

# COUNCIL

7 FEBRUARY 2012

## REPORT OF CABINET

### A.2 EXECUTIVE'S PROPOSALS - BUDGET AND COUNCIL TAX – 2012/13 AND HOUSING REVENUE ACCOUNT SELF FINANCING REFORMS

(Reference prepared by Karen Neath and Richard Barrett)

#### PART 1 – KEY INFORMATION

##### PURPOSE OF THE REPORT

To present to Council:

- The Cabinet's budget proposals including the Council Tax for District and Parish / Town Council Services for 2012/13
- Specific arrangements required as part of the Housing Revenue Account self financing reforms.

##### EXECUTIVE SUMMARY

The information and recommendations set out in this report reflect the Cabinet's budget proposals approved for submission to Council at their meeting on 25 January 2012.

For 2012/13, the Cabinet's budget proposals set out a capital programme totalling **£1.345m** and a net revenue budget totalling **£17.384m** (a Council Tax requirement of **£9.136m**).

The overall revenue budget reflects a **0.5%** band D council tax decrease for this Council's services in 2012/13.

The budget recommended by Cabinet for approval by Council includes only the District and Parish elements of the Council Tax rather than those from the major precepting authorities. The formal approval of the 'full' Council Tax levy for the year, including the precepts from Essex County Council and the Police and Fire Authorities, is delegated to the Council Tax Committee which is due to meet on the 16 February 2012.

At their meeting on 25 January 2012, Cabinet also considered the Housing Revenue Account estimates and Business Plan along with the new requirements emerging from the self financing reforms that are effective from the 1 April 2012. These self financing reforms require a payment of **£36.304m** to be made to the Government on 28 March 2012, which is to be funded via borrowing from the Public Works Loan Board (PWLB). The full Council is required to agree an amendment to the Treasury Management Indicators to allow the required borrowing to take place to ensure the Council can meet its obligations under the HRA self financing reforms.

##### RECOMMENDATION(S)

###### a) In respect of the Budget and Council Tax 2012/13:

**That having had regard to the Head of Resource Management's report on the Robustness of Estimates and Adequacy of Reserves in accordance with the requirements under Section 25 of the Local Government Act 2003, and having taken account of the responses to the budget consultation process the Council**

approves the budget proposals (based on a 0.5% band D council tax reduction for district services) and agrees:

- i) That the total net revenue budget for 2012/13 be set at £17.384m and revised net budget for 2011/12 of £18.670m (a council tax requirement of £9.074m and £9.136m respectively including parish precepts).
- ii) That the capital programme be approved totalling £1.345m in 2012/13.
- iii) That the detailed budgets be as per the Cabinet's budget proposals of 25 January 2012 updated for the final Formula Grant settlement when received from the Government, which if different to that included will be adjusted against the Contingency Budget / Fit for Purpose Budget for 2012/13 accordingly.
- iv) The calculation of the Council's Council Tax requirement, Special Expenses and Parish/Town Council precepts, as set out at Appendix C. (*This includes but is not limited to the contrary resolution in paragraph b) of that appendix*).
- v) The Council Tax for District and Parish/Town Councils' services as at Appendix F and that these are the amounts to be taken into account for the year in respect of the categories of dwellings listed in different valuation bands.
- vi) That subject to above, if budget adjustments are required following the late notification of further external / grant funding then in consultation with the Finance and Asset Management Portfolio Holder, the related expenditure budgets are adjusted accordingly with no net impact on the budget requirement or Capital Programme set out above.
- vii) That, following the termination by Essex County Council (ECC) of the pre-existing agreement whereby 60% of the additional income to the county arising from a change in the council tax discount on second homes from 50% to 10% was passed over to TDC, the Head of Resource Management be authorised to enter into a new agreement offered by ECC whereby 50% of this additional income will be passed over to TDC.

b) In respect of the HRA self financing reforms, Council approves:

- i) That Option 1 as set out in Appendix E of the report to Cabinet on 25 January 2012 is approved as the mechanism to allocate the current loans held by the Authority across the GF and HRA.
- ii) That the Council's Authorised and Operational Borrowing limits are increased to enable £36.304m of borrowing to be undertaken to finance the debt settlement required to facilitate the move to the new HRA self financing regime.

- (iii) That subject to (ii) above, delegation is given to the Head of Resource Management in consultation with the Finance and Asset Management Portfolio Holder to optimise the structure of loans totalling £36.304m and that officers continue to work with the Council's treasury advisors to maximise any further benefits to the HRA.

## PART 2 – IMPLICATIONS OF THE DECISION

### DELIVERING PRIORITIES

Careful planning to ensure financial stability underpins the Council's capacity to achieve the objectives set out in the Corporate Plan and Community Strategy. Individual elements of the Financial Strategy are risk assessed against the aspirations of the Council, as well as statutory service requirements. The approach for 2012/13 builds on previous successful financial planning and is key to the Council's aim to deliver sustainable and joined up services to everyone in the District. This is particularly important in the current climate when resources are scarce and the Council will need to focus even more on identifying and funding its key priorities.

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

### FINANCE, OTHER RESOURCES AND RISK

#### Finance and other resources

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

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

#### Risk

There are clearly risks associated with the Financial Strategy and budget. The actions to achieve a fully funded budget, including limiting budgets to 2010/11 spending levels and restricting cost pressures, give rise to the potential for items that have not been funded to emerge or for increases in income etc. not to materialise in reality. This is particularly so given the current economic climate, the reductions in the availability of public sector funding, the Government's programme of change for Councils' services and the as yet unknown impact on the Council's core funding streams from changes to business rate distribution and council tax.

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 **£4m** (including the **£1.6m** minimum working balance) has been approved previously to insure against the eventuality of pressures on the budget through additional unexpected expenditure or removal of funding. The level of reserves has been revisited in light of the risks identified as part of the Financial Strategy and also in line with the Council's strategic risk register, and the figure of **£4m** (including the **£1.6m** working balance) is still deemed to be sufficient.

### LEGAL

The current arrangements for setting and agreeing a budget and for the setting and

collection of council tax are defined in the Local Government Finance Act 1992. The existing legislation defining the arrangements for charging, collecting and pooling of Business Rates is contained within the Local Government Finance Act 1988.

The Secretary of State introduced the Local Government Finance Bill on 19 December. The Bill takes forward proposals designed to encourage local economic growth, reduce the financial deficit and drive decentralisation of control over local government finance. It will enable local authorities to retain a proportion of the business rates generated in their area, provide a framework for the localisation of support for council tax in England and make changes to council tax rules aimed at modernising the system.

The Localism Act introduces new legislation around the right of veto for residents on excessive council tax increases and on the arrangements for Housing Revenue Account (HRA) accounting. The Act also introduces changes to the requisite budget calculations so that authorities now need to calculate a council tax requirement rather than a budget requirement. The requirements relating to council tax referendums and the budget calculations came into force on 3 December 2011.

## **OTHER IMPLICATIONS**

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

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

Although there are no direct issues, the overall Financial Strategy and budget process aims to recognise and include in its financial decision making process any such issues where appropriate and relevant within the Council's wider Financial Framework.

## **PART 3 – SUPPORTING INFORMATION**

### **2012/13 BUDGET PROPOSALS**

On 25 January 2012 the Cabinet considered the following two reports:-

#### **A.1 THE RESPONSE TO THE CABINET ON THE REVISED FINANCIAL STRATEGY FOR 2012/13 AND BEYOND AND INITIAL BUDGET PROPOSALS FOR A REVISED BUDGET 2011/12 AND ORIGINAL BUDGET FOR 2012/13 BY THE CORPORATE MANAGEMENT COMMITTEE.**

Cabinet resolved (minute 94 refers):

*That the responses of the Finance and Asset Management Portfolio Holder to the comments of the Corporate Management Committee be agreed. [For information, the comments of the Finance and Asset Management Portfolio Holder were handed out at the meeting and are set out in full within minute 94]*

#### **A.4 FINAL GENERAL FUND REVENUE BUDGET AND CAPITAL PROGRAMME 2012/13 (minute 97 refers).**

Cabinet resolved:

(a) *That having considered the comments from the Corporate Management Committee and the responses from the budget consultation activities undertaken, Cabinet makes the following final budget proposals to Council (based on a 0.5% reduction in a Band D Council Tax for District*

services);

- (i) *That the detailed budgets, as per Appendix 'A' to item A.4 of the Report of the Finance and Asset Management Portfolio Holder, be approved (subject to any presentational changes arising from ongoing organisational review and general housekeeping), including the following amendments:-*
- *Inclusion of a Coast Protection and Improvement Fund of £3.0m to be met from the Asset Refurbishment/Replacement Reserve (£1.5m) and from the Fit for Purpose Budget (£1.5m); and*
  - *Additional funding of £0.5m to be added to the Planning Inquiries Reserve from the Fit for Purpose Budget and that reserve to be renamed the Planning Inquiries and Enforcement Reserve.*

*This provides for a total net budget for 2012/13 of £17.384m and revised net budget for 2011/12 of £18.670m (a council tax requirement of £9.074m and £9.136m respectively including parish precepts) and a Capital Programme totalling £1.345m for 2012/13.*

- (ii) *That Council agrees and formally approves:-*

- (a) *The specific recommendations, calculations and other matters in respect of the Council's requirements, special expenses and Parish/Town Council precepts as set out in Appendix 'C' to the above report (this includes but is not limited to the contrary resolution in paragraph (b) of that Appendix).*
  - (b) *The Council Tax for District and Parish/Town Councils as set out in Appendix 'F' of the above report.*
- (iii) *That, following the termination by Essex County Council (ECC) of the pre-existing agreement whereby 60% of the additional income to the County arising from a change in the Council Tax discount on second homes from 50% to 10% was passed over to this Council, the Head of Resource Management be authorised to enter into a new agreement offered by ECC whereby 50% of this additional income will be passed over to this Council.*
- (b) *That if the financial position changes prior to Council considering the budget on 7 February 2012, any changes in funding is set against the Contingency Budget (or Fit for Purpose budget) in 2012/13.*
- (c) *That, in consultation with the Leader of the Council and the Finance and Asset Management Portfolio Holder, the Head of Resource Management reports directly to Council in respect of the formal draft resolutions necessary to implement the Cabinet's budget proposals together with any late information or notifications received from Communities and Local Government etc. as may necessarily affect the budget.*

- (d) *That this budget recommendation includes revenue funding to support the CAROS scheme in 2012/13 as previously stated and it is Cabinet's intention to continue this funding but to cease funding the CAROS scheme from 2015/16. This supercedes all previous decisions.*

In respect of the second homes agreement set out in resolution a(iii) above, this follows Cabinet's consideration of the termination by ECC of the existing arrangement. On 15<sup>th</sup> August 2011, the Cabinet Member for Finance and Transformation Programme at ECC gave notice that ECC were ceasing the current agreement whereby 60% of the additional income to the county arising from a change in the council tax discount on second homes from 50% to 10% was passed over to TDC. ECC have offered a new agreement whereby 50% of the additional council tax income would be paid over to TDC and have confirmed

that there is no intention to alter this agreement within the next 3 years. Authority to sign the new agreement is now sought from full Council. However, the budget has been prepared on the assumption that this authority will be given and therefore reflects a reduction of **£0.065m**. Should Council determine not to give authority to sign up to the agreement then that would result in an overall loss of income to TDC of **£0.418m**.

### **CHANGES SUBSEQUENT TO THE CABINET'S PROPOSALS OF 25 JANUARY 2012**

The final grant settlement from the Government has yet to be received. Historically the final figure has not been significantly different to the draft figures, so if the final settlement differs to the **£9.663m** currently included in the budgets, then it is proposed that a corresponding adjustment is made to the Contingency Budget / Fit for Purpose Budget with no impact on the Council Tax Requirement of **£9.136m**.

A late change has recently been required following the notification of additional disabled facilities grant of **£0.116m**. This relates to 2011/12 only and the corresponding expenditure budget within the Capital Programme has been increased accordingly.

There have been no further changes required to the budgets.

### **BUDGET SUMMARIES**

The revenue budget and capital programme are summarised below. In respect of the revenue budget, this is based on a **0.5%** Band D Council Tax reduction for this Council's services in 2012/13.

**Table 1 – General Fund Revenue Budget - 2011/12 Revised and 2012/13 Estimates**

	<b>2011/12 Original</b>	<b>2011/12 Revised</b>	<b>2012/13 Original</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Net Cost of Services	22.226	26.835	17.793
Revenue support for capital investment	0.207	1.103	0.276
Financing items	(0.822)	(0.742)	(0.745)
<b>Net Expenditure</b>	<b>21.611</b>	<b>27.196</b>	<b>17.323</b>
Contribution to /(from) Reserves	(2.941)	(8.526)	0.061
<b>Total Net Budget</b>	<b>18.670</b>	<b>18.670</b>	<b>17.384</b>
Formula Grant	(10.941)	(10.941)	(9.663)
Collection Fund Surplus	(0.080)	(0.080)	(0.080)
<b>Council Tax Requirement (for Tendring District Council)</b>	<b>7.649</b>	<b>7.649</b>	<b>7.641</b>
Parish Precepts	1.425	1.425	1.495
<b>Council Tax Requirement (as per Requisite Calculations)</b>	<b>9.074</b>	<b>9.074</b>	<b>9.136</b>

**Table 2 – Capital Programme - 2011/12 Revised and 2012/13 Estimates**

	2011/12 Budget agreed as part of Outturn 2010/11	2011/12 Revised Budget	2012/13 Adjusted Original Budget
		£m	£m
<b>EXPENDITURE</b>	6.634	7.178	1.345
<b>FINANCING</b>			
Government Grants	3.465	3.592	0.690
External Sources of Finance	1.031	1.427	0.269
Capital Receipts	1.065	1.055	0.110
Revenue and Reserves	1.073	1.104	0.276
<b>Total Financing</b>	<b>6.634</b>	<b>7.178</b>	<b>1.345</b>

#### **ROBUSTNESS OF THE ESTIMATES AND ADEQUACY OF RESERVES**

The report *Final General Fund Revenue Budget and Capital Programme 2012/13* considered by Cabinet on 25 January 2012 set out the Head of Resource Management's report on the Robustness of the Estimates and the Adequacy of the Reserves as required by section 25 of the Local Government Act 2003. The relevant extract from the report is attached at **Appendix A**. Taking into account all the relevant issues the estimates can be considered as robust and are supported by adequate reserves.

#### **HRA SELF FINANCING REFORMS**

At their meeting of 25 January 2012, Cabinet considered a detailed report setting out the HRA estimates, 30 year business plan along with the arrangements associated with funding the debt settlement of **£36.304m** required under the Governments self financing reforms.

Cabinet resolved (minute 104 refers):

(1) *That Cabinet:-*

- (a) *Approves the 2012/13 Scale of Charges, as shown in Appendix 'B' to item A.11 of the Joint Report of the Housing Portfolio Holder and the Finance and Asset Management Portfolio Holder and that any amendments required to the charge for the Careline Alarm Service following the review being undertaken by Essex County Council, be delegated to the Head of Life Opportunities in consultation with the Housing Portfolio Holder.*
- (b) *Approves the level of rents for 2012/13 in accordance with the Government's formula rent mechanism based on an increase in the average rent of 7.99% with no tenant bearing an increase of more than the limit set out within the Government's rent setting policy of RPI (5.6%) + 0.5% plus £2.00 per week.*
- (c) *Approves the Housing Revenue Account (HRA) revised estimates for 2011/12 and original estimates for 2012/13 as set out in Appendix 'A' and updated with the final position for 2012/13 that includes the financing of the debt settlement, as set out in*

*Appendix 'G' to the afore-mentioned report.*

- (d) *Agrees that, in respect of 2011/12, the corporate financial system be amended accordingly to reflect these changes along with any amendments arising from revised financial reporting requirements.*
- (e) *Approves the HRA Capital Programme, as set out in Appendix 'C' to the above report, and that it is amalgamated with the General Fund (GF) Capital Programme for recommending to Council as part of Cabinet's overall budget proposals.*
- (f) *Approves the HRA 30 Year Business Plan, set out in Appendix 'D' to the afore-mentioned report updated with the final position that includes the financing of the debt settlement, as set out in Appendix 'G' to the afore-mentioned joint report.*
- (g) *Delegates authority to the Head of Resource Management and Head of Life Opportunities in consultation with the Finance and Asset Management and Housing Portfolio Holders to update the budgets and Business Plan in the event that changes are required following the receipt of additional information or guidance that may become available and that the use of HRA balances be adjusted to offset any changes accordingly.*

*(2) That Cabinet recommends to Council:-*

- (h) *That Option 1 as set out in Appendix 'E' to the Joint Report of the Housing Portfolio Holder and Finance and Asset Management Portfolio Holder be approved as the mechanism to allocate the current loans held by the Authority across the GF and HRA.*
- (i) *That the Council's Authorised and Operational Borrowing limits be increased to enable £36.304m of borrowing to be undertaken to finance the debt settlement required to facilitate the move to the new HRA self financing regime.*
- (j) *That delegated authority be given to the Head of Resource Management, in consultation with the Finance and Asset Management Portfolio Holder, to optimise the structure of loans totalling £36.304m and that Officers continue to work with the Council's treasury advisors in order to maximise any further benefits to the HRA.*

In respect of the resolution (h) concerning Option 1 as the preferred option to split existing authority debt, this relates to a 'two pool' approach where existing loans held by the Authority are allocated to the HRA until the level of existing HRA borrowing of **£18.941m** is reached. This approach has allocated the longest maturity loans first working towards the shorter dated ones. This would require only one loan being 'split' at source by the PWLB and also presents an equitable solution between the GF and HRA in terms of the amount of interest charged between the two funds.

In respect of resolution (i) concerning the Authorised and Operational Borrowing limits, these two key prudential indicators will be required to be increased to enable new borrowing of **£36.304m** to be undertaken to fund the self financing debt settlement. Subject to approval by Council, these amounts will also be reflected in the Treasury Strategy that will be presented to Council at their meeting in March 2012.

Officers plan on continuing to work with the Council's Treasury Advisors up until the settlement date of 28 March 2012, to optimise the loan structure to provide the most advantageous debt financing position

## **BACKGROUND PAPERS FOR THE DECISION**

Working papers held in accountancy

### **APPENDICES**

<b>Appendix A</b>	<b>Extract from Cabinet report 25 January 2012 setting out the Head of Resource Management's report on the Robustness of the Estimates and the Adequacy of the Reserves</b>
<b>Appendix B</b>	<b>Special Expenses 2012/13</b>
<b>Appendix C</b>	<b>Requisite Budget Calculations 2012/13</b>
<b>Appendix D</b>	<b>Calculation of District and Parish / Town Council Taxes for All Areas 2012/13</b>
<b>Appendix E</b>	<b>Collection Fund - District Services and Parish Precepts 2012/13</b>
<b>Appendix F</b>	<b>District and Parish/Town Council Tax Amounts 2012/13. (<i>excludes Council Tax amounts for County, Fire and Police services 2012/13 which will form part of the final Council Tax setting process via the Council Tax Committee</i>)</b>
<b>Appendix G</b>	<b>Calculation of Estimated Surplus on the Collection Fund for 2012/13</b>

### Extract from Cabinet Report 25 January 2012

**Robustness of Estimates and Adequacy of Reserves – Report under Section 25 of the Local Government Act 2003.**

As part of the requirements set out in legislation, the Head of Resource Management must report to Council as part of the budget process on the following two matters:

***Robustness of the Estimates***

The budget estimates for 2012/13 have been prepared within the framework of a risk based Financial Strategy process. Clear rationale has been stated surrounding the formulation of the 2012/13 budget which is supported by reserves. This position has been further supported by a programme of actions that have contributed substantially to the savings target. The savings are deliverable e.g. the implementation of new street sweeping and waste contracts will commence in January and February 2012 and a number of staff have already left the organisation as a result of the Senior Management Review. The approach now is to continue to plan and implement further savings actions, including FSRs of all departments that provide and support strong financial resilience along with continuing to seek to maintain a sustainable financial position in both the short and long term. The need to continue with a planned savings programme has been brought into sharper focus by the prospect of further reductions in public sector funding.

In respect of the 2012/13 budget, a major piece of work has been undertaken in association with Heads of Department to produce detailed budgets that are cash limited to 2010/11 spending levels.

It is recognised that there are risks inherent within the strategy and corresponding detailed estimates. However, action has been taken to mitigate these risks as far as possible.

Specifically the following points should be noted:-

- Although no increase for inflation has been included in the budget provision is available within the contingency to meet unexpected demands and specific provision has been earmarked to manage increase in NNDR, gas and electric.
- The budgets have been prepared against the background of a continuing and challenging economic climate resulting in on-going reviews of significant budgets within this context especially those that are more volatile in such circumstances such as income and interest rate forecasts. These significant areas of risk will be closely monitored throughout the year.

Within the Financial Strategy framework there is Cabinet involvement at various stages in addition to a comprehensive review and associated input from the Corporate Management Committee.

## APPENDIX A

Regular and comprehensive monitoring of the budget will be undertaken during 2012/13 as part of the Corporate Budget Monitoring process so issues can be identified and action can be taken at the earliest opportunity if and when appropriate.

The proposed budget resulting from this process is therefore robust and deliverable and is supported by reserves with further details below.

### ***Adequacy of the Reserves***

An integral part of the Council's overall strategy is that the level of reserves is sufficient to support identified risks along with supporting a sustainable budget position in the longer term. The level of uncommitted reserves forecast at 31 March 2013 is **£4.000m** including the minimum working balance of **£1.600m**. The council also still retains an Austerity reserve to mitigate against further risks. All of the reserves are regarded as adequate.

**APPENDIX B (i)**

## 2012/13 special expenses -Summary of returns from parishes by activity and parish

## Key

= Concurrent function declared by Parish/Town Council

	Crematorium, Cemeteries and Burial Grounds	Closed Church yard	Confer - ence Facilities	Commu - nity Centres	Entertain - ment & Arts	Tree Planting and laying out	Lighting	Car Parking	Informa - tion	Open Spaces / Play Grounds / Skate Park	Recrea - tion Note	War Memo - rials	Docu - ments	Legal Proce - edings	Tourism	Crime Preven - tion / CCTV	Seafront Shelters	Bus Shelters	Litter Bins	Beach Hut lettings
Alresford																				
Ardleigh																				
Beaumont																				
Great Bentley																				
Little Bentley																				
Bradfield																				
Brightlingsea																				
Great Bromley																				
Little Bromley																				
Little Clacton																				
Clacton																				
Elmstead																				
Frating																				
Frinton and Walton																				
Harwich																				
Lawford																				
Manningtree																				
Mistley																				
Great Oakley																				
Little Oakley																				
Ramsey and Parkeston																				
St Osyth																				
Tendring																				
Thorpe-le-Soken																				
Thorrington																				
Weeley																				
Wix																				
Wrabness																				

**Note** Recreation. The specific function that Parishes perform are under their powers to:

- (a) purchase or take a lease, plant and improve land for purpose of being used as public walks or pleasure grounds.
- (b) provide premises for the use of clubs or societies having athletic, social or recreational objectives.
- (c) enclose part of park for ice skating, set aside part of park for football or cricket, provide facilities for games, recreation; provide and maintain reading rooms and pavilions; provide and maintain refreshment room; provide seats.
- (d) provide bowling centres.
- (e) provide tennis courts.
- (f) provide pitches for team games

The District Council budget covers these functions/powers.

## 2012/13 special expenses - Analysis of Tendring DC expenditure on Special Expenses activities Parish by Parish including the unparished area of Clacton

	Crematorium, Cemeteries and Burial Grounds	Closed Church yard	Confer - ence Facilities	Commu - nity Centres	Entertain - ment & Arts	Tree Planting and laying out	Lighting	Car Parking	Informa - tion	Open Spaces / Play Grounds / Skate Park	Recrea - tion Note 1	War Memo - rials	Docu - ments	Legal Proce - edings	Tourism	Crime Prevention / CCTV	Seafront Shelters	Bus Shelters	Litter Bins	Beach Hut lettings	Total	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Alresford																					0	
Ardleigh							70	3,150		270											3,490	
Beaumont																					0	
Great Bentley										410											410	
Little Bentley																					0	
Bradfield																					0	
Brightlingsea								2,560		630							1,020				4,210	
Great Bromley																					0	
Little Bromley																					0	
Little Clacton																					0	
Clacton	(180)	2,200		11,420		3,390	7,410	3,250		274,620	106,260	310					10,660			(5,230)	414,110	
Elmstead								2,060		70											2,130	
Frating																					0	
Frinton and Walton	(80)					1,210	1,600	(8,510)		75,690	57,600	120						1,530			129,160	
Harwich	(110)	5,300		(10,390)		50	1,390	10,860		62,360	12,340						1,530			(6,150)	77,180	
Lawford										4,740											4,740	
Manningtree							370	790		(5,400)											(4,240)	
Mistley																					0	
Great Oakley																					0	
Little Oakley										1,040											1,040	
Ramsey and Parkeston																					0	
St Osyth							70	500		340											910	
Tendring																					0	
Thorpe-le-Soken										300											300	
Thorrington																					0	
Weeley																					0	
Wix																					0	
Wrabness																					0	
<b>TOTAL Special Expenses</b>	<b>(370)</b>	<b>7,500</b>	<b>0</b>	<b>1,030</b>	<b>0</b>	<b>4,650</b>	<b>10,910</b>	<b>14,660</b>	<b>0</b>	<b>415,070</b>	<b>176,200</b>	<b>430</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,740</b>	<b>0</b>	<b>0</b>	<b>(11,380)</b>	<b>633,440</b>	
General Expenses	(548,920)		710		164,710			(43,380)	85,120	301,550	103,130					116,710	117,120	3,790	420	10,200	(2,100)	309,060
<b>GRAND TOTAL</b>	<b>(549,290)</b>	<b>7,500</b>	<b>710</b>	<b>1,030</b>	<b>164,710</b>	<b>4,650</b>	<b>10,910</b>	<b>(28,720)</b>	<b>85,120</b>	<b>716,620</b>	<b>279,330</b>	<b>430</b>	<b>0</b>	<b>0</b>	<b>116,710</b>	<b>117,120</b>	<b>18,530</b>	<b>420</b>	<b>10,200</b>	<b>(13,480)</b>	<b>942,500</b>	

**APPENDIX B (iii)**

**PROPOSED ALLOCATION OF RESULTING SPECIAL EXPENSES BUDGETS ASSUMING THE CONTRARY RESOLUTION IS PASSED (EXCLUDING PARISH PRECEPTS) 2012/13**

Part of District	Functions													Tax Base (Band D)	Net Impact on Band D Tax
	Cemeteries and Burial Grounds	Closed Church yard	Community Centres	Tree Planting and laying out	Highways Lighting	Car Parking	Open Spaces/ Play Grounds/ Skate Park	Recreation	War Memorials	Shelters	Beach Huts	Total			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)
Ardleigh					70	3,150	270					3,490	827.80	4.22	(8.08)
Great Bentley							410					410	847.10	0.48	(11.82)
Brightlingsea						2,560	630			1,020		4,210	2,976.30	1.41	(10.89)
Clacton	(180)	2,200	11,420	3,390	7,410	3,250	274,620	106,260	310	10,660	(5,230)	414,110	19,712.00	21.01	8.71
Elmstead						2,060	70					2,130	684.70	3.11	(9.19)
Frinton and Walton	(80)			1,210	1,600	(8,510)	75,690	57,600	120	1,530		129,160	8,293.00	15.57	3.27
Harwich	(110)	5,300	(10,390)	50	1,390	10,860	62,360	12,340		1,530	(6,150)	77,180	5,882.00	13.12	0.82
Lawford							4,740					4,740	1,501.50	3.16	(9.14)
Manningtree					370	790	(5,400)					(4,240)	366.70	(11.56)	(23.86)
Little Oakley							1,040					1,040	398.70	2.61	(9.69)
St Osyth					70	500	340					910	1,970.50	0.46	(11.84)
Thorpe-le-soken							300					300	769.00	0.39	(11.91)
All other Parishes															(12.30)
	(370)	7,500	1,030	4,650	10,910	14,660	415,070	176,200	430	14,740	(11,380)	633,440			

The total value of Special Expenses of £633,440 reduces the General Council Tax by £12.30

$$\frac{\text{£633,440}}{51,498.9} = \text{£12.30}$$

Column (n) shows the Special Council tax which will be applicable on the different parts of the District, whilst (o) indicates the net impact on the aggregate Council Tax payable by tax payers.

## FOR INFORMATION - Comparison of 2012/13 Special expenses with 2011/12

	2011/12				2012/13				Difference in net impact on total Band D Tax *	% variation in special expenses levy (col g - col c) that will be shown on the Council Tax Bill #
	Total	Tax Base	Special expenses levy (Band D)	£12.15	Total	Tax Base	Special expenses levy (Band D)	£12.30		
	(e)	(f)	(g)	(h)	(e)	(f)	(g)	(h)		
	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	%
Ardleigh	2,000	817.60	2.45	(9.70)	3,490	827.80	4.22	(8.08)	1.62	72.24
Great Bentley	410	847.20	0.48	(11.67)	410	847.10	0.48	(11.82)	(0.15)	0.00
Brightlingsea	3,420	2,965.30	1.15	(11.00)	4,210	2,976.30	1.41	(10.89)	0.11	22.61
Clacton	408,870	19,636.30	20.82	8.67	414,110	19,712.00	21.01	8.71	0.04	0.91
Elmstead	1,030	681.10	1.51	(10.64)	2,130	684.70	3.11	(9.19)	1.45	105.96
Frinton and Walton	129,130	8,287.40	15.58	3.43	129,160	8,293.00	15.57	3.27	(0.16)	(0.06)
Harwich	76,160	5,839.00	13.04	0.89	77,180	5,882.00	13.12	0.82	(0.07)	0.61
Lawford	4,740	1,486.60	3.19	(8.96)	4,740	1,501.50	3.16	(9.14)	(0.18)	(0.94)
Manningtree	(4,660)	365.70	(12.74)	(24.89)	(4,240)	366.70	(11.56)	(23.86)	1.03	(9.26)
Little Oakley	1,040	396.90	2.62	(9.53)	1,040	398.70	2.61	(9.69)	(0.16)	(0.38)
St Osyth	780	1,952.00	0.40	(11.75)	910	1,970.50	0.46	(11.84)	(0.09)	15.00
Thorpe	300	772.80	0.39	(11.76)	300	769.00	0.39	(11.91)	(0.15)	0.00
All other Parishes				(12.15)				(12.30)	(0.15)	
	623,220				633,440					

\* A difference in brackets is a reduction in levy between the 2 years.

# This percentage will be shown on the Council Tax Bill ( A figure in brackets is a percentage reduction however reductions will not have brackets on the bill, only a "-" ). The Bill does not show the variation in the levy itself.

## REQUISITE BUDGET CALCULATIONS 2012/13

- (a) It be noted that on 29<sup>th</sup> November 2011 the Council determined in accordance with the Local Government Act 2003 Section 75, the discounts for second homes and long term empty properties. On 30<sup>th</sup> November 2011 the Finance Portfolio Holder agreed in accordance with delegated power (3.39.7) (decision notice 2122) the following amounts for the year 2012/13 in accordance with regulations made under Section 33(5) of the Local Government Finance Act 1992 taking into account the discounts determined by Council on 29<sup>th</sup> November 2011.
- (i) 51,498.9 being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended), as its council tax base for the year.
  - (ii) Part of the Council's area  
The amounts set out in Appendix D column (2) against each area set out in column (1), being the amounts calculated by the Council, in accordance with regulation 6 of the said regulations, as the amounts of its council tax base for the year for dwellings in those parts of its area to which one or more special items may relate.
- (b) Using these criteria it is felt that the Council would be justified in passing a contrary resolution in respect of the following special expenses totalling £309,060:

	Function	Power/Duty
(i)	Burial Grounds Cemeteries and Crematoria	Power to provide a crematorium and 25% of the expense of providing burial grounds and cemeteries.
(ii)	Conference Facilities	Power to encourage visitors and provide conference and other facilities.
(iii)	Entertainment and Support of the Arts	Provision of entertainment and the support of the arts.
(iv)	Information	Power to provide or assist in the provision of information about services available within the area of the authority.
(v)	Recreation	40% of the expense of providing at Vista Road Recreation Ground, Clacton; 75% of the expense of providing at Eastcliff Recreation Ground, Clacton; 50% of the expense of providing at Low Road Recreation Ground, Dovercourt; all of the facilities etc shown in the column 'Power/Duty' under function 'Recreation' in the Definitive List of Functions.
(vi)	Tourism	Power to encourage tourism.

## APPENDIX C

(vii)	Documents	Duty of proper officer of authority to retain documents deposited with them.  Documents of authority be open to inspection.  Duty where required by an enactment to keep photographic copies of documents.  Duty of authority to send reports and returns to the Secretary of State.
(viii)	Legal Proceedings	Power to prosecute or defend legal proceedings for the protection of the interest of the Council's inhabitants.
(ix)	Car Parks	The power to provide off-street parking for use by visitors and all district residents.
(x)	Open Spaces	The power to provide landscaping and ornamental gardens on seafront and in tourist areas and 10% of the provision of Manningtree Market.
(xi)	Crime Prevention (CCTV)	The power to provide CCTV to assist in Crime Prevention across the district.
(xii)	Bus Shelters	The power to provide and maintain bus shelters.
(xiii)	Provision of Litter Bins	Provision of litter bins.
(xiv)	Provision of Seafront shelters	20.5% of the revenue cost of maintaining Seafront shelters.
(xv)	Provision of Beach Huts	15.6% of the net revenue income from the letting of beach huts in Harwich and Dovercourt.
(c)	That the tax bases for calculating the burden of special expenses will be as shown in Appendix D column (2)	
(d)	That the following amounts be calculated by the Council for the year 2012/13 in accordance with Sections 31A to 36 of the Local Government Finance Act 1992:	
(i)	£116,257,430	Being the aggregate of the amounts that the Council estimates for the items set out in Section 31A(2)(a) to (f) of the Act.
(ii)	£107,121,640	Being the aggregate of the amounts that the Council estimates for the items set out in Sections 31A(3)(a)

## APPENDIX C

to (d) of the Act.

- |        |                            |  |
|--------|----------------------------|--|
| (iii)  | £9,135,790                 | Being the amount by which the aggregate at d(i) above exceeds the aggregate at d(ii) above, calculated by the Council in accordance with Section 31A(4) of the Act, as its Council Tax Requirement for the year.   |
| (iv)   | £177.40                    | Being the amount at d(iii) above divided by the amount at a(i) above, calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its council tax for the year.  |
| (v)    | £2,127,820                 | Being the aggregate amount of all special items referred to in Section 34(1) of the Act.   |
| (vi)   | £136.08                    | Being the amount at d(iv) above less the result given by dividing the amount at d(v) above by the amount at a(i) above, calculated by the Council, in accordance with section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in the parts of its area to which no special items apply.  |
| (viii) | Part of the Council's area | The amounts set out in Appendix D column (10) for the areas as set out in column (1), being the amounts given by adding to the amount at d(vi) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount a(ii) above calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items relate. |

## CALCULATION OF DISTRICT AND PARISH/TOWN 2012/13 COUNCIL TAX FOR ALL AREAS

Parished or Unparished Areas (1)	Tax Base for Tax Setting Purpose (2)	Parish Precepts £ (3)	Council Tax Amount £ (4)	District Special Expense £ (5)	Council Tax Amount £ (6)	Total Special Items £ (3) + (5) (7)	For all Special Items £ (4) + (6) (8)	Council Tax For General Expenses £ (9)	Council Tax Total £ (8) + (9) (10)
						£ (7)	£ (8)	£ (9)	£ (10)
<b>Unparished Area:</b>									
Clacton	19,712.0			414,110	21.01	414,110	21.01	136.08	157.09
Parishes of:									
Alresford	754.2	76,785	101.81			76,785	101.81	136.08	237.89
Ardleigh	827.8	30,350	36.66	3,490	4.22	33,840	40.88	136.08	176.96
Beaumont-cum-Moze	126.4	3,200	25.32			3,200	25.32	136.08	161.40
Great Bentley	847.1	55,068	65.01	410	0.48	55,478	65.49	136.08	201.57
Little Bentley	112.2	800	7.13			800	7.13	136.08	143.21
Bradfield	446.5	20,000	44.79			20,000	44.79	136.08	180.87
Brightlingsea	2,976.3	157,934	53.06	4,210	1.41	162,144	54.47	136.08	190.55
Great Bromley	378.6	15,500	40.94			15,500	40.94	136.08	177.02
Little Bromley	97.7	2,250	23.03			2,250	23.03	136.08	159.11
Little Clacton	1,054.7	67,500	64.00			67,500	64.00	136.08	200.08
Elmstead	684.7	29,400	42.94	2,130	3.11	31,530	46.05	136.08	182.13
Frating	226.0	8,500	37.61			8,500	37.61	136.08	173.69
Frinton and Walton	8,293.0	401,544	48.42	129,160	15.57	530,704	63.99	136.08	200.07
Harwich	5,882.0	191,518	32.56	77,180	13.12	268,698	45.68	136.08	181.76
Lawford	1,501.5	77,644	51.71	4,740	3.16	82,384	54.87	136.08	190.95
Manningtree	366.7	15,943	43.48	(4,240)	(11.56)	11,703	31.92	136.08	168.00
Mistley	998.2	57,000	57.10			57,000	57.10	136.08	193.18
Great Oakley	378.4	16,500	43.60			16,500	43.60	136.08	179.68
Little Oakley	398.7	10,000	25.08	1,040	2.61	11,040	27.69	136.08	163.77
Ramsey and Parkeston	766.7	39,021	50.89			39,021	50.89	136.08	186.97
St Osyth	1,970.5	116,000	58.87	910	0.46	116,910	59.33	136.08	195.41
Tendring	269.7	7,000	25.95			7,000	25.95	136.08	162.03
Thorpe-le-Soken	769.0	26,884	34.96	300	0.39	27,184	35.35	136.08	171.43
Thorrington	486.5	16,500	33.92			16,500	33.92	136.08	170.00
Weeley	674.1	28,627	42.47			28,627	42.47	136.08	178.55
Wix	303.9	17,500	57.58			17,500	57.58	136.08	193.66
Wrabness	195.8	5,412	27.64			5,412	27.64	136.08	163.72
		<b>51,498.9</b>	<b>1,494,380</b>			<b>633,440</b>			
							<b>2,127,820</b>		

## **APPENDIX E**

## **COLLECTION FUND - DISTRICT SERVICES AND PARISH PRECEPTS**

2011/12			2012/13		
51,293.9		Council Tax Base	51,498.9		
Amount	Council Tax		Amount	Council Tax	Change in Tax
£'000	£		£'000	£	%
18,863	367.74	Total Net Budget	17,384	337.57	
(11,133)	(217.05)	Less Government Support	(9,663)	(187.64)	
<b>7,730</b>	<b>150.69</b>	<b>Net District Council Expenditure</b>	<b>7,721</b>	<b>149.93</b>	
(80)	(1.56)	Less Collection Fund Surplus	(80)	(1.55)	
<b>7,650</b>	<b>149.13</b>	<b>District Council Services</b>	<b>7,641</b>	<b>148.38</b>	<b>-0.5%</b>
7,027	136.98	District General Expenses	7,008	136.08	<b>-0.7%</b>
623	12.15	District Special Expenses	633	12.30	<b>1.2%</b>
<b>7,650</b>	<b>149.13</b>	<b>Council Tax Requirement (TDC)</b>	<b>7,641</b>	<b>148.38</b>	<b>-0.5%</b>
1,425	27.78	Parish Council Services	1,495	29.02	<b>4.5%</b>
<b>9,075</b>	<b>176.91</b>	<b>Council Tax Requirement</b>	<b>9,136</b>	<b>177.40</b>	<b>0.3%</b>

## APPENDIX F

### COUNCIL TAX FOR DISTRICT AND PARISH/TOWN COUNCILS' SERVICES 2012/2013

<b>Band</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
<b>Multiplier</b>	<b>(6/9)</b>	<b>(7/9)</b>	<b>(8/9)</b>	<b>(9/9)</b>	<b>(11/9)</b>	<b>(13/9)</b>	<b>(15/9)</b>	<b>(18/9)</b>
<b>Parished or Unparished Area</b>								
Unparished Area:								
Clacton	104.73	122.18	139.64	157.09	192.00	226.91	261.82	314.18
Parishes of :								
Alresford	158.59	185.03	211.46	237.89	290.75	343.62	396.48	475.78
Ardleigh	117.97	137.64	157.30	176.96	216.28	255.61	294.93	353.92
Beaumont-cum-Moze	107.60	125.53	143.47	161.40	197.27	233.13	269.00	322.80
Great Bentley	134.38	156.78	179.17	201.57	246.36	291.16	335.95	403.14
Little Bentley	95.47	111.39	127.30	143.21	175.03	206.86	238.68	286.42
Bradfield	120.58	140.68	160.77	180.87	221.06	261.26	301.45	361.74
Brightlingsea	127.03	148.21	169.38	190.55	232.89	275.24	317.58	381.10
Great Bromley	118.01	137.68	157.35	177.02	216.36	255.70	295.03	354.04
Little Bromley	106.07	123.75	141.43	159.11	194.47	229.83	265.18	318.22
Little Clacton	133.39	155.62	177.85	200.08	244.54	289.00	333.47	400.16
Elmstead	121.42	141.66	161.89	182.13	222.60	263.08	303.55	364.26
Frating	115.79	135.09	154.39	173.69	212.29	250.89	289.48	347.38
Frinton and Walton	133.38	155.61	177.84	200.07	244.53	288.99	333.45	400.14
Harwich	121.17	141.37	161.56	181.76	222.15	262.54	302.93	363.52
Lawford	127.30	148.52	169.73	190.95	233.38	275.82	318.25	381.90
Manningtree	112.00	130.67	149.33	168.00	205.33	242.67	280.00	336.00
Mistley	128.79	150.25	171.72	193.18	236.11	279.04	321.97	386.36
Great Oakley	119.79	139.75	159.72	179.68	219.61	259.54	299.47	359.36
Little Oakley	109.18	127.38	145.57	163.77	200.16	236.56	272.95	327.54
Ramsey and Parkeston	124.65	145.42	166.20	186.97	228.52	270.07	311.62	373.94
St Osyth	130.27	151.99	173.70	195.41	238.83	282.26	325.68	390.82
Tendring	108.02	126.02	144.03	162.03	198.04	234.04	270.05	324.06
Thorpe-le-Soken	114.29	133.33	152.38	171.43	209.53	247.62	285.72	342.86
Thorrington	113.33	132.22	151.11	170.00	207.78	245.56	283.33	340.00
Weeley	119.03	138.87	158.71	178.55	218.23	257.91	297.58	357.10
Wix	129.11	150.62	172.14	193.66	236.70	279.73	322.77	387.32
Wrabness	109.15	127.34	145.53	163.72	200.10	236.48	272.87	327.44

**CALCULATION OF COLLECTION FUND SURPLUS AVAILABLE FOR 2012/13**

Under the Local Authorities (Funds) (England) Regulations 1992, the Council (as billing authority) had to estimate, by the 15 January 2012, the Council Tax yield for 2011/2012. From the estimated yield and taking into account the actual balance on 31 March 2011, the Council must assess the balance (relating to Council Tax) that will be in the Collection Fund on 31 March 2012.

As the table below shows, this balance is estimated to be a surplus of £661,300. This surplus has to be divided between this Council and the three major precepting authorities in proportion to their original budget requirements. This Council's share is £80,000.

**Council Tax Yield 2011/12**

	Original Estimate £'000	Revised Estimate £'000
<b>Council Tax Income</b>	£'000 (75,003)	£'000 (75,073)
<b>Expenditure</b>		
Precepts		
- Essex County Council	55,744	55,744
- Essex Fire Authority	3,407	3,407
- Essex Police Authority	6,777	6,777
- Tendring District Council	<u>9,075</u>	<u>9,075</u>
	75,003	75,003
Balances		
- Essex County Council	490	490
- Essex Fire Authority	30	30
- Essex Police Authority	59	59
- Tendring District Council	<u>80</u>	<u>80</u>
	659	659
(Surplus)/Deficit for Year	<u>659</u>	<u>589</u>
Add (Surplus)/Deficit Brought Forward	<u>(659)</u>	<u>(1,250)</u>
<b>Balance Carried Forward</b>	<b>0</b>	<b>(661)</b>

**Apportionment of Surplus Available to Reduce Council Tax Levy in 2012/13**

	£'000
Essex County Council	491,500
Essex Fire Authority	30,040
Essex Police Authority	59,760
Tendring District Council	<u>80,000</u>
	<b>661,300</b>