planning enforcement backlog	(20)
Replacement of Document Image and Workflow system	(130)
NLPG - Election System database	(10)
Land Charges - data capture	(10)
Environmental Health database migration	(10)
Corporate roll out of GIS	(10)
Implementation of "Virtualisation" technology to rationalise server numbers and assist in disaster recovery	(17)
E-mail archiving software	(14)
Replacement Debit and Credit Card payment facility	(100)
Upgrade of Contact Centre Software	(90)
West End Dovercourt - Seasonal Toilets	(60)
Toilets – Great Clacton	(50)
Clacton – Two additional Play Areas	(121)
Dovercourt - Seafront Refurbishment	(11)
DisabledGo – Support	(33)
One Hour Free Car parking Car Park Trial - Car Park Milton Road, Dovercourt	(1)
Westcliff Theatre, Clacton - Grant	(64)
Harwich TIC - Additional support	(4)

Additional support for the voluntary sector - Increased CAB & grants to voluntary organisations	(100)
Total	(2,658)

A number of these items were re-submitted by Heads of Service as Cost Pressures/Growth Expenditure Items for 2009/10 and beyond. A summary of the Growth Expenditure Items and the proposed strategic priority (at the time of the Initial Forecast) is shown at **Appendix A**.

- **Other Budget Adjustments**

Other Budget Adjustments	£'000
Service Improvement Budget	(93)
Tree Planting	(3)
PACE Centre	(80)
Westcliff Theatre*	(30)
Total	<u>(206)</u>

* It was agreed by the previous Cabinet (6 September 2006) to reduce the funding provided to the Westcliff Theatre from **£0.040m** in 2007/08 to **£0.030m** in 2008/09, with the grant ceasing from 2009/10.

- **Changes to Grant Funded Expenditure**

A specific Area Based Grant was allocated to the Council over 3 years in line with the CSR period 2008/09 to 2010/11. There is an overall net reduction in the grant award in 2009/10 of **£0.132m** compared to 2008/09 with a corresponding reduction in specific expenditure that this grant supported in 2009/10 resulting in a zero effect on the budget. The principal reduction is in Safer Stronger Communities Grant which is being utilized to support the work of the Neighbourhood Partnership Interaction Board. The reduction in grant has already been built into the partnership's funding profile.

Grant Funded Expenditure Removed	£'000
Area Based Grant	<u>(132)</u>
Total	<u>(132)</u>

The removal of this expenditure matches the removal of Grant Income shown below.

- **Changes to Grant Funded Income**

A number of specific one-off grants were received as shown in the table below. They were utilised to fund one-off expenditure.

Grant Income Removed	
Concessionary Fares Grant	(11)
Benefits Administration	36
Area Based Grant	132
Total	<u>157</u>

The removal of the income for the Area Based Grants matches the removal of Grant Funded Expenditure shown earlier in this section.

Changes to Benefits Administration Grant and Concessionary Fares Grant are adjustments to reflect anticipated grant in 2009/10.

- **Carry Forwards from the Base Budget which are to be Removed**

A number of one-off funding streams were applied in 2008/09 from the commitments reserves or from other specific earmarked reserves. These have been removed for 2009/10.

Carry Forwards from the Base Budget	£'000
C/f from 2007/08	1,010
Capital Projects Reserve	739
Capital Commitments	287
Brightlingsea Pool	(50)
Council approved 9 Schemes	(170)
Total	1,816

- **Central Government Support - Local Government Finance Settlement 2008/09 to 2010/11**

On 24 January 2008, the Minister for Local Government made a statement on the final local government finance settlement for 2008/09 and the provisional settlement for 2009/10 and 2010/11. This was the first of the 3-year grant settlement announcements and followed on from the Comprehensive Spending Review 2007.

The overall allocation for Tendring in each of the four blocks was as follows:-

Block	2008/09 £m	2009/10 £m	2010/11 £m
Relative Needs	6.301	6.339	6.383
Relative Resources	(2.806)	(2.728)	(2.651)
Central Allocation	10.636	10.762	10.880
Floor Damping	(0.693)	(0.542)	(0.412)
Total formula grant	13.438	13.831	14.200
Increase over adjusted prior year grant (£m)	0.392	0.393	0.369
Increase over adjusted prior year grant (%)	3.0%	2.9%	2.7%

There is a provisional cash increase in grant (including inflation) for 2009/10 over 2008/09 of **£0.393m** which is an increase of **2.9%**.

- **Council Tax Assumptions**

The Initial Financial Forecast was based on an assumed increase in Council Tax of **4.0%**.

- **Initial Financial Forecast Requirement 2009/10 as at 25 September 2008**

The overall base budget for 2009/10, taking into account the assumptions set out in the Initial Financial Strategy above, was as follows: -

Item	2009/10 £'000
Base Budget from 2008/09	20,908
Changes to Council Expenditure	
Inflation and increments	895
Priority 1 Growth Expenditure Items	919
Removal of one-off items from 2008/09	(2,658)
Other Budget Adjustments	(206)
Changes to Grant Funded Expenditure	(132)
Changes to Council Income	
Changes to Grant Funded Income	157
Carry Forwards from the Base Budget	1,816
Initial Base Budget Requirement for 2009/10	<u>21,699</u>
Financed by	
Central Government Support	13,831
Amount to be Raised from Council Tax (at 4.0%)	7,603
Forecast Surplus on Collection Fund	140
Initial Forecast Position for 2009/10	<u>21,574</u>
Forecast Funding Gap for 2009/10	<u><u>125</u></u>

Based on the Initial Forecast it was considered (in September 2008) that although there was a funding gap of **£0.125m** the position for 2009/10 could be managed.

The Initial Strategy and Forecast was heavily reliant on the very hard line that had been taken to significantly limit the Priority 1 Cost Pressures and to exclude all the one off items that were included for 2008/09.

It was recognised at the time the Initial Strategy was considered that a high degree of uncertainty existed primarily due to the emerging global and national economic conditions

- **Other Items NOT included in the Initial Forecast**

The Leader, at the Council meeting on the 19th February 2008, stated that **£1.0m** of expected future capital receipts would be made available in the next few years as our contribution towards the regeneration of Jaywick.

In addition it was suggested that a further **£1.5m** of potential future capital receipts is allocated to Project Tendring, spread over the coming years, but with a mechanism to ensure there is an even-handed approach in place that is eventually fair to everyone. This equates to a benchmark of £25,000 per Member.

For Members information the currently unallocated level of Capital Receipts is **£0.280m**.

Members should note that due to the current economic climate it is unlikely that asset sales will be sufficient to fund both of these items in the short term.

No allowance was made in the Initial Forecast for either of these items.

It was reported that should the position be better when Members considered the Revised Forecast and Budget in December 2008 then these items could be reconsidered.

- **Initial Strategy - Management of the 2009/10 budget**

The Initial Financial Forecast above identified an initial funding gap of **£0.125m** for 2009/10. In September this position appeared manageable. It was only achieved by strictly limiting cost pressures and excluding all of the previous one-off items from the Initial Forecast. No allowance was made for Jaywick or to fund other aspirations.

It was agreed that the Council continues to maintain a sufficient level of reserves to support the strategy's risk-based approach. An uncommitted reserve of **£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.

- **Principles for a List of Inclusions in the Budget if more Resources are available**

In September it was considered possible that some of the forecast variables may favour the Council. If this was the case, Members would have the opportunity to allocate more resources when they considered the Revised Financial Strategy and Initial Budget proposals in December 2008 – i.e. this report.

In determining the application of any additional funds (including savings from Revised Estimates which may be rolled forward) one of the key aims must be to support/reduce the funding requirement for 2010/11 and to avoid on-going expenditure as far as possible.

As in previous years, the following principles should be applied to the application of any additional funding in order to protect the Councils financial position for 2010/11 and future years.

As far as possible expenditure should be one off and should focus on:-

- Funding key Priority 2 cost pressures that are likely to become Priority 1 (one-off where possible)
- Pre-funding future Priority 1 and 2 maintenance items (one-off)
- Pre-funding 2010/11 unavoidable cost pressures.

5.0 REVISED FINANCIAL STRATEGY AND FORECAST 2009/10 AND BEYOND – CURRENT POSITION

Cabinet's Initial Financial Forecast and Strategy was considered on 25 September 2008 and was based on the best available financial information at that time. The agreed Initial Financial Forecast for 2009/10 upon which the Initial Strategy was based is shown at **4.2** above. It centred on the assumption that for 2009/10 the position could be managed but that the Council faced a significant financial challenge and funding gap in future years.

Since your meeting in September there have been a number of further developments that require the Financial Strategy to be revisited: -

- The global, national and local economic circumstances have significantly worsened. The impact on the Councils finances has been assessed and incorporated into the Revised Financial Strategy.
- A number of approved Cost Pressures/Growth Expenditure Items are no longer required and others have emerged.
- The Cost Pressures/Growth Expenditure Items previously considered have now been translated into detailed estimates.

- All of the detailed Service Estimates have been prepared and reviewed by Heads of Service.

The figures for the 2009/10 budgets set out in the 'Initial Budget Proposals for a Revised Budget 2008/09 and Original Budget for 2009/10' report of the Head of Financial Services (which follows this report) are in line with the Cabinet's Initial Financial Strategy proposals of 25th September 2008 (as amended following Cabinet's consultation with Corporate Management Committee) and the changes detailed below.

The Initial Budget Proposals are fully funded should Members confirm the Revised Initial Financial Strategy proposals as detailed in this report.

5.1 Consultation with Corporate Management Committee

At your meeting on 13 November 2008 (Minute 89 refers) Cabinet considered the response of the Corporate Management Committee to the Initial Financial Strategy and agreed:

a) The responses as detailed against each comment from Corporate Management Committee.

b) That Cabinet confirms its initial financial forecast and initial financial strategy as proposed on 25th September 2008 and subject to the impact of (a) above.

c) That officers take the issues into account in the next stage of the 2009/10 Financial Strategy / budget process.

Those items that Cabinet undertook to review when the Financial Strategy was reconsidered are reproduced at **Appendix B** and are annotated to show the initial response from the Cabinet and the current position as proposed in this report.

5.2 Cabinets Consideration of an Interim Update on the Financial Strategy

On 13th November 2008 officers provided Cabinet with an update and interim options for the Financial Strategy and budget setting process in light of the potential impact that the current and emerging economic and financial market conditions may have on the Council's financial position.

Members were reminded that the Initial Financial Strategy, which Cabinet considered on 25th September 2008, predicted a funding gap of **£0.125m** for 2009/10. This was based on the removal of **£2.658m** of one-off expenditure and strictly limiting cost pressures to those we were legally required to fund or were needed to maintain the existing level of service.

Significant changes continue to take place within the global and national economy since Cabinet considered the Initial Financial Strategy.

The pace and impact of the changes had been on such a scale that it was considered prudent to review the Council's financial position in the interim period before consideration of the Revised Initial Financial Strategy.

Against this backcloth and to support the Council in delivering a robust and balanced budget in 2009/10 and beyond there was the opportunity within the budget setting timescales to limit expenditure in respect of the Service Improvement Budget along with reviewing uncommitted schemes in the Capital

Programme until Cabinet considered the Revised Financial Strategy (i.e. this report).

Following consideration of the report Cabinet agreed:-

- a) That £346,000 uncommitted within the service improvement budget remains uncommitted until the Revised Financial Strategy, scheduled for Cabinet on 23rd December, had been considered.
- b) That, having reviewed the currently uncommitted schemes in the capital programme, Cabinet do not wish to postpone any schemes or projects.

5.3 Approach to the Financial Strategy for 2009/10 and Beyond

In September 2008, the Initial Forecast identified a potential funding gap for 2009/10 of around **£0.125m**.

The funding gap for 2010/11 is currently forecast to be **£0.898m**. Whilst the Forecast needs to be revisited in the New Year, a funding gap of any where near the magnitude of **£1.0m** 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 2009/10 Strategy must be clearly focused on protecting the 2010/11 financial position as far as possible. To achieve this it is essential that for 2009/10 as much expenditure as possible is of a one-off nature and can be removed from the 2010/11 budget, therefore reducing the base budget requirement.

It will not be easy as almost all of the additional resources are one-off in their origin (such as savings from revised estimates) and will not therefore reduce the 2010/11 base budget requirement. This combined with the significant cost pressure arising from the current economic circumstances means that we must continue to work to contain our expenditure base and to reduce our core costs.

5.4 Re-Visit Priority 1 Cost Pressures/Growth Expenditure Items

In advance of Members considering the Revised Initial Financial Strategy a further review of the Cost Pressures/Growth Expenditure Items has taken place. This review revisited each item to determine the current appropriateness of inclusion as a Priority 1 and the associated cost. Any proposals for additional expenditure have been judged against the principle of protecting the Council's 2010/11 financial position as shown in **4.2** above.

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. The costings 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. Significant changes are shown below:-

- **£0.150m reduction in Land Charges Income** As a result of the current economic climate along with an increased percentage of Personal Searches, there has been a major reduction in Land Charges Income estimated for 2009/10. This is based on actual performance for the second quarter of 2008/09 which also saw a significantly reduced income.

- **£0.075m reduction in Car Park Income** Reduced usage in 2008/09 leading to lower estimated income in 2009/10. Reduced car park use coincides with the extension of the free Concessionary Fares scheme.

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

The total changes from the review of the Priority 1 cost pressures resulted in an increase in costs of **£0.220m**.

Further significant growth has also been included in the budget as a result of the estimate process (see below).

5.5 Review of Underspends and Overspends

The estimate for 2008/09 included provisions for underspends of **£0.420m** 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 it is appropriate to do so. Changes to the base budget resulting from the estimate process are shown below in **5.7**.

5.6 Review of Inflationary Increases

The assumptions contained in the Initial Forecast have been revisited having regard to the latest information and Government indicators.

An additional **£0.200m** has been included for anticipated increases in energy and other utility costs.

A further **£0.075m** has been allocated to cover potential extra pay award costs that may arise from the arbitration process.

An allowance of **£0.049m** for anticipated increases in contract costs, primarily as a result of the current economic circumstances.

The total change resulted in a cost of **£0.281m**.

5.7 Other Budget Changes as a Result of the Estimate Process

A thorough review has taken place of the 2008/09 budget position which has resulted in the identification of additional savings arising from an analysis of the underspend position.

The estimate process also identified a number of savings and additional costs arising from a detailed review of the budget position for 2009/10.

The major changes in expenditure (not dealt with elsewhere) include the following:-

- **Changes to Income**

Additional **Benefit Administration Grant** received of **£0.037m** plus an increase of **£0.015m** from Essex County Council as part of the Second Homes Discount agreement.

Additional **Recycling Credits** income of **£0.246m** which is primarily due to a realignment of the estimate to the actual income paid plus an increase in the tonnage recycled. This is substantially off-set by re-alignment of the budget for payment to the contractor - see recycling contractor payments below.

The total of these changes to income results in a saving (i.e. additional income) of **£0.298m**

- **Changes to Expenditure**

Concessionary Fares saving of **£0.600m** over estimate following detailed negotiation with the scheme operators and based on Essex County Council co-ordinating the scheme from 2009/10 at their risk.

A saving of **£0.128m** on **Salaries (pay and increments)** reflects the change from the Initial Forecast position based on a general inflationary increase on salaries to the revised position which is based on actual salaries, increments and hours worked.

A saving of **£0.101m** as a result of costs being **recharged outside of the General Fund**.

An additional cost of **£0.082m** due to **corrections** to the Initial Strategy.

The proposed budget includes **£0.150m** initial contribution to the **Jaywick Strategic Leadership Group** which is split into **£0.100m** revenue funding and **£0.050m** capital contribution.

At your meeting on 21st December 2007 Cabinet agreed:

That up to £1,000,000 of future capital receipts be set aside as seed funding to support a partnership approach to regeneration in Jaywick.

The Jaywick Strategic Leadership Group met on 4th November 2008 and considered and agreed a scoping paper on resources. This paper set out an outline budget for both revenue and capital items over the next three years to put in place staffing and delivery arrangements for the Jaywick project.

The contributions proposed from Tendring District Council to fund this outline budget are:

- Capital - £450,000 over three years
- Revenue - £300,000 over three years

£0.183m as a result of a re-alignment of the budget for payment to the Councils **Recycling** contractor in accordance with the recycling contract.

A reduction in **Investment Income** by **£0.266m** as a result of a substantial cut in base rates and more secure investments such as Government Stocks yielding a lower return.

A **Service Improvement Budget** of **£0.250m** is included in order to:

- Fund currently unforeseen expenditure in 2009/10 – this is particularly important given the current economic uncertainties.

- Fund Member aspirations
- Act as a balancing budget should any changes occur to the estimates prior to the Council considering the detailed budgets on 19th February 2009

The Service Improvement Budget will be subject to Members' decision on how they may wish to allocate it.

The total of these changes to expenditure result in a net cost of **£0.162m**

The full details of all the changes can be seen in the Revised Financial Forecast for 2009/10 shown at **Appendix D**.

5.8 Central Government Support - Local Government Finance Settlement 2008/09 to 2010/11

On 26 November 2008, the Minister for State for Local Government announced the provisional settlement for 2009/10 and 2010/11. This is for years two and three of the first 3-year grant settlement and follows on from the Comprehensive Spending Review 2007.

The overall allocation for Tendring is as follows:-

Block	2009/10 £m	2010/11 £m
Total formula grant	13.831	14.200
Increase over adjusted prior year grant (£m)	0.393	0.369
Increase over adjusted prior year grant (%)	2.9%	2.7%

There is a provisional cash increase in grant (including inflation) for 2009/10 over 2008/09 of **£0.393m** which is an increase of **2.9%**.

This provisional settlement is the same as that announced by the Minister on 24th January 2008 and included in the Initial Financial Strategy.

5.9 Council Tax Assumptions

The Initial Financial Forecast was based on an assumed increase in Council Tax of **4.0%** as is this revised forecast.

For information and comparison the 2008/09 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	242.10	4.66
Basildon	242.01	4.65
Castle Point	212.40	4.08
Rochford	188.01	3.62
Colchester	166.41	3.20
Brentwood	166.32	3.20
Maldon	164.00	3.15
Braintree	154.98	2.98
Chelmsford	151.92	2.92
Tendring	144.12	2.77

Epping Forest	143.01	2.75
Uttlesford	136.62	2.63
Essex Average	175.99	3.38
All England Average – Districts	157.70	3.03

In determining the actual level of Council Tax, Members should have regard to **Section 6** below (**Council Tax and Capping**) and in particular statements made by the Government.

5.10 Support from Carry Forward from the 2008/09 Revised Estimates

The revised estimates for 2008/09 have identified a one-off sum of **£1.198m** arising from a saving/underspend of **£0.852m** and **£0.346m** from the Service Improvement Budget which Cabinet agreed on the 13th November would remain uncommitted until the Revised Financial Strategy was considered. See **Section 8** below.

In order to achieve a balanced budget in 2009/10 (as set out) it is necessary to support the 2009/10 budget by the use of **£0.451m** of the **£1.198m** saving arising from the 2008/09 revised estimates.

5.11 Revised Financial Forecast 2009/10

When the variations set out in sections **5.2** to **5.10** are taken into account this results in a Revised Forecast Budget for 2009/10 of **£21.613m** as summarised in the following table:-

Revised Financial Forecast 2009/10

Item	As At 25/09/2008 £'000	Change to 23/12/2008 £'000	As At 23/12/2008 £'000
Base Budget	20,908		20,908
Priority 1 Growth Expenditure Items	919	220	1,139
Inflation and increments	895	281	1,176
Removal of one-off items from 2008/09	(2,658)		(2,658)
Grant Funded Expenditure removed	(132)		(132)
Other Budget Adjustments (Including £250k Service Improvement Budget)	(206)	(136)	(342)
Carry Forwards from the Base Budget	1,816	(451)	1,365
Grant Income removed	157		157
Initial Base Budget Requirement	21,699	(86)	21,613
Amount raised from Council Tax (at 4.0%)	7,603	19	7,622
Forecast Central Government Support	13,831		13,831
Forecast Surplus on Collection Fund	140	20	160
Forecast Position 2008/09	21,574	39	21,613
Funding Gap	125	(125)	0

The 2009/10 detailed budget set out in the Initial Budget Proposals report of the Head of Financial Services (which follows this report) is in line with this forecast.

The Initial Budget Proposals, which follow this report, are therefore fully funded with a Council Tax rise of **4.0%**.

The detailed Revised Financial Forecast is shown at **Appendix D**.

5.12 2006 Residents Survey and 2006 BVPI User Satisfaction Survey

The Tending Residents' Survey was carried out during October and November 2006 to establish our residents' opinions on where the Council should prioritise service improvement planning for 2007/08 and beyond. The consultation also included other important issues such as local community information to feed into the Essex LAA project, Community Safety issues, communication with the Council and leisure facilities and amenities.

By comparing the key priorities in terms of both the importance placed on them and the extent to which respondents are satisfied with the Council's progress, we can see the significance of the public support for the Council's priorities. The table below shows that our residents place a high importance on all our key priority areas and that generally there is more satisfaction than dissatisfaction with our progress towards achievement. Net satisfaction is arrived at by taking the percentage very / fairly dissatisfied from the percentage very / fairly satisfied and provides a good statistical analysis of overall satisfaction rates.

	% very/quite Important	Net satisfaction
Working to create a cleaner district	99%	+45%
Developing a safer community and reducing the fear of crime	99%	+26%
Working in partnership to improve the quality of life for all our communities	92%	+25%
Putting the customer first	91%	+20%
Creating a strong local economy through regeneration and inward investment	90%	+32%
Providing better public places	89%	+28%
Working for a supply of decent and affordable housing in the district	84%	+22%

This would indicate that the priorities adopted by the Council are seen as important by residents and that progress against them is recognised.

However, within these priority areas, there were specific areas where our residents were less satisfied with progress. For example:-

- Improving public conveniences had a net satisfaction score of +3%
- Services and initiatives for young people had a net satisfaction score of +4%

- Developing strategies to reduce poverty had a net satisfaction score of +10%
- Tackling anti-social behaviour had a net satisfaction score of +12%.

The 2006 BVPI User Satisfaction Survey was a series of statutory surveys, covering Tenants, Benefits Claimants, Planning Service Applicants and Corporate Health, which are carried out every three years using standard questions set by Central Government.

The Corporate Health survey covered five areas:-

- Overall satisfaction with the Council
- Satisfaction with complaint handling
- Satisfaction with cleanliness
- Satisfaction with waste collection and recycling
- Satisfaction with cultural and recreational activities.

When the results of the 2006 BVPI Satisfaction Surveys are put in context the Council performed reasonably well. Although overall satisfaction and satisfaction with the Planning Service were below average, satisfaction with Housing Services, Environmental Services, Benefits Service and Complaints handling were above average. Satisfaction with Cultural Services was mixed.

Performance has improved for 60% of customer satisfaction BVPIs since 2003.

A number of specific improvements have been introduced and budgeted for where appropriate, which should improve customer perception of the Council.

- The Council has signed up to the Reputations Campaign which was established by the Local Government Association to make people more aware that it is the locally elected politicians and the local authority that are behind many of the services and facilities that are helping to improve the quality of their lives. The action plan includes key communication activities designed to enhance the Council's reputation, provide a better information flow to our residents and thereby increase satisfaction with the Council overall.
- The completion of the Lifestyles Health and Fitness Suite at Clacton Leisure Centre and the refurbishment of children's play areas across the district will help address some of the satisfaction issues in Leisure/Cultural Services
- The planned development of new public conveniences across the district will support one of the priorities for action that our residents identified in the 2006 Tending Residents' Survey.
- The Planning Service has developed and implemented an improvement plan dealing with many aspects of customer dissatisfaction and a number of new initiatives have commenced. In addition major investment in e-planning has taken place which is transforming the Service both in terms of the way people work and the way the service is provided to the public.
- The adoption of a performance framework for Section 106 Agreements is increasing planning gain and providing funds to deliver benefits across the District such as provision of open space, affordable housing and regeneration projects.

The Council is currently undertaking (jointly with Essex County Council and the other Essex District and Borough Councils) the first "Place" survey which is a nationally required survey designed to gather information on residents views about the area they live in and which will provide a new base of information for future use. It will be repeated every two years.

A Residents Survey is planned for 2009.

6.0 COUNCIL TAX LEVEL AND CAPPING

6.1 Council Tax

Cabinet's initial proposals assumed that the level of Council Tax increase would be **4.0%**.

The following table shows the difference in the level of income that could be achieved at various levels of Council Tax below **4.0%**:-

Council Tax Increase	Band D Amount		Reduction in Resources Compared to 4.0% Level £
	Annual £	Weekly £	
3.00%	148.44	2.85	73,230
3.25%	148.80	2.86	54,922
3.50%	149.16	2.87	36,615
3.75%	149.52	2.88	18,307
3.90%	149.74	2.88	7,119
4.00%	149.88	2.88	0

Although the assumptions in this Strategy and in the Budget Report follow the Cabinet's Initial Financial Strategy of a **4.0%** Council Tax rise, Members may wish to consider this figure against the backcloth of the Capping criteria set out below.

6.2 Capping

The Secretary of State has two options for deciding how to deal with authorities that are considered to have set excessive budgets. She can either "designate" an authority, which means that it is capped in the current year, or "nominate" an authority, which means that she 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 2008/09, 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 her 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.

The principles - applied equally to all classes of authority - are that an authority's budget is excessive if it has set:

- a budget requirement increase of more than 5 per cent in 2008/09 compared with 2007/08; and
- a council tax increase of more than 5 per cent in the same period.

Only authorities which have exceeded both principles were subject to action.

For 2008/09 eight authorities exceeded these principles.

Capping Criteria Used For 2008/09

Criteria	Capping limits (All Authorities)	Tending
Budget increase	More than 5% over previous year and	4.1%
Increase in Council Tax	More than 5.0% over previous year	4.0%

In a statement on the Local Government Finance Settlement on 26th November 2008, the Local Government Minister, John Healey MP, said 'For 2009/10 the Government again expects the average Council Tax increase in England to be substantially below 5%.

And again, we will not hesitate to use our Capping Power as necessary to protect Council Tax payers from excessive increases.'

A letter from the Minister dated 9th December has also been received setting out his position on council tax increases and capping for 2009/10. This is attached at **Appendix E**.

7.0 RISKS AND RESERVES

There are clearly risks associated with the Strategy. The actions to achieve a fully funded budget, including restricting Growth Expenditure Items (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. We are managing in an economic environment that has not been experienced before. Our predictions on income and expenditure are likely to be more volatile than in previous years.

The strategy is an integrated process, with each element being dependent upon the others. It requires strong management by the Heads of Service on those Cost Pressures/Growth Expenditure Items not included within the Forecast and to deliver efficiencies where possible.

The Council's future position is dependent upon a continuing strong reserve position that is capable of mitigating some of the risks associated with the 2010/11 Forecast.

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/Growth Expenditure Items not included as Priority 1;
- New legislation;
- Local or national emergency;

Non achievement of underspend provision;
Inflation on contracts and utilities higher than estimated;
Requests for supplementary estimates;
Further 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.

8.0 SUMMARY OF POSITION FOR REVISED ESTIMATES 2008/09 AND PROPOSED BUDGET 2009/10

The net outcome resulting from:-

- The review of the 2008/09 estimates and
- 2009/10 budget process

Is that additional resources are potentially available for Members consideration over and above those originally anticipated as follows:-

8.1 Revised Estimates 2008/09

Despite the economic climate, 2008/09 has been a successful year in terms of the Councils' finances. As a result of good financial management and budgetary control it has been possible to identify significant resources that are available for Members' consideration.

- **Revenue Estimates**

As part of the Revised Estimate process for 2008/09 overall savings of **£0.852m** have been identified originating primarily from additional income of **£0.403m** due to Treasury Management interest, a saving on Concessionary Fares of **£0.700m** (following agreement on a fixed price contribution for 2008/09) and **£0.213m** from staff vacancies.

It is by far from all good news. **£0.422m** has had to be applied to fund anticipated shortfalls in 2008/09 in income from fees and charges (primarily Land Charges, Planning and Building Control) which will continue into 2009/10. The Council has also had to budget for a substantial increase in utility costs of **£0.200m**

In addition, Cabinet decided on 13th November 2008, that **£0.346m** of the 2008/09 uncommitted Service Improvement Budget should remain uncommitted until the Revised Financial Strategy had been considered.

These combined changes resulted in a saving/underspend of **£1.198m** being available from the 2008/09 Revised Estimates.

As Members can see from the proposed Revised Financial Strategy above, it is necessary to support the 2009/10 Budget with a contribution from this saving of **£0.451m**. Without this contribution Members would have to make savings or achieve additional income in order to balance the budget.

This leaves **£0.747m** of one-off revenue funding which is currently unallocated.

- **Capital Programme**

As set out in Section 4.2 as a result of previous Asset Sales there are capital receipts of **£0.280m** unallocated which could be available to fund capital schemes.

8.2 Summary of Potential Resources Available for Consideration of Reallocation

Source of Funds	£'000
Revised Estimates 2008/09	
2008/09 Revised Revenue Estimates	747
2008/09 Capital Receipts – currently unapplied*	280
Total	1,027

* The unapplied Capital receipts can only be applied to capital expenditure.

8.3 Application of Potential Resources

When considering the application of the above resources it is important that any expenditure decisions should take account of:

- The worsening financial environment that is likely to prevail in 2010/11 (and beyond) where Members may face a funding gap of the magnitude of **£1.000m**. (See below). This is based on new cost pressures of only **£0.500m**. Experience shows that new cost pressures normally total around **£1.000m** each year.
- The ongoing commitment to fund the Jaywick Strategic Leadership Group – the 2009/10 proposed budget includes **£0.150m** (**£0.100m** revenue and **£0.050m** capital) funding towards a total current requirement from this Council (over the next three years) of **£0.300m** revenue and **£0.450m** capital
- The need to avoid on-going expenditure as far as possible. This is necessary as the origin of the additional finances is mainly of a one-off or non-permanent nature and should not be utilised for on-going expenditure commitments.
- In determining any additional areas for spending Members should have regard to the unfunded Priority 2 etc items identified in **Appendix C** and the comments from Corporate Management Committee that Cabinet agreed to have regard to when this Revised Strategy was considered as shown in **Appendix B** as well as any other Member aspirations.
- Members should be aware that at the Council meeting on 19 February 2008 it was agreed:-
 1. That the Council agree to support a one off capital grant of £64,000 funded from the service improvement budget in 2008/09 to support the capital costs of the West Cliff Theatre Trust.
 2. That the conditions of the grant funding include a requirement for the West Cliff Theatre Trust to:

- a. Continue with the Summer Show;
 - b. Provide theatre based diversionary activities for young people
3. That the issue of financial support to the West Cliff Theatre beyond 2008/09 be considered as part of the Financial Strategy for 2009/10.

9.0 OUTLOOK FOR 2010/11 AND LIKELY BUDGETARY PROBLEMS

Despite previous success as we move towards 2010/11 the financial position is likely to deteriorate.

The economic climate is more uncertain than it has ever been. 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 F** identifies a **£0.898m** deficit for 2010/11. We are likely to face the combined thrust of substantially increased cost pressures and a worsening public sector financial position. In this case the potential funding gap could be far greater than **£0.898m**.

The measures the Chancellor announced in late November 2008 to attempt to stimulate the economy were funded by borrowing in the short term with tax increases and cuts in public sector expenditure in the medium term. It is not clear how this will impact on the Councils finances but it is likely that the next three year settlement for 2011/12 to 2013/14 will be much tighter.

In addition the Chancellor announced a 0.5 per cent increase in the employee, employer and self-employed rates of National Insurance Contributions from April 2011.

This will add to the already substantial forecast funding gap.

9.1 What should we do as we Approach 2010/11?

The Council will need to continue to examine ways of reducing its core costs in order to achieve a sustainable reduction in its expenditure base over the medium term.

Up until now we have managed resources without adversely impacting on performance. It is clear in approaching 2010/11 that the Council has little leeway for reductions in discretionary activity without impacting on our Corporate Priorities.

In preparation for 2010 we need to be very focused on the established budget strategy of:-

- The identification, analysis and assessment of cost pressures
- Assessing inflation
- Determining the impact of previous decisions on the 2010/11 budget
- Removing one-off expenditure items
- Identifying any income that may cease (e.g. external grants etc)

- Analysing and predicting the likely level of Council Tax and other support.

The initial key elements of the strategy for 2010/11 will include:-

- Looking at reducing the Council's costs without impacting on service provision – although this will be increasingly difficult
- Looking at reductions in discretionary services
- Reviewing the capital programme
- Reviewing fees and charges
- Reviewing 2009/10 underspends.

10.0 OUTLOOK FOR FUTURE YEARS

Appendix F illustrates the effect of the Cost Pressures and Growth Expenditure Items over the period of the remainder of the five-year forecast. Inevitably some of the Cost Pressures/Growth Expenditure Items prioritised lower down the scale will become more urgent. New Cost Pressures and Growth Expenditure Items will also appear. The further forward in time you predict the less certain the forecast becomes, however the general trend is of a deficit of around **£2.0m**.

The revised five year forecast shown at **Appendix F** assumes that the current poor economic climate will be long lasting, but does not take account of the following likely future cost pressures which are expected to occur in 2011/12:

- Cremator replacement including mercury abatement equipment – the reserve will be **£0.400m** short of estimated costs
- Safer Stronger Communities Fund ends in 2009/10 which supported yearly costs of **£0.150m**
- Pension revaluation is due. The value of the fund is likely to have suffered as a result of the current economic climate.
- 3 year funding of INTend ceases – the previous yearly cost (excluding projects) has been **£0.400m**.
- Free swimming grant support of **£0.130m** per annum ceases
- Mandatory Disabled Facility Grants and Private Sector Renewal – possible shortfall of **£0.300m**
- Earmarked reserves fully utilised - **£0.09m**

11.0 IMPLICATIONS

11.1 Community Strategy and Corporate Strategy

Careful planning to ensure financial stability underpins the Council's capacity to achieve the objectives set out in the Corporate Strategy. Individual elements of the Strategy are risk assessed against the aspirations of the Council, as well as statutory service requirements. The approach for 2009/10 builds on previous successful financial planning and is key to the Council's aim to be a modern, healthy and well managed organisation.

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 Strategy and the Community Strategy up to 2011. It will particularly impact on the speed with which the Council can deliver its priorities, rather than the priorities themselves.

11.2 Financial

The financial implications are fully considered in the body of the report.

11.3 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).

11.4 Crime and Disorder Act 1998

Financial stability underpins the Council's capacity to deliver its contribution to the Crime and Disorder Strategy.

11.5 Equality and Diversity

The Strategy does not discriminate against any part of the community on the grounds of gender, age, disability, marital status, sexual orientation, creed/religion, ethnic or national origin.

12.0 CONCLUSION

The Council manages in an increasingly tight financial environment.

The current major economic changes have significantly impacted upon the Councils existing and future financial position. There will be a substantial and continuing reduction in the interest generated by our investments as well as increases in expenditure in areas such as utility costs along with very substantial reductions in income.

In order to fully fund the draft budget for 2009/10 it has been necessary to exclude many Cost Pressures/Growth Expenditure Items, exert very tight financial control and to use part of the 2008/09 savings/underspend to support the 2009/10 budget.

The forecast for 2010/11 and 2011/12 identify the strong probability that there will be a significant budgetary problem. Whilst the forecast needs to be revisited, it is apparent that the 2010/11 budget planning process is likely to require a thorough review of the Council's core costs in order to achieve significant financial reductions over the medium term.

The review of the 2008/09 estimates identified primarily one-off monies which, after allowing for the substantial support necessary to the 2009/10 budget, could be considered for reallocation. These funds have been identified and are shown in the table in **8.2** above. In determining any spending priorities Members should have regard to the worsening financial environment that is likely to prevail in 2010/11 (and beyond); the ongoing commitment to fund the Jaywick Strategic Leadership Group; the need to avoid on-going expenditure as far as possible; the unfunded Priority 2 etc items and the comments from Corporate Management Committee.

In determining the level of Council Tax and the percentage rise to be applied Members should have regard to the capping criteria along with the statement made by the Minister of State for Local Government which is set out at **6.2** above.

Once the Cabinet has agreed their Revised Initial Financial Strategy proposals they will go forward to the Corporate Management Committee for a 3-week consultation period. The comments of the Corporate Management Committee will be reported back to Cabinet on the 5th February 2009 for final consideration. Cabinet will then make final budget recommendations to the Council meeting on 19th February 2009.

13.0 RECOMMENDED

- (a) That Cabinet agrees the Revised Initial Proposals for the Financial Strategy and Financial Forecast for 2009/10, as detailed in the report.**
- (b) That, subject to (a) above Cabinet determines their proposals for the Council Tax increase for 2009/10.**
- (c) That Cabinet determines if they wish to re-allocate any of the resources identified in the table shown in Section 8.2.**
- (d) That if the final financial position is more or less advantageous to the Council (from either revised estimates or estimates for 2009/10) then any increase or decrease is adjusted against the Service Improvement Budget.**
- (e) That Cabinet notes the proposed approach to the Financial Strategy for 2010/11.**
- (f) That the Cabinet requests the Corporate Management Committee's comments on these Revised Initial Financial Strategy Proposals.**

MANAGEMENT BOARD

List of Appendices

- Appendix A** **Summary list of Priority 1 Growth Expenditure Items (as at 25 September 2008) included in the Initial Financial Forecast and Strategy along with other priorities excluded from the forecast.**
- Appendix B** **List of Items from consultation with Corporate Management Committee that Cabinet undertook to reconsider when the Financial Strategy was reviewed.**
- Appendix C** **Revised Priority 1 Growth Expenditure Items proposed to be funded in the Revised Initial Financial Forecast along with all other priorities which will not be funded.**
- Appendix D** **Revised Financial Forecast 2009/10. Identifying the detailed changes from the Initial Financial Strategy.**
- Appendix E** **Letter dated 9th December from The Rt Hon John Healey, Minister for Local Government**
- Appendix F** **Initial Financial Forecast 2010/11 and Beyond (as at 25 September 2008).**

FINANCE PORTFOLIO HOLDER RECOMMENDATIONS

- a) That the Revised Initial Proposals for the Financial Strategy and Financial Forecast for 2009/10, as detailed in the report A.5 at an assumed increase in council tax of 4%, be agreed.
- b) That the capital receipts unapplied of £0.280m remain unallocated and that £0.747m from the 2008/09 revised revenue estimates remains unallocated within the service improvement budget for 2009/10.
- c) That if the final position is more or less advantageous to the Council (from either revised estimates or estimates for 2009/10) then any increase or decrease is adjusted against the service improvement budget.
- d) That the proposed approach to the Financial Strategy for 2010/11 is noted.
- e) That the Corporate Management Committee comments be requested on these Revised Initial Financial Strategy Proposals.

**COUNCILLOR ROBERT BUCKE
FINANCE PORTFOLIO HOLDER**

INITIAL FINANCIAL STRATEGY 2009/10 AND BEYOND - SEE APPENDIX C FOR REVISED PROPOSALS											APPENDIX A	
REVENUE COST PRESSURES			Change compared to 2008/09					Service to Enter		Services Risk Assessment	FAP Team	
Ref No.	Service	Title	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	Impact (1 - 4)	Likelihood (A - F)		Strategic (1 - 5)	
BenRevR01	Benefits and Revenues	Concessionary Bus Passes - Production of Passes	0	0	0	90	0	1	A	1A	1	
CPR04	Corporate Performance	Corporate Software Licence Agreement	20	20	20	20	20	1	A	1A	1	
EnvR01	Environmental Services	NNDR for Public Conveniences	13	13	14	15	16	1	A	1A	1	
EnvR07	Environmental Services	Establish Bathside Border Inspection Post	0	0	0	180	300	1	A	1A	1	
FSR01	Financial Services	Changes to Minimum Revenue Provision (MRP)	14	14	14	14	14	1	A	1A	1	
FSR02	Financial Services	Specialist and Other Insurance Assistance for Retender	0	12	0	0	12	1	A	1A	1	
FSR05	Financial Services	Additional Pension Scheme Costs following Pension Fund Triennial Actuarial Review 2010	0	0	500	500	500	2	A	2A	1	
FSR06	Financial Services	Reduced Income from Minor Capital Receipts	13	13	13	13	13	4	A	4A	1	
FSR07	Financial Services	Upgrade TeamSpirit payroll system to SQL database	13	0	0	0	0	1	A	1A	1	
HouR1	Housing Services	Youth Homelessness: Supported Lodgings Scheme	80	80	80	80	80	1	A	1A	1	
HRR01	Human Resources and Customer Services	Recruitment Advertising	20	20	20	20	20	2	A	2A	1	
HRR06	Human Resources and Customer Services	Software Licence Workforce	8	8	8	8	9	1	B	1B	1	
HRR10	Human Resources and Customer Services	Investors in People	10	0	0	10	0	1	A	1A	1	
HRR11	Human Resources and Customer Services	Loss of Income - Weeley Workshops	12	12	12	12	12	1	A	1A	1	
HRR14	Human Resources and Customer Services	NNDR - Weeley Depot	8	8	8	8	8	2	A	2A	1	
LegR01	Legal Services	Essential Legal Research Materials	5	5	5	5	5	2	A	2A	1	
LegR02	Legal Services	Statutory Review of Gambling Act Policy Statement	5	0	0	5	0	1	A	1A	1	
LeiR01	Leisure Services	Reduction in Cemetery Income	30	30	30	30	30	1	A	1A	1	
LeiR03	Leisure Services	Children's Play Areas - Inspection & General Maintenance	20	21	22	23	24	3	C	3C	1	
LeiR11	Leisure Services	Holland Public Hall - major repairs to roof of Hall and Library	10	0	0	0	0	2	B	2B	1	
LeiR13	Leisure Services	Transport Fleet - Diesel Costs	6	6	6	6	6	2	A	2A	1	
LeiR16	Leisure Services	NNDR and Utilities - Clacton Leisure Centre	38	38	38	38	38	1	A	1A	1	
PlanR01	Planning	Local Development Framework	40	40	40	40	40	1	A	1A	1	
PlanR02	Planning	Legal Cost to Support Planning Enforcement	20	20	20	20	20	1	A	1A	1	

INITIAL FINANCIAL STRATEGY 2009/10 AND BEYOND - SEE APPENDIX C FOR REVISED PROPOSALS										APPENDIX A	
REVENUE COST PRESSURES			Change compared to 2008/09					Service to Enter		Services Risk Assessment	FAP Team
Ref No.	Service	Title	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	Impact (1 - 4)	Likelihood (A - F)		Strategic (1 - 5)
PlanR05	Planning	Development Control Application Fee Income	137	137	137	137	137	4	A	4A	1
PlanR06	Planning	Building Control Fee Income	66	66	66	66	66	4	A	4A	1
TPR05	Technical and Procurement	Seafront Safety Barriers	50	150	0	0	0	1	B	1B	1
TPR08	Technical and Procurement	Loss of Parking Revenue at Harwich Quay	25	20	15	10	5	2	B	2B	1
TPR14	Technical and Procurement	Public Car Parks - NNDR	7	8	8	10	10	2	A	2A	1
TPR16	Technical and Procurement	Hired Services - Payments to Contractors - Car Parks	5	6	6	7	7	2	A	2A	1
TPR17	Technical and Procurement	Grounds Maintenance External Contractors	5	6	6	7	7	2	A	2A	1
		Total Priority 1	680	753	1,088	1,374	1,399				
CPR02	Corporate Performance	ICT and Related Services Agreement	22	22	22	22	22	1	A	1A	2
EnvR02	Environmental Services	Contract costs for public convenience cleaning - potential 10% increase following retender	23	24	25	26	27	1	A	1A	2
EnvR04	Environmental Services	Street Cleaning - potential 10% increase following retender	35	139	146	153	160	1	B	1B	2
EnvR06	Environmental Services	HASWA Training	5	6	6	6	6	2	B	2B	2
EnvR09	Environmental Services	Network Rail Legal Costs	50	0	0	0	0	1	A	1A	2
EnvR08	Environmental Services	Bathside Pollution Control	0	100	100	100	0	1	A	1A	2
FSR03	Financial Services	Consultancy to Upgrade Agresso Major Release	0	15	0	15	0	2	A	2A	2
HRR02	Human Resources and Customer Services	Repair and Maintenance - Office Buildings	30	30	50	50	50	2	B	2B	2
HRR04	Human Resources and Customer Services	Specialist Legal Advice	20	20	20	20	20	2	A	2A	2
HRR05	Human Resources and Customer Services	Tending Matters	10	10	20	20	20	2	B	2B	2
HRR07	Human Resources and Customer Services	Job Evaluation Maintenance	200	200	200	200	200	2	C	2C	2
HRR08	Human Resources and Customer Services	Repairs and Maintenance - Depots General	10	10	10	10	10	2	B	2B	2
HRR09	Human Resources and Customer Services	Member Learning and Development	20	20	20	20	20	2	B	2B	2
HRR13	Human Resources and Customer Services	Office Cleaning - Materials and Consumables	8	8	8	8	8	2	A	2A	2
LeiR02	Leisure Services	Planned Maintenance to the Victorian Lights, Clacton Seafront	0	0	10	0	0	2	A	2A	2
LeiR14	Leisure Services	Dovercourt Swimming Pool - Repairs and Maintenance	24	24	24	24	24	2	A	2A	2

INITIAL FINANCIAL STRATEGY 2009/10 AND BEYOND - SEE APPENDIX C FOR REVISED PROPOSALS										APPENDIX A	
REVENUE COST PRESSURES			Change compared to 2008/09					Service to Enter		Services Risk Assessment	FAP Team
Ref No.	Service	Title	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	Impact (1 - 4)	Likelihood (A - F)		Strategic (1 - 5)
LeiR15	Leisure Services	Frinton and Walton Swimming Pool - Repairs and Maintenance	13	13	13	13	13	2	A	2A	2
LeiR17	Leisure Services	Tor de Tendring - re-introduction	10	10	10	10	10	3	D	3D	2
TPR01	Technical and Procurement	Street Nameplates	10	10	10	10	10	2	B	2B	2
TPR02	Technical and Procurement	Implement a Realistic Programme of Car Park Maintenance	50	50	50	50	50	2	B	2B	2
TPR06	Technical and Procurement	Dangerous Structures Standby Payments	15	15	15	15	15	1	A	1A	2
TPR07	Technical and Procurement	Emergency Planning Standby Payments for First Call Officers	12	12	12	12	12	1	A	1A	2
TPR19	Technical and Procurement	Car Park Income - Fees and Charges	28	0	0	0	0	2	A	2A	2
		Total Priority 2	595	738	771	784	677				
BenRevR03	Benefits and Revenues	Use of Bailiff for Ctax and NNDR	100	100	100	100	100	3	A	3A	3
EnvR10	Environmental Services	Officer to Enforce Fly tipping provisions in connection with NI 196	40	40	40	40	40	1	A	1A	3
LeiR06	Leisure Services	Weeley Crem - External and Internal Decoration	20	0	0	0	0	3	A	3A	3
LeiR09	Leisure Services	Fencing Rush Green Recreation Ground	15	0	0	0	0	3	B	3B	3
LeiR10	Leisure Services	Fencing East Cliff Recreation Ground	15	0	0	0	0	3	B	3B	3
LeiR12	Leisure Services	Weeley Crem - Repairs to Flower Court	10	0	0	0	0	2	A	2A	3
PlanR07	Planning	Potential Additional Building Control Requirements	50	50	50	50	50	2	B	2B	3
TPR03	Technical and Procurement	Procurement Officer	50	50	50	50	50	1	A	1A	3
TPR04	Technical and Procurement	Procurement Hub	30	20	0	0	0	2	B	2B	3
TPR11	Technical and Procurement	Loss of Rental Income - Walton Market	12	23	23	23	23	2	A	2A	3
TPR13	Technical and Procurement	Loss of Rental - Manningtree Market	12	12	12	12	12	2	A	2A	3
		Total Priority 3	354	295	275	275	275				
FSR04	Financial Services	Additional Costs re VAT Partial Exemption	200	200	200	200	200	4	C	4C	4
LeiR04	Leisure Services	Maintain GM Standards in extensions to Dovercourt, Clacton and Kirby Cemeteries	5	5	6	6	7	5	A	5A	4
LeiR05	Leisure Services	Weeley Crem - Electronic Book of Remembrance	8	0	0	0	0	4	D	4D	4
TPR10	Technical and Procurement	Adapt Car Parks and Pay and Display Ticket Machines to suit Wheelchair Users	50	0	0	0	0	2	C	2C	4
		Total Priority 4	263	205	206	206	207				

INITIAL FINANCIAL STRATEGY 2009/10 AND BEYOND - SEE APPENDIX C FOR REVISED PROPOSALS										APPENDIX A	
REVENUE COST PRESSURES			Change compared to 2008/09					Service to Enter		Services Risk Assessment	FAP Team
Ref No.	Service	Title	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	Impact (1 - 4)	Likelihood (A - F)		Strategic (1 - 5)

TOTAL ALL PRIORITIES

1,892	1,991	2,340	2,639	2,558
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INITIAL FINANCIAL STRATEGY 2009/10 AND BEYOND - SEE APPENDIX C FOR REVISED PROPOSALS							APPENDIX A		
Ref No.	Service	Title	Change compared to 2008/09					Services Risk Assessment	FAP Team Strategic (1 - 5)
			2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2012/13 £000		
BenRevC01	Benefits and Revenues	Replacement of High Volume Printers	10	7	7			2B	1
BenRevC02	Benefits and Revenues	Replacement Folding & Inserting Machine				30		2B	1
BenRevC03	Benefits and Revenues	Replacement of DIP Scanning Machines		42				2B	1
CPC03	Corporate Performance	Government Connect Secure Extranet (GCSx)	15					1A	1
HRC02	Human Resources and Customer Services	Replacement Boiler Council Offices Weeley		35				2B	1
LeiC39	Leisure Services	Rolling Vehicle/Plant Replacement Programme				82	163	1A	1
RPCC01	Regeneration and Community Services	Relocation of Careline	100					1A	1
RPCC02	Regeneration and Community Services	Careline Equipment Upgrade to 21CN	150					1A	1
		Total Priority 1	275	84	7	112	163		
EnvC02	Environmental Services	Replacement of Public Conveniences	350	350	350	350	350	3C	2
FSC01	Financial Services	Agresso Budgeting Module		25				2B	2
HRC04	Human Resources and Customer Services	Upgrade of Toilet Facilities at Town Hall and Council Offices	45					2B	2
HRC05	Human Resources and Customer Services	Replacement Windows - Weeley Council Offices	45					2B	2
LeiC04	Leisure Services	Children's Play Areas - Refurbishment Programme - Bathhouse Meadow Walton	70					2A	2
LeiC05	Leisure Services	Children's Play Areas - Refurbishment Programme - Burrs Road Clacton	70					2A	2
LeiC06	Leisure Services	Children's Play Areas - Refurbishment Programme - Harwich Green	70					2A	2
LeiC09	Leisure Services	Weeley Crematorium - Provision of Additional Parking Capacity	200					1A	2
LeiC15	Leisure Services	Replacement of Existing Steps from Walton Station to Lower Prom	120					2B	2
LeiC17	Leisure Services	Renewal of Water Main, Western Promenade Brightlingsea	30					3B	2
LeiC20	Leisure Services	Renew Moat Fencing, Martello Tower F, Clacton	20					2B	2
LeiC22	Leisure Services	Renew Safety Surface to Play Area, Marine Parade West, Clacton	25					2B	2
LeiC23	Leisure Services	Resurfacing/Relighting of Road at Weeley Crematorium		70				1C	2
LeiC27	Leisure Services	Replacement of Existing Steps from Naze Car Park to the beach	50					3A	2
LeiC28	Leisure Services	Children's Play Areas Refurbishment Programme - Park Playing Fields Frinton		70				2A	2
LeiC29	Leisure Services	Children's Play Area Refurbishment Programme - Rush Green Recreation Ground, Clacton		70				2A	2
LeiC30	Leisure Services	Children's Play Areas Refurbishment Programme - Bathside Harwich		70				2A	2

INITIAL FINANCIAL STRATEGY 2009/10 AND BEYOND - SEE APPENDIX C FOR REVISED PROPOSALS							APPENDIX A		
Ref No.	Service	Title	Change compared to 2008/09					Services Risk Assessment	FAP Team Strategic (1 - 5)
			2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2012/13 £000		
LeiC31	Leisure Services	Children's Play Areas Refurbishment Programme - Foots Farm, Clacton			70			2A	2
LeiC32	Leisure Services	Children's Play Areas Refurbishment Programme - Dove Crescent, Dovercourt			70			2A	2
LeiC33	Leisure Services	Children's Play Areas Refurbishment Programme, Carisbrooke Ave, Clacton			70			2A	2
LeiC34	Leisure Services	Tread wheel Crane, Harwich	50					3B	2
TPC01	Technical and Procurement	Refurbish Sea Walls at Holland	1,000	1,000	1,000	1,000	1,000	1A	2
		Total Priority 2	2,145	1,655	1,560	1,350	1,350		
EnvC01	Environmental Services	Budget for Compulsory Purchase & Financial Assistance to Owners of Empty Homes		150	150	100	100	2B	3
HRC01	Human Resources and Customer Services	Installation of CCTV at Council Offices Weeley	10	5				3E	3
HRC07	Human Resources and Customer Services	On-line MDPP	15					1B	3
HRC08	Human Resources and Customer Services	Resurface Apron of Weeley Workshop	25					2A	3
LeiC01	Leisure Services	Clacton Cemetery - Landscaping Works	60					3C	3
LeiC02	Leisure Services	Clacton Cemetery - Provision of Additional Car Parking Area	20					3E	3
LeiC03	Leisure Services	Re-Surfacing of Dovercourt Tennis Courts	50					3B	3
LeiC07	Leisure Services	Phased Removal of Mid Promenade Clacton and Holland on Sea	30	30	30	30	30	3D	3
LeiC08	Leisure Services	Removal of Cliff Slope opposite Cambridge Road, Frinton	40					3B	3
LeiC10	Leisure Services	Dovercourt Cemetery - New Car Park	20					3E	3
LeiC12	Leisure Services	Weeley Crematorium - Extension of existing Flower Court	30					2A	3
LeiC13	Leisure Services	Resurfacing of West End Lane Dovercourt	150					2B	3
LeiC14	Leisure Services	Replacement of Existing Paving in Crescent Gardens, Frinton	20					2B	3
LeiC16	Leisure Services	Resurfacing of Roadways within Holland Haven Country Park	100					2B	3
LeiC18	Leisure Services	Relay paving slabs, Albany Gardens, Connaught Gardens and Lancaster Gardens	30					3C	3
LeiC19	Leisure Services	Relay existing crazy paved pathway, Martello Tower F, Clacton	20					3C	3
LeiC21	Leisure Services	Water Pipe Renewal Marine Parade Walton	20					3D	3
LeiC25	Leisure Services	Resurfacing of Car Park, West End Lane, Dovercourt - funded by Essex CC	20					2B	3
LeiC26	Leisure Services	Resurface roadway into Kirby Recreation Ground	60					3B	3
LeiC35	Leisure Services	Road Resurfacing, Barrack Lane, Harwich	25					2B	3
LeiC36	Leisure Services	Road Resurfacing, Bowls Club Car Park, Vista Road, Rec Ground		25				2B	3
LeiC37	Leisure Services	Road Resurfacing Dovercourt Green	25					2B	3
LeiC38	Leisure Services	Vehicle Workshop Ramp	10					2B	3
LeiC40	Leisure Services	Refurbishment of Bar - Essex Hall	20					3B	3
LeiC41	Leisure Services	Replace Dance Floor - Princes Theatre		75				3C	3
LeiC42	Leisure Services	Theatre Store Refurbishment	50					3C	3

INITIAL FINANCIAL STRATEGY 2009/10 AND BEYOND - SEE APPENDIX C FOR REVISED PROPOSALS							APPENDIX A		
Ref No.	Service	Title	Change compared to 2008/09					Services Risk Assessment	FAP Team Strategic (1 - 5)
			2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2012/13 £000		
LeiC43	Leisure Services	Install Motorised System to Fire Curtain - Princes Theatre	25					3C	3
LeiC44	Leisure Services	New Box Office System for Princes Theatre	12					3C	3
LeiC45	Leisure Services	Additional Ladies Toilets Facilities for Princes Theatre	35					3C	3
LeiC46	Leisure Services	Upgrade/final Phase for Sound System Princes Theatre	40					3C	3
LeiC47	Leisure Services	Resurfacing of Road, St Helen's Green, Harwich		15				3C	3
LeiC48	Leisure Services	Refurbishment of Brightlingsea Paddling Pool	60					2B	3
LeiC50	Leisure Services	Clacton Leisure Centre - Resurface Car Park	100					3E	3
LeiC51	Leisure Services	Dovercourt Swimming Pool - Resurface Car Park		40				3D	3
		Total Priority 3	1,122	340	180	130	130		
LeiC11	Leisure Services	Weeley Crematorium - Extension of Garden of Remembrance	40					4B	4
LeiC49	Leisure Services	Clacton Leisure Centre - Refurbish Tennis Courts	30					4D	4
LeiC52	Leisure Services	Clacton Leisure Centre - Installation of new floodlights on synthetic pitch	25					4E	4
LeiC53	Leisure Services	Dovercourt Swimming Pool - Installation of CCTV	15					4E	4
LeiC54	Leisure Services	Frinton & Walton Swimming Pool - Installation of CCTV	15					4E	4
		Total Priority 4	125	0	0	0	0		

TOTAL ALL PRIORITIES

3,667 2,079 1,747 1,592 1,643

INITIAL FINANCIAL STRATEGY 2009/10 AND BEYOND - SEE APPENDIX C FOR REVISED PROPOSALS

APPENDIX A

SAVINGS / INCREASED INCOME OPTION ANALYSIS			Change compared to 2008/09						FAP Team
Ref No.	Service	Title	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	Likelihood (A - F)	Strategic (1 - 5)
BenRevS1	Benefits & Revenues	Concessionary Bus Passes - Staffing	16	16	16	16	16	A	1
BenRevS2	Benefits & Revenues	Concessionary Bus Passes - Staffing	15	15	15	15	15	A	1
FSS1	Financial Services	Reduced Cost of Data Communications Charge for Members IT	5	5	5	5	5	B	1
Total Priority 1			36	36	36	36	36		

TOTAL ALL PRIORITIES

36	36	36	36	36
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ITEMS FROM CONSULTATION WITH THE CORPORATE MANAGEMENT COMMITTEE THAT CABINET UNDERTOOK TO RECONSIDER WHEN THE FINANCIAL STRATEGY WAS REVIEWED

Service	Cost pressure reference	Cost pressure title	Corporate Management Committee comment	Impact 2009-10 £,000	Impact 2010-11 to 2013/14 £,000	Cabinet Comment 13/11/08	Revised Financial Strategy Position
Human Resources and Customer Services	HRR11	Loss of Income – Weeley Workshops	The Council should look to let the Weeley Workshops, as soon as possible, on a short-term let basis in order to minimise the loss of income.			Some of this workshop area has recently been refurbished for use as office accommodation. Options for leasing the remainder of the space are being considered. Any financial implications arising from these arrangements will be considered as part of the revised financial strategy.	No further financial implications have been identified at this stage.
Leisure	LeiC17	Renewal of Water Main, Western Promenade, Brightlingsea.	The Officers should undertake a full cost analysis of these measures and also investigate the potential for contributions to such works in respect of the Western Promenade, Brightlingsea works from the Town Council and the local caravan park.			Agreed. Depending on the outcome of this analysis these will be considered as part of the revised financial strategy and initial budget proposals.	This analysis is yet to be completed. Not included as a priority 1 at this stage.
	LeiC21	Water Pipe Renewal at Marine Parade, Walton.				Agreed. Depending on the outcome of this analysis these will be considered as part of the revised financial strategy and initial budget proposals.	This cost pressure has been withdrawn from the 2009/10 financial strategy pending further investigation.

ITEMS FROM CONSULTATION WITH THE CORPORATE MANAGEMENT COMMITTEE THAT CABINET UNDERTOOK TO RECONSIDER WHEN THE FINANCIAL STRATEGY WAS REVIEWED

Service	Cost pressure reference	Cost pressure title	Corporate Management Committee comment	Impact 2009-10 £,000	Impact 2010-11 to 2013/14 £,000	Cabinet Comment 13/11/08	Revised Financial Strategy Position
			The Committee believes that the Manningtree School Outdoor Swimming Pool should be brought into the Joint Use Agreement to be on the same status as the gym and school hall and that this should be a Priority 1 for 2009/10.			The Head of Leisure will be asked to assess the implications of bringing Manningtree School Outdoor Swimming Pool into the Joint User Agreement to consider the viability and costs of such an approach. This will then be considered as part of the revised financial strategy and initial budget proposals.	A preliminary assessment has been undertaken by leisure officers and it is judged that the capital and revenue implications of this proposal make it prohibitive. Not included as a priority 1 at this stage.
Environmental	EnvR9	Network Rail Legal Costs	This cost pressure should be upgraded to a Priority 1 but that the sum of £50,000 should be placed in a ring-fenced earmarked reserve to be called on if, and when, required.	50	0	This will be considered as part of the revised financial strategy and initial budget proposals.	Not included as a priority 1 at this stage.
	EnvR10	Officer to Enforce Fly-Tipping Provisions in connection with NI196	This cost pressure should be upgraded to a Priority 1 in the event that the Officer post cannot be funded via the Essex Local Area Agreement Performance Reward Grant.	40	160	This will be considered as part of the revised financial strategy and initial budget proposals once further information on the allocation of the LAA reward grant is available.	This has not been funded by LAA Performance Reward Grant and is not included as a priority 1 at this stage.

ITEMS FROM CONSULTATION WITH THE CORPORATE MANAGEMENT COMMITTEE THAT CABINET UNDERTOOK TO RECONSIDER WHEN THE FINANCIAL STRATEGY WAS REVIEWED

Service	Cost pressure reference	Cost pressure title	Corporate Management Committee comment	Impact 2009-10 £,000	Impact 2010-11 to 2013/14 £,000	Cabinet Comment 13/11/08	Revised Financial Strategy Position
Housing	HouR1	Youth Homelessness: Supported Lodgings Scheme	Should be amended so that £40,000 should be placed in the Base Budget for the cost of the new Youth Homelessness Officer (£24,000) and the initial provision of that service (£16,000). A further £54,000 to be placed in a ring-fenced earmarked reserve which can be called on to finance the supported lodgings scheme if, and when, required.	14	0	This will be considered as part of the revised financial strategy and initial budget proposals.	Included as a priority 1 cost pressure of £80,000 at this stage.

ITEMS FROM CONSULTATION WITH THE CORPORATE MANAGEMENT COMMITTEE THAT CABINET UNDERTOOK TO RECONSIDER WHEN THE FINANCIAL STRATEGY WAS REVIEWED

Service	Cost pressure reference	Cost pressure title	Corporate Management Committee comment	Impact 2009-10 £,000	Impact 2010-11 to 2013/14 £,000	Cabinet Comment 13/11/08	Revised Financial Strategy Position
Human Resources and Customer Services	HRR1	Recruitment Advertising	This cost pressure should be down graded to a Priority 2 and that, in addition, the Council should consider raising the age limit on the Career Track Scheme to 30 years and that this should be a localised scheme if necessary, bearing in mind that the national scheme expires at the age of 25.	-20	-80	As the Career Track Scheme is a national scheme which operates under national conditions the Council would need to fund any local changes. The Head of Human Resources and Customer Services will be asked to consider the implications of such a change and this will then be considered as part of the revised financial strategy and initial budget proposals.	Career Track is a National Work Based Learning Scheme geared to 16-25 year olds, which is subsidised by the Learning and Skills Council. There would be no such subsidy for 25 – 30 year olds which would mean that the Council picking up the whole cost. Depending on the numbers involved, the costs are likely to be significant - around £16,000 per place plus £15,000 for wages and training. No provision has been made in the revised financial strategy to run such a scheme and HRR1 remains as a priority 1.

ITEMS FROM CONSULTATION WITH THE CORPORATE MANAGEMENT COMMITTEE THAT CABINET UNDERTOOK TO RECONSIDER WHEN THE FINANCIAL STRATEGY WAS REVIEWED

Service	Cost pressure reference	Cost pressure title	Corporate Management Committee comment	Impact 2009-10 £,000	Impact 2010-11 to 2013/14 £,000	Cabinet Comment 13/11/08	Revised Financial Strategy Position
	HRR5	Tending Matters	This cost pressure should be upgraded to a Priority 1 but the Cabinet are informed that this Committee will be requesting the Community Leadership and Partnerships Committee to set up a Task and Finish Working Group to commission a review of Tending Matters and this Committee seeks the Cabinet's support for that action.	10	70	This will be considered as part of the revised financial strategy and initial budget proposals.	Not included as a priority 1 at this stage.
	LeiR17	Tour de Tending – Re-introduction	This cost pressure should be upgraded to a Priority 1.	10	40	This will be considered as part of the revised financial strategy and initial budget proposals.	The budget includes provision to fund Tour de Tending for three years including contributions from partners.

ITEMS FROM CONSULTATION WITH THE CORPORATE MANAGEMENT COMMITTEE THAT CABINET UNDERTOOK TO RECONSIDER WHEN THE FINANCIAL STRATEGY WAS REVIEWED

Service	Cost pressure reference	Cost pressure title	Corporate Management Committee comment	Impact 2009-10 £,000	Impact 2010-11 to 2013/14 £,000	Cabinet Comment 13/11/08	Revised Financial Strategy Position
Planning	PlanR1	Funding the Third Year of Implementing Local Development Framework	£120,000 should be taken from the Council's current reserves and be placed in a ring-fenced earmarked reserve to be called on as and when required	-40	-160	This will be considered as part of the revised financial strategy and initial budget proposals although it is not Cabinet's policy to reduce the general fund reserves which are provided to meet emergencies and are of particular importance in the current economic climate.	Included as a priority 1 of £40,000 at this stage.
Technical	TPR1	Street Nameplates	£5,000 of this Cost Pressure should be upgraded to a Priority 1 with the remaining £5,000 retained as a Priority 2.	5	20	This will be considered as part of the revised financial strategy and initial budget proposals.	No funding included as a priority 1 at this stage.
	TPR6	Dangerous Structures Standby Payments	These Cost Pressures should be upgraded to Priority 1 with a £10,000 budget to cover both.	10	40	This will be considered as part of the revised financial strategy and initial budget proposals.	Not included as a priority 1 at this stage.

ITEMS FROM CONSULTATION WITH THE CORPORATE MANAGEMENT COMMITTEE THAT CABINET UNDERTOOK TO RECONSIDER WHEN THE FINANCIAL STRATEGY WAS REVIEWED

Service	Cost pressure reference	Cost pressure title	Corporate Management Committee comment	Impact 2009-10 £,000	Impact 2010-11 to 2013/14 £,000	Cabinet Comment 13/11/08	Revised Financial Strategy Position
	TPR7	Emergency Planning Standby Payments for first call Officers				This will be considered as part of the revised financial strategy and initial budget proposals.	Not included as a priority 1 at this stage.
	TPR8	Loss of Parking Revenue at Harwich Quay	This Cost Pressure should stay as a Priority 1 but the budget allowance should be moved back a year so that the first year of this Cost Pressure is 2010/11.	-25	20	Not agreed. The Head of Technical and Procurement has advised that, based on the timescales for this project, there is still expected to be a loss of income occurring in 2009/10 although the amount will be considered as part of the revised financial strategy and initial budget proposals.	Included as a priority 1 from 2009/10 but the anticipated loss of income reduced from £25,000 to £5,000.
	TPR17	Maintenance External Contractors Car Parks	This cost pressure should be downgraded to a Priority 2 as the cost pressure is an enhancement/improvement of the service and not, as originally stated, to maintain an existing level of service or meet a statutory requirement.	-5	-26	This will be considered as part of the revised financial strategy and initial budget proposals.	Included as a priority 1 of £5,000 at this stage.

ITEMS FROM CONSULTATION WITH THE CORPORATE MANAGEMENT COMMITTEE THAT CABINET UNDERTOOK TO RECONSIDER WHEN THE FINANCIAL STRATEGY WAS REVIEWED

Service	Cost pressure reference	Cost pressure title	Corporate Management Committee comment	Impact 2009-10 £,000	Impact 2010-11 to 2013/14 £,000	Cabinet Comment 13/11/08	Revised Financial Strategy Position
Leisure	LeiC9	Weeley Crematorium – Provision of additional car parking capacity	These cost pressures should be upgraded to a Priority 1 and that both be moved forward into 2009/10 with a maximum budget allocation of £270,000 but that the Committee would expect that by combining both pieces of work the overall cost would be a sum significantly less than the maximum amount detailed in the cost pressures.	200	0	This will be considered as part of the revised financial strategy and initial budget proposals.	Not included as a priority 1 at this stage.
	LeiC23	Re-surfacing – Lighting of Road at the Crematorium, Weeley		70	0	This will be considered as part of the revised financial strategy and initial budget proposals.	Not included as a priority 1 at this stage.
	LeiC10	Dovercourt Cemetery – New Car Park		20	0	This will be considered as part of the revised financial strategy and initial budget proposals.	Not included as a priority 1 at this stage.

REVISED FINANCIAL STRATEGY 2009/10 AND BEYOND											APPENDIX C	
REVENUE COST PRESSURES			Change compared to 2008/09					Service to Enter		Services Risk Assessment	FAP Team	Note
Ref No.	Service	Title	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	Impact (1 - 4)	Likelihood (A - F)		Strategic (1 - 5)	
BenRevR01	Benefits and Revenues	Concessionary Bus Passes - Production of Passes	0	0	0	90	0	1	A	1A	1	
CPR02	Corporate Performance	ICT and Related Services Agreement	10	10	10	10	10	1	A	1A	1	1
CPR04	Corporate Performance	Corporate Software Licence Agreement	20	20	20	20	20	1	A	1A	1	
EnvR01	Environmental Services	NNDR for Public Conveniences	13	13	14	15	16	1	A	1A	1	
EnvR07	Environmental Services	Establish Bathside Border Inspection Post	0	0	0	180	300	1	A	1A	1	
FSR01	Financial Services	Changes to Minimum Revenue Provision (MRP)	-15	-15	-15	-15	-15	1	A	1A	1	2
FSR02	Financial Services	Specialist and Other Insurance Assistance for Retender	0	12	0	0	12	1	A	1A	1	
FSR05	Financial Services	Additional Pension Scheme Costs following Pension Fund Triennial Actuarial Review 2010	0	0	500	500	500	2	A	2A	1	
FSR06	Financial Services	Reduced Income from Minor Capital Receipts	13	13	13	13	13	4	A	4A	1	
FSR07	Financial Services	Upgrade TeamSpirit payroll system to SQL database	13	0	0	0	0	1	A	1A	1	
HouR1	Housing Services	Youth Homelessness: Supported Lodgings Scheme	80	80	80	80	80	1	A	1A	1	
HRR01	Human Resources and Customer Services	Recruitment Advertising	20	20	20	20	20	2	A	2A	1	
HRR06	Human Resources and Customer Services	Software Licence Workforce	8	8	8	8	9	1	B	1B	1	
HRR10	Human Resources and Customer Services	Investors in People	10	0	0	10	0	1	A	1A	1	
HRR11	Human Resources and Customer Services	Loss of Income - Weeley Workshops	12	12	12	12	12	1	A	1A	1	
HRR14	Human Resources and Customer Services	NNDR - Weeley Depot	8	8	8	8	8	2	A	2A	1	
LegR01	Legal Services	Essential Legal Research Materials	5	5	5	5	5	2	A	2A	1	
LegR02	Legal Services	Statutory Review of Gambling Act Policy Statement	0	0	0	0	0	1	A	1A	1	3
LegR03	Legal Services	Reduction in Land Charges Income	150	150	150	150	150	1	A	1A	1	4
LeiR01	Leisure Services	Reduction in Cemetery Income	30	30	30	30	30	1	A	1A	1	
LeiR03	Leisure Services	Children's Play Areas - Inspection & General Maintenance	20	21	22	23	24	3	C	3C	1	
LeiR11	Leisure Services	Holland Public Hall - major repairs to roof of Hall and Library	10	0	0	0	0	2	B	2B	1	
LeiR13	Leisure Services	Transport Fleet - Diesel Costs	6	6	6	6	6	2	A	2A	1	
LeiR16	Leisure Services	NNDR and Utilities - Clacton Leisure Centre	67	67	67	67	67	1	A	1A	1	5
LeiR18	Leisure Services	NNDR - Cemeteries and Crematorium	10	10	10	10	10	1	A	1A	1	6
PlanR01	Planning	Local Development Framework	40	40	40	40	40	1	A	1A	1	
PlanR02	Planning	Legal Cost to Support Planning Enforcement	20	20	20	20	20	1	A	1A	1	
PlanR05	Planning	Development Control Application Fee Income	137	137	137	137	137	4	A	4A	1	
PlanR06	Planning	Building Control Fee Income	66	66	66	66	66	4	A	4A	1	

REVISED FINANCIAL STRATEGY 2009/10 AND BEYOND											APPENDIX C		
REVENUE COST PRESSURES			Change compared to 2008/09					Service to Enter		Services Risk Assessment	FAP Team	Note	
Ref No.	Service	Title	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	Impact (1 - 4)	Likelihood (A - F)		Strategic (1 - 5)		
TPR05	Technical and Procurement	Seafront Safety Barriers	50	150	0	0	0	1	B	1B	1		
TPR08	Technical and Procurement	Loss of Parking Revenue at Harwich Quay	5	20	15	10	5	2	B	2B	1	7	
TPR14	Technical and Procurement	Public Car Parks - NNDR	7	8	8	10	10	2	A	2A	1		
TPR16	Technical and Procurement	Hired Services - Payments to Contractors - Car Parks	5	6	6	7	7	2	A	2A	1		
TPR17	Technical and Procurement	Grounds Maintenance External Contractors	5	6	6	7	7	2	A	2A	1		
TPR20	Technical and Procurement	Reduction in car parking income	75	75	75	75	75	1	A	1A	1	8	
Total Priority 1			900	998	1,333	1,614	1,644						

Note

- 1 This cost pressure has been updated and moved from a priority 2 to reflect the latest estimate of the cost of the ongoing ICT contract in 2009/10.
- 2 The cost of MRP has been recalculated as part of the budget and this cost pressure has been amended to reflect this. There is now a reduction of £15,000.
- 3 This cost pressure of £5,000 has been removed as the forthcoming review will be on a smaller scale than anticipated and can therefore be met from within existing Legal Services budgets.
- 4 This is a new cost pressure to reflect the anticipated loss of land charge income resulting from the downturn in the housing market as a result of the current economic climate.
- 5 Due to rising utility costs this cost pressure has increased by £29,000.
- 6 This is a new priority 1 to reflect the NNDR costs of cemeteries and the crematorium
- 7 This cost pressure has been updated to reflect the reduced anticipated loss of income in 2009/10 based on the timing of the works at Harwich Quay.
- 8 This is a new cost pressure to reflect the anticipated loss of income from car parking in relation to off street car parks.

CPR02	Corporate Performance	ICT and Related Services Agreement	0	0	0	0	0	1	A	1A	2	8
EnvR02	Environmental Services	Contract costs for public convenience cleaning - potential 10% increase following retender	23	24	25	26	27	1	A	1A	2	
EnvR04	Environmental Services	Street Cleaning - potential 10% increase following retender	35	139	146	153	160	1	B	1B	2	
EnvR06	Environmental Services	HASWA Training	5	6	6	6	6	2	B	2B	2	
EnvR09	Environmental Services	Network Rail Legal Costs	50	0	0	0	0	1	A	1A	2	
EnvR08	Environmental Services	Bathside Pollution Control	0	100	100	100	0	1	A	1A	2	
FSR03	Financial Services	Consultancy to Upgrade Agresso Major Release	0	15	0	15	0	2	A	2A	2	
HRR02	Human Resources and Customer Services	Repair and Maintenance - Office Buildings	30	30	50	50	50	2	B	2B	2	
HRR04	Human Resources and Customer Services	Specialist Legal Advice	20	20	20	20	20	2	A	2A	2	
HRR05	Human Resources and Customer Services	Tending Matters	10	10	20	20	20	2	B	2B	2	
HRR07	Human Resources and Customer Services	Job Evaluation Maintenance	200	200	200	200	200	2	C	2C	2	
HRR08	Human Resources and Customer Services	Repairs and Maintenance - Depots General	10	10	10	10	10	2	B	2B	2	
HRR09	Human Resources and Customer Services	Member Learning and Development	20	20	20	20	20	2	B	2B	2	

REVISED FINANCIAL STRATEGY 2009/10 AND BEYOND											APPENDIX C	
REVENUE COST PRESSURES			Change compared to 2008/09					Service to Enter		Services Risk Assessment	FAP Team	Note
Ref No.	Service	Title	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	Impact (1 - 4)	Likelihood (A - F)		Strategic (1 - 5)	
HRR13	Human Resources and Customer Services	Office Cleaning - Materials and Consumables	8	8	8	8	8	2	A	2A	2	
LeiR02	Leisure Services	Planned Maintenance to the Victorian Lights, Clacton Seafront	0	0	10	0	0	2	A	2A	2	
LeiR14	Leisure Services	Dovercourt Swimming Pool - Repairs and Maintenance	24	24	24	24	24	2	A	2A	2	
LeiR15	Leisure Services	Frinton and Walton Swimming Pool - Repairs and Maintenance	13	13	13	13	13	2	A	2A	2	
LeiR17	Leisure Services	Tour de Tendring - re-introduction	10	10	10	10	10	3	D	3D	2	9
TPR01	Technical and Procurement	Street Nameplates	10	10	10	10	10	2	B	2B	2	
TPR02	Technical and Procurement	Implement a Realistic Programme of Car Park Maintenance	50	50	50	50	50	2	B	2B	2	
TPR06	Technical and Procurement	Dangerous Structures Standby Payments	15	15	15	15	15	1	A	1A	2	
TPR07	Technical and Procurement	Emergency Planning Standby Payments for First Call Officers	12	12	12	12	12	1	A	1A	2	
TPR19	Technical and Procurement	Car Park Income - Fees and Charges	28	0	0	0	0	2	A	2A	2	
Total Priority 2			573	716	749	762	655					

Note

8 This cost pressure has been moved to a priority 1.

9 Provision for Tour de Tendring has been included in the budget together with contributions from partners.

BenRevR03	Benefits and Revenues	Use of Bailiff for Ctax and NNDR	100	100	100	100	100	3	A	3A	3	
EnvR10	Environmental Services	Officer to Enforce Fly tipping provisions in connection with NI 196	40	40	40	40	40	1	A	1A	3	
LeiR06	Leisure Services	Weeley Crem - External and Internal Decoration	20	0	0	0	0	3	A	3A	3	
LeiR09	Leisure Services	Fencing Rush Green Recreation Ground	0	0	0	0	0	3	B	3B	3	10
LeiR10	Leisure Services	Fencing East Cliff Recreation Ground	0	0	0	0	0	3	B	3B	3	11
LeiR12	Leisure Services	Weeley Crem - Repairs to Flower Court	0	0	0	0	0	2	A	2A	3	12
PlanR07	Planning	Potential Additional Building Control Requirements	50	50	50	50	50	2	B	2B	3	
TPR03	Technical and Procurement	Procurement Officer	50	50	50	50	50	1	A	1A	3	
TPR04	Technical and Procurement	Procurement Hub	30	20	0	0	0	2	B	2B	3	
TPR11	Technical and Procurement	Loss of Rental Income - Walton Market	12	23	23	23	23	2	A	2A	3	
TPR13	Technical and Procurement	Loss of Rental - Manningtree Market	12	12	12	12	12	2	A	2A	3	
Total Priority 3			314	295	275	275	275					

REVISED FINANCIAL STRATEGY 2009/10 AND BEYOND										APPENDIX C		
REVENUE COST PRESSURES			Change compared to 2008/09					Service to Enter		Services Risk Assessment	FAP Team	Note
Ref No.	Service	Title	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	Impact (1 - 4)	Likelihood (A - F)		Strategic (1 - 5)	

Note

- 10 This cost pressure of £15,000 has been removed as other options are being investigated.
- 11 This cost pressure of £15,000 has been removed as other options are being investigated.
- 12 This cost pressure of £10,000 has been removed as options for funding this from within existing Leisure service budgets are being investigated.

FSR04	Financial Services	Additional Costs re VAT Partial Exemption	200	200	200	200	200	4	C	4C	4	
LeiR04	Leisure Services	Maintain GM Standards in extensions to Dovercourt, Clacton and Kirby Cemeteries	5	5	6	6	7	5	A	5A	4	
LeiR05	Leisure Services	Weeley Crem - Electronic Book of Remembrance	0	0	0	0	0	4	D	4D	4	13
TPR10	Technical and Procurement	Adapt Car Parks and Pay and Display Ticket Machines to suit Wheelchair Users	50	0	0	0	0	2	C	2C	4	
		Total Priority 4	255	205	206	206	207					

Note

- 13 This cost pressure of £8,000 has been removed as it will be funded by a virement from within existing Leisure Service budgets.

TOTAL ALL PRIORITIES

2,042 2,214 2,563 2,857 2,781

REVISED FINANCIAL STRATEGY 2009/10 AND BEYOND							APPENDIX C			
Ref No.	Service	Title	Change compared to 2008/09					Services Risk Assessment	FAP Team Strategic (1 - 5)	Note
			2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2012/13 £000			
BenRevC01	Benefits and Revenues	Replacement of High Volume Printers	10	7	7			2B	1	
BenRevC02	Benefits and Revenues	Replacement Folding & Inserting Machine				30		2B	1	
BenRevC03	Benefits and Revenues	Replacement of DIP Scanning Machines		42				2B	1	
CPC03	Corporate Performance	Government Connect Secure Extranet (GCSx)	15					1A	1	
HRC02	Human Resources and Customer Services	Replacement Boiler Council Offices Weeley		35				2B	1	
LeiC39	Leisure Services	Rolling Vehicle/Plant Replacement Programme				82	163	1A	1	
RPCC01	Regeneration and Community Services	Relocation of Careline	100					1A	1	
RPCC02	Regeneration and Community Services	Careline Equipment Upgrade to 21CN	150					1A	1	
		Total Priority 1	275	84	7	112	163			

Note

EnvC02	Environmental Services	Replacement of Public Conveniences	350	350	350	350	350	3C	2	
FSC01	Financial Services	Agresso Budgeting Module		25				2B	2	
HRC04	Human Resources and Customer Services	Upgrade of Toilet Facilities at Town Hall and Council Offices	45					2B	2	
HRC05	Human Resources and Customer Services	Replacement Windows - Weeley Council Offices	45					2B	2	
LeiC04	Leisure Services	Children's Play Areas - Refurbishment Programme - Bathhouse Meadow Walton	55					2A	2	1
LeiC05	Leisure Services	Children's Play Areas - Refurbishment Programme - Burrs Road Clacton	70					2A	2	
LeiC06	Leisure Services	Children's Play Areas - Refurbishment Programme - Harwich Green	0					2A	2	2
LeiC09	Leisure Services	Weeley Crematorium - Provision of Additional Parking Capacity	200					1A	2	
LeiC15	Leisure Services	Replacement of Existing Steps from Walton Station to Lower Prom	120					2B	2	
LeiC17	Leisure Services	Renewal of Water Main, Western Promenade Brightlingsea	30					3B	2	
LeiC20	Leisure Services	Renew Moat Fencing, Martello Tower F, Clacton	20					2B	2	
LeiC22	Leisure Services	Renew Safety Surface to Play Area, Marine Parade West, Clacton	25					2B	2	
LeiC23	Leisure Services	Resurfacing/Relighting of Road at Weeley Crematorium		70				1C	2	
LeiC27	Leisure Services	Replacement of Existing Steps from Naze Car Park to the beach	0					3A	2	3
LeiC28	Leisure Services	Children's Play Areas Refurbishment Programme - Park Playing Fields Frinton		70				2A	2	
LeiC29	Leisure Services	Children's Play Area Refurbishment Programme - Rush Green Recreation Ground, Clacton		70				2A	2	
LeiC30	Leisure Services	Children's Play Areas Refurbishment Programme - Bathside Harwich		70				2A	2	
LeiC31	Leisure Services	Children's Play Areas Refurbishment Programme - Foots Farm, Clacton			70			2A	2	
LeiC32	Leisure Services	Children's Play Areas Refurbishment Programme - Dove Crescent, Dovercourt			70			2A	2	

REVISED FINANCIAL STRATEGY 2009/10 AND BEYOND							APPENDIX C			
Ref No.	Service	Title	Change compared to 2008/09					Services Risk Assessment	FAP Team Strategic (1 - 5)	Note
			2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2012/13 £000			
LeiC33	Leisure Services	Children's Play Areas Refurbishment Programme, Carisbrooke Ave, Clacton			70			2A	2	
LeiC34	Leisure Services	Tread wheel Crane, Harwich	50					3B	2	
TPC01	Technical and Procurement	Refurbish Sea Walls at Holland	1,000	1,000	1,000	1,000	1,000	1A	2	
		Total Priority 2	2,010	1,655	1,560	1,350	1,350			

Note

- 1 This cost pressure has been reduced to £55,000 from £70,000 in anticipation of S106 funding being utilised towards this project if agreed.
- 2 This cost pressure of £70,000 has been removed and included in the proposed five year capital programme to be fully funded from S106 contributions.
- 3 This cost pressure of £50,000 has been removed and the work will be considered as part of the wider Crag Walk project.

EnvC01	Environmental Services	Budget for Compulsory Purchase & Financial Assistance to Owners of Empty Homes		150	150	100	100	2B	3	
HRC01	Human Resources and Customer Services	Installation of CCTV at Council Offices Weeley	10	5				3E	3	
HRC07	Human Resources and Customer Services	On-line MDPP	15					1B	3	
HRC08	Human Resources and Customer Services	Resurface Apron of Weeley Workshop	25					2A	3	
LeiC01	Leisure Services	Clacton Cemetery - Landscaping Works	0					3C	3	4
LeiC02	Leisure Services	Clacton Cemetery - Provision of Additional Car Parking Area	0					3E	3	5
LeiC03	Leisure Services	Re-Surfacing of Dovercourt Tennis Courts	50					3B	3	
LeiC07	Leisure Services	Phased Removal of Mid Promenade Clacton and Holland on Sea	0	0	0	0	0	3D	3	6
LeiC08	Leisure Services	Removal of Cliff Slope opposite Cambridge Road, Frinton	0					3B	3	7
LeiC10	Leisure Services	Dovercourt Cemetery - New Car Park	20					3E	3	
LeiC12	Leisure Services	Weeley Crematorium - Extension of existing Flower Court	30					2A	3	
LeiC13	Leisure Services	Resurfacing of West End Lane Dovercourt	100					2B	3	8
LeiC14	Leisure Services	Replacement of Existing Paving in Crescent Gardens, Frinton	20					2B	3	
LeiC16	Leisure Services	Resurfacing of Roadways within Holland Haven Country Park	0					2B	3	9
LeiC18	Leisure Services	Relay paving slabs, Albany Gardens, Connaught Gardens and Lancaster Gardens	0					3C	3	10
LeiC19	Leisure Services	Relay existing crazy paved pathway, Martello Tower F, Clacton	0					3C	3	11
LeiC21	Leisure Services	Water Pipe Renewal Marine Parade Walton	0					3D	3	12
LeiC25	Leisure Services	Resurfacing of Car Park, West End Lane, Dovercourt - funded by Essex CC	0					2B	3	13
LeiC26	Leisure Services	Resurface roadway into Kirby Recreation Ground	0					3B	3	14
LeiC35	Leisure Services	Road Resurfacing, Barrack Lane, Harwich	25					2B	3	
LeiC36	Leisure Services	Road Resurfacing, Bowls Club Car Park, Vista Road, Rec Ground		25				2B	3	
LeiC37	Leisure Services	Road Resurfacing Dovercourt Green	0					2B	3	15

REVISED FINANCIAL STRATEGY 2009/10 AND BEYOND							APPENDIX C			
Ref No.	Service	Title	Change compared to 2008/09					Services Risk Assessment	FAP Team Strategic (1 - 5)	Note
			2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2012/13 £000			
LeiC38	Leisure Services	Vehicle Workshop Ramp	0					2B	3	16
LeiC40	Leisure Services	Refurbishment of Bar - Essex Hall	0					3B	3	17
LeiC41	Leisure Services	Replace Dance Floor - Princes Theatre		75				3C	3	
LeiC42	Leisure Services	Theatre Store Refurbishment	0					3C	3	18
LeiC43	Leisure Services	Install Motorised System to Fire Curtain - Princes Theatre	25					3C	3	
LeiC44	Leisure Services	New Box Office System for Princes Theatre	0					3C	3	19
LeiC45	Leisure Services	Additional Ladies Toilets Facilities for Princes Theatre	35					3C	3	
LeiC46	Leisure Services	Upgrade/final Phase for Sound System Princes Theatre	0					3C	3	20
LeiC47	Leisure Services	Resurfacing of Road, St Helen's Green, Harwich		0				3C	3	21
LeiC48	Leisure Services	Refurbishment of Brightlingsea Paddling Pool	60					2B	3	
LeiC50	Leisure Services	Clacton Leisure Centre - Resurface Car Park	0					3E	3	22
LeiC51	Leisure Services	Dovercourt Swimming Pool - Resurface Car Park		0				3D	3	23
		Total Priority 3	415	255	150	100	100			

Note

- 4 This cost pressure of £60,000 has been withdrawn pending further investigation.
- 5 This cost pressure of £20,000 has been withdrawn as other options are being investigated.
- 6 This cost pressure of £30,000 ongoing has been withdrawn.
- 7 This cost pressure of £40,000 has been withdrawn pending further investigation.
- 8 This cost pressure of £150,000 has been combined with LeiC25 (£20,000) and the total cost reduced to £100,000 as other sources of funding are being explored.
- 9 This cost pressure of £100,000 has been withdrawn pending further investigation.
- 10 This cost pressure of £30,000 has been withdrawn pending further investigation.
- 11 This cost pressure of £20,000 has been withdrawn pending further investigation.
- 12 This cost pressure of £20,000 has been withdrawn pending further investigation.
- 13 This cost pressure of £40,000 has been withdrawn pending further investigation.
- 14 This cost pressure of £60,000 has been withdrawn pending further investigation.
- 15 This cost pressure of £25,000 has been withdrawn pending further investigation.
- 16 This cost pressure of £10,000 has been removed with the intention of identifying an alternative funding source.
- 17 This cost pressure of £20,000 has been removed as it is hoped to fund this from additional income in the future.
- 18 This cost pressure of £50,000 has been withdrawn pending further investigation.
- 19 This cost pressure of £12,000 has been removed and included in the revised estimates for 2008/09 to be funded from additional income.

REVISED FINANCIAL STRATEGY 2009/10 AND BEYOND						APPENDIX C				
Ref No.	Service	Title	Change compared to 2008/09					Services Risk Assessment	FAP Team	Note
			2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2012/13 £000		Strategic (1 - 5)	

- 20 This cost pressure of £40,000 has been withdrawn pending further investigation.
- 21 This cost pressure of £15,000 in 2010/11 has been withdrawn pending further investigation.
- 22 This cost pressure of £100,000 has been withdrawn pending further investigation.
- 23 This cost pressure of £40,000 in 2010/11 has been withdrawn pending further investigation.

LeiC11	Leisure Services	Weeley Crematorium - Extension of Garden of Remembrance	0					4B	4	24
LeiC49	Leisure Services	Clacton Leisure Centre - Refurbish Tennis Courts	0					4D	4	25
LeiC52	Leisure Services	Clacton Leisure Centre - Installation of new floodlights on synthetic pitch	0					4E	4	26
LeiC53	Leisure Services	Dovercourt Swimming Pool - Installation of CCTV	0					4E	4	27
LeiC54	Leisure Services	Frinton & Walton Swimming Pool - Installation of CCTV	0					4E	4	28
Total Priority 4			0	0	0	0	0			

Note

- 24 This cost pressure of £40,000 has been withdrawn pending further investigation.
- 25 This cost pressure of £30,000 has been withdrawn as other options are being investigated.
- 26 This cost pressure of £25,000 has been withdrawn as other options are being investigated.
- 27 This cost pressure of £15,000 has been withdrawn as other options are being investigated.
- 28 This cost pressure of £15,000 has been withdrawn as other options are being investigated.

TOTAL ALL PRIORITIES

2,700	1,994	1,717	1,562	1,613
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REVISED FINANCIAL STRATEGY 2009/10 AND BEYOND

APPENDIX C

SAVINGS / INCREASED INCOME OPTION ANALYSIS			Change compared to 2008/09						FAP Team
Ref No.	Service	Title	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	Likelihood (A - F)	Strategic (1 - 5)
BenRevS1	Benefits & Revenues	Concessionary Bus Passes - Staffing	16	16	16	16	16	A	1
BenRevS2	Benefits & Revenues	Concessionary Bus Passes - Staffing	15	15	15	15	15	A	1
FSS1	Financial Services	Reduced Cost of Data Communications Charge for Members IT	5	5	5	5	5	B	1
Total Priority 1			36	36	36	36	36		

TOTAL ALL PRIORITIES

36	36	36	36	36
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	£000	£000
2008/09 Base Budget		20,908
Inflation and increments		895
Priority 1 Growth Expenditure Items 2009/10		
Priority 1 Revenue	680	
Priority 1 Capital Funded from Revenue	275	
Priority 1 Revenue Savings	(36)	919
One-off items in 2008/09 removed from 2009/10 and beyond base budget		
Regeneration projects (Project Tending)	(1,295)	
Car park maintenance	(50)	
Works to privately maintained highways	(20)	
Clacton Cemetery - Internal Decoration	(10)	
Dovercourt Cemetery - Internal Decoration	(6)	
Brightlingsea Swimming Pool Sustainability Partnership Project	(50)	
Harwich Masterplan - Gas House Quay	(200)	
Clacton County High School - Changing Rooms	(100)	
Harwich TIC - Additional Support	(4)	
Introduction of residents parking zones in Harwich, Clacton and Walton	(10)	
Weeley Crematorium - Air Conditioning	(15)	
Dovercourt Swimming Pool - Repairs and Maintenance	(17)	
Seafront shelters	(30)	
Support for the voluntary sector - CAB / Grants to Voluntary Organisations	(100)	
West End Dovercourt - Seasonal Toilets	(60)	
Toilets - Great Clacton	(50)	
Clacton - Two additional Play Areas	(121)	
Westcliff Theatre Capital Grant	(64)	
Dovercourt - Seafront Refurbishment	(11)	
One Hour Free Car Parking Trial - Car Park Milton Road, Dovercourt	(1)	
DisabledGo	(33)	
Legal support to clear planning enforcement backlog	(20)	
Replacement of Document Image Workflow System	(130)	
NLPG Election System Database	(10)	
Land Charges Data Capture	(10)	
Env Health Database Migration	(10)	
Corporate Roll out of GIS	(10)	
Implementation of 'Virtualisation' Technology to Rationalise Server Numbers and Assist Disaster Recovery	(17)	
Email Archiving Software	(14)	
Replacement Debit and Credit Card Payment Facility	(100)	
Upgrade of Contact Centre Software	(90)	(2,658)
Other Budget Adjustments		
Service Improvement Budget	(93)	
Tree Planting - removal of one-off increase in budget in 2008/09	(3)	
PACE Centre	(80)	
Westcliff Theatre - Impact of the last year of the phased reduction in financial support	(30)	(206)
Changes to Grant Budgets		
<i>Grant Income Removed / Reduced</i>		
Concessionary Fares	(11)	
Benefit Administration	36	
Area Based Grant Reduction - SSCF	155	
Area Based Grant Increase - Community Cohesion	(23)	157
<i>Grant Funded Expenditure Adjusted to Reflect change in Grant</i>		
SSCF Initiatives	(155)	
Community Cohesion Initiatives	23	(132)
One-off funding streams removed / adjusted - Revenue / Reserves		
Carry Forward from 2007/08	1,010	
Capital Projects Reserve	739	
Capital Commitments	287	
Brightlingsea Pool	(50)	
Council Approved 9 Schemes	(170)	1,816
FORECAST POSITION 2009/10 - Initial Financial Strategy 25 September 2008		21,699

Review of Cost Pressures and Savings		
Revision to P1 Cost Pressures		
FSR01 - Minimum Revenue Provision reduced following review during the budget process	(29)	
TPR08 - Car Parking at Harwich Quay - only part year of original cost pressure required in 2009/10	(20)	
LEIR16 - NNDR and utilities - increased costs identified during budget process	29	
LEGR02 - Review of Gambling Act - original cost pressure no longer required	(5)	(25)
Upgraded Cost Pressures		
CPR02 - ICT and related service agreements Contract Costs	10	10
P1 Cost Pressures Emerging during Estimates Process		
Car Parks - Reduction in income	75	
Land Charges - Reduction in income	150	
Cemeteries and Crematorium - NNDR	10	235
Changes for Inflation and Increments		
Contract costs increases	49	
Provision for pay award	75	
Energy and Utility increased costs	200	
Other inflation adjustments	(43)	281
Other Budget Changes		
Changes to Income		
Additional Benefit Administration Grant	(37)	
Additional Second homes discount income - agreement with ECC	(15)	
Recycling credits - realignment of budget	(246)	(298)
Changes to Expenditure		
Concessionary Fares - agreement to reduced final contribution	(600)	
Salaries - reduced costs based on actual grades	(128)	
Recharges outside of the general fund	(101)	
Pension deficiency - annual uplift	15	
Other minor budget adjustments	45	
Corrections to initial financial strategy	82	
Jaywick Strategic Leadership Group Initiatives	150	
Recycling contractor payments - realignment of budget	183	
Service Improvement Budget	250	
Reduction in investment interest receivable	266	162
Carry Forward from 2008/09 to fully fund 2009/10 budget		(451)
REVISED FORECAST POSITION		21,613
FUNDING POSITION		
Local Government Finance Settlement		13,831
Council Tax (4.0%)		7,622
Surplus on Collection Fund		160
		21,613
GAP		0



The Rt Hon John Healey MP
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Local Authority Leaders (inc. police and fire authorities)

Directly elected Mayors

Lord Mayor of the Corporation of the City of London

9th December 2008

Council Tax in 2009-10

As you know, I announced the provisional local government finance settlement for 2009-10, which is the second year of the current three-year settlement, to the House of Commons on 26 November. I attach a copy of my statement to the House.

The provisional settlement for 2009-10 is in line with the three-year settlement I announced last year. Formula grant, which includes revenue support grant, redistributed business rates and police grant, will total £28.3 billion in 2009-10 and £29 billion in 2010-11 – increases of 2.8 per cent. and 2.6 per cent respectively. We will also continue with grant floors at the level that we indicated last year would apply for 2009-10, so every authority will receive a formula grant increase in every year of this three-year settlement. In total, Government revenue funding for local authority services will be £73.1 billion in 2009-10 and £76.4 billion in 2010-11, which amounts to grant increases of 4.2 per cent. and 4.4 per cent.

As I said in the House, this is a tight settlement, but it is fair and affordable – and it continues our increasing investment in council services. It maintains the certainty, flexibility and equity that local government says it wants from central Government.

The Government expects the average council tax increase in England to be substantially below 5% in 2009-10 and we will not hesitate to use our capping powers as necessary to protect council taxpayers from excessive increases, including requiring authorities to rebill if that proves necessary. This message applies to all classes of authority – including police and fire authorities.


I have announced that we are continuing with the capping action taken against the police authorities of Cheshire, Leicestershire and Warwickshire in 2008-09 by proposing maximum budget requirements for these authorities in 2009-10 that will limit their council tax increases to around 3 per cent.

No other decisions about capping in 2009-10 have been taken but it would be unwise for any authority to assume that the capping principles set in previous years will be repeated.

As in previous years, we intend to take decisions on capping principles after authorities have set their budgets, but we are prepared to announce the principles in advance if the circumstances suggest this is necessary.

The Government published on 26 November a draft *Limitation of Council Tax and Precepts (Alternative Notional Amounts) Report* alongside the draft 2009-10 local government finance settlement. This sets out notional budget requirements for the nine new unitary authorities that are being established in April 2009. Officials from this department are writing separately to these authorities to inform them of how capping could be applied in their case.

As last year, I do not propose to send any further reminders about the risks of capping . The decisions are yours and the Government has now set out clearly the context in which you must take these decisions.

A handwritten signature in black ink, appearing to read 'J Healey', with a horizontal line underneath.

JOHN HEALEY MP

2009/10 Financial Strategy - 2010/11 Forecast and Beyond

APPENDIX F

<i>Movement in Budget</i>	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000
Base budget from prior year	21,613	22,305	22,925	23,546
Inflation	900	900	900	900
Priority 1s				
- Revenue	300	300	300	300
- Capital	200	200	200	200
- Savings	0	0	0	0
One-off items in prior year removed	-661	-140	-1,208	0
Other Budget Adjustments	400	450	100	100
Assumed one-off funding in prior year removed	451	898	1,988	1,659
Available to fund new items from budget	23,203	24,913	25,205	26,705
Government Grant	14,199	14,483	14,773	15,068
Council Tax at 4%	7,946	8,282	8,613	8,958
Surplus on collection fund	160	160	160	160
Available from Government Grant and Council Tax	22,305	22,925	23,546	24,186
Funding Gap	898	1,988	1,659	2,519

CABINET

23 DECEMBER 2008

BACKGROUND PAPERS LIST FOR REPORT OF MANAGEMENT BOARD

A.5 REVISED INITIAL FINANCIAL STRATEGY FOR 2009/10 AND BEYOND

Working papers held in Financial Services.