

Medium Term Financial Strategy 2008/09 to 2012/13



Rochford District Council

MEDIUM TERM FINANCIAL STRATEGY 2008/09

EXECUTIVE SUMMARY

The Medium Term Financial Strategy sets out the Council's spending plans for the next 5 years for both revenue and capital expenditure.

Council Tax

For 2008/09, Rochford District Council's council tax will be increasing by 4.87%. For a Band D property this means it will go from £179.28 to £188.01, an increase of £8.73 per year, or just under 17p per week. The Council tax bill for Rochford residents is made up of Essex County Council, Essex Fire, Essex Police Authority and the parish/town council amounts and will be set on 19 February 2008.

Government Support

Some funding which came into the Council as a separate amount has now been incorporated into the Government funding. The real increase in funding for 2008/09 is £107k, an increase of 2.2%. With this increase, Rochford is still the 2 nd lowest funded Council in Essex and compared to our nearest neighbours, and the 32 nd lowest in England on a grant per head of population basis. The Government is holding back some of the money it calculates as required, in order to distribute amongst other authorities who fall below a minimum level of rise.	Government Grant For Rochford	
		Amount held back
	£000s	£000s
2007/08	4,758	148,374
2008/09	4,906	155,960
2009/10	5,013	136,586
2010/11	5,121	113,984

Council's Spending Plans

Through a careful strategy over the last few years of building up General Fund balances, the Council has been prepared for a number of major increases to expenditure in 2008/09, so that the level of Council tax, although higher than desirable, has been maintained at the target level of just under 5%.

The Council is investing just under £1m a year in major improvements to its Grounds Maintenance, Street Cleansing and Waste Collection contracts, which should see recycling rates go from under 20% to around 35% in the first year and up to 50% in the following years.

The Concessionary Fare Scheme goes nationwide from April 2008, allowing eligible residents to travel anywhere in the Country. The estimated cost for next year of £840k is £320k higher than the original estimate for 2007/08. The Council will be receiving £141k in additional grant from the Government towards these costs.

The Council will also be spending additional money on planning policy and enforcement, helping new businesses start up in the district, developing partnership working in the delivery of services, improving the Council's Newspaper, supporting the work of the Youth Council, an urban tree planting scheme and heritage schemes which will ensure the Council achieves its vision as detailed in the Corporate Plan.

Management of Reserves – this MTFs formalises the arrangements for managing the Council's General Fund and Earmarked Reserves. There will be a distribution in 2008/09 of some of the surplus on the Collection Fund, with £73k to Rochford District Council.

Savings – the Council has set itself the target of achieving £380k (which is 3% of 2007/08 estimated expenditure) through review of existing budgets, management of staff vacancies and improved procurement practices. Over the last 3 years, the Council has achieved ongoing savings of £842k.

Impact on Band 'D' Council Tax

	Total £	Per Band D Property
2007/08 Original Budget	10,359,841	335.80
Government Funding	(4,757,549)	- 154.21
Collection Fund Surplus	(71,212)	-2.31
2007/08 Net Sum to be met from Council Tax	5,531,080	179.28

Changes to 2007/08 Budget

Plus

Inflation	365,295	11.84
Budget Growth	159,210	5.16
Environmental Contracts	917,056	29.72
Concessionary Fares	321,000	10.40

Less

Change in Government Funding	(148,563)	-4.82
Increase in Collection Fund Surplus	(1,681)	-0.05
Increase in Council tax base	(88,831)	-2.88
Planned Efficiencies	(130,000)	-7.46
Use of Reserves	(1,124,151)	- 36.44

2008/09 Net sum to be met from Council Tax	5,800,415	188.01
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Capital Programme

New items for the next year's capital programme for investment reflect the Council's forward plans particularly to improve open spaces and youth facilities around the whole district.

	£
• Replacement Bins for the new Waste Collection/Recycling contract	1,090,000
• Office Accommodation works	170,000
• Planned Equipment Replacements	60,000
• Depot Works required to comply with environment agency requirements including inspection, reconstruction of pits and major resurfacing	345,000
• Cherry Orchard Jubilee Country Park development	450,000
• Public Open Spaces Programme	125,000
• Public Conveniences refurbishment	25,000
• Freight house car park – resurface top end of car park	40,000
• Youth Facilities	20,000

For further information on the Council's spending plans or to give your views, please contact Mrs Yvonne Woodward, Head of Finance, Audit & Performance Management, Telephone 01702 546366 or email financialservices@rochford.gov.uk

MEDIUM TERM FINANCIAL STRATEGY 2008/09

1 INTRODUCTION

- 1.1 The Council brings together all its priorities for consideration at the January Council meeting to determine the Medium Term Financial Strategy and the key priorities for 2008/09 and beyond. This Strategy covers:-
- The revised estimates for 2007/08.
 - The draft core estimates for 2008/09.
 - Government support for 2008/09.
 - Council Tax for 2008/09 and capping
 - Management of resources.
 - The total proposed budget for 2008/09.
 - Efficiency requirements for 2008/09.
 - Fees and Charges for 2008/09.
 - The Capital Programme and Prudential Borrowing.
 - The Housing Revenue Account.
- 1.2 The Council publishes a detailed Budget Book showing 2007/08 and 2008/09 budget estimates.
- 1.3 In line with the requirements of Section 25 of the Local Government Act 2003, the Head of Finance, Audit & Performance Management, as Chief Finance Officer for the Authority, can affirm the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves, discussed later in this report. The budget estimates are based on realistic projections about pay, inflation and known service and capital expenditure plans.
- 1.4 The Council regularly reviews financial management arrangements including the budget process to ensure that they remain 'fit for purpose', and keeps the financial services function under review to consider capacity, resourcing and training needs.

2 BACKGROUND

- 2.1 The Medium Term Financial Strategy models income and expenditure over a 5 year period and is reviewed twice a year, once when the final accounts for the prior financial year have been completed and secondly as part of the budget setting process for the forthcoming financial year. The draft revised MTFS was considered by Members at the first Budget Awayday when there were a number of uncertainties around Government funding and expenditure on key items such as concessionary fares and the new environmental contracts which will be considered in more detail later in this report. The MTFS, reported to this meeting, has been produced following a period of uncertainty about the national funding picture. It is generally accepted that we are entering a period of significant restraint in public funding which will make the financial position of local authorities much more difficult.

- 2.2 The MTFS is the bringing together of the Council's requirements to identify how it will resource its plans and strategies and achieve both its short and medium objectives. The main driver for the MTFS is the Council's Corporate Plan, which sets out the Council's strategic direction.
- 2.3 The mechanism for developing the MTFS is an ongoing process involving the formulation and adoption of strategies, such as the IT Strategy or Workforce Development Plan, which include resource requirements. These are collated for consideration during the budget process and if new resources are required, they are prioritised in order to ensure that the Council's limited resources are used in the most effective way. Each Service also prepares a Divisional Plan which articulates the plans for the service and how the service is involved in the delivery of the Council's corporate objectives.

3 REVISED ESTIMATES FOR 2007/08

- 3.1 The revised estimates total £10.441m, against the original estimate of £10.712m. The areas where the revised estimates vary from the original are detailed in the summary budget book issued separately. There is an overall reduction in the estimates mainly due to the impact of the Housing Transfer, which could not be accurately forecast before the start of the year. This reduction means a reduced drawdown of General Fund balances, £81,000, compared to the original estimate of £351,685. As part of the Budget Process Members agree the revised estimates and agree to individual budget changes by way of virement.

4 THE DRAFT CORE ESTIMATES FOR 2008/09

- 4.1 The draft core estimates for 2008/09 total £12.539m. Overall this is an increase of 15% over the original estimate for 2007/08. The main additions to the core estimates have been the additional cost of the Concessionary Fare Scheme, the removal of recharges to the Housing Revenue Account and the costs of the new Environmental Services contracts. The core estimates for 2008/09 are prepared based on projections about pay rises, inflation and planned service growth.

5 GOVERNMENT SUPPORT FOR 2008/09

- 5.1 2007/08 was the second year of the new grant distribution model. The Government's 2007 Comprehensive Spending Review (CSR07) was announced in the Summer which gave an early indication of the tougher national funding situation. The announcement of allocations to individual authorities through the Formula Grant mechanism was made in early December and we will receive £4,906,112 for 2008/09. This is an increase of £148,563 (3.12%). However, £41,736 of this increase represents functions which were funded through separate grants and are now included in the Formula Grant. Therefore, our actual increase in Government funding is £106,827, an increase of 2.2%.

- With this increase, Rochford is still the 2nd lowest funded Council in Essex and compared to our nearest neighbours, and the 32nd lowest in England on a grant per head of population basis. Comparison of our grant per head for the 3 years funding announced is shown below:-

Benchmarking Rochford District Council's Grant per head			Essex	Nearest Neighbours	Shire Districts
Number in Comparison Group			12	16	238
	Grant (£m)	Grant (£/head)	Ranking Against comparison Groups (1 = highest)		
2007/2008	4,758	58.72	11	14	208
2008/2009	4,906	60.02	11	14	207
2009/2010	5,013	61.00	11	14	205
2010/2011	5,128	62.00	11	14	205

- 5.2 The Government are holding back £155,960 under the Floor Damping Block, which is part of the grant distribution model. Therefore although the Government has assessed Rochford as in need of additional funding, that additional funding is still being held back in order to provide minimum level increases to other authorities who fall below the floor. The £155,960 is equivalent to about £5.00 on a Band D council tax bill, or a 2.8% council tax rise.
- 5.3 The CSR07 also includes provisional settlements for 2009/10 and 2010/11 and our allocations are £5,012,777 and £5,120,766 respectively which is an annual increase of just under 2.2%. However, there are also amounts held back under the Floor Damping Block, as shown in the summary below

Year	Amount held back under Floor Damping Block £
2005/06	138,000
2006/07	274,654
2007/08	148,374
2008/09	155,960
2009/10	136,586
2010/11	113,984

- 5.4 The Medium Term Financial Strategy is a 5 year plan so although there is now certainty around Government for the first 3 years, we do not know what we will receive in 2011/12 and 2012/13. The MTFs currently assumes that funding increases will remain at the same level as 2009/10 and 2010/11, namely 2.2% per annum and therefore assumes funding of £5,233,422 in 2011/12 and £5,348,558 in 2012/13.

- 5.5 There is a risk that this assumption in funding levels for 2011/12 and 2012/13 may be incorrect. The following tables demonstrate the sensitivity of the MTFS. For example, if the Grant settlement in 2011/12 is the same as the 2010/11 award i.e. with a 0% increase, this would mean that we would have £112,657 less income that year. However, it is considered reasonable to assume annual increases of about 2.2% for 2011/12 onwards.

	20/11/12 £	2012/13 £
Current forecast Government Funding (based on 2.2% pa increase)	5,233,423	5,348,558
Alternative Percentage increases	Reduction in annual Forecast income	
0%	112,657	115,135
1%	61,449	62,801
1.50%	35,845	36,634
2%	10,242	10,467

- 5.6 There are a number of other sources of Government funding where announcements are still awaited including the new Local Area Business Growth Incentive grant.

6 COUNCIL TAX FOR 2008/09

- 6.1 Prior to 2005/06 the Council had agreed a 5-year strategy based on a tax increase of 9% per year. However this strategy had to be revised in view of the Government's intention to cap authorities who they considered to have increased Council Tax higher than their model changes. Therefore since 2005/06, the Strategy is based on tax increases of just under 5% per year.
- 6.2 For 2008/09 the recommended tax increase will be 4.87%, resulting in a council tax for a Band D property of £188.01, which is an increase of £8.73 per year, or 17p per week.
- 6.3 Although the grant settlement was an improvement over previous years the Council is the 32nd lowest funded on a grant per head of population basis in England and the 2nd lowest in Essex. The increase of £106,827 does not cover the inflation increases in the core estimates and allows no growth. It also has to be remembered that Rochford's Council Tax has only a minimal effect on the total Council Tax due to its low relative size to Essex County Council, Essex Police and Essex Fire. Overall it is expected to be around 13% of the total Council Tax bill (or 13p for every £1).

- 6.4 For information and comparison, the 2007/08 Council Tax for a Band “D” property for all Essex Districts, excluding County and the Unitary authorities is shown below:-

	Band “D”	
	Annual Council Tax (£)	Weekly Council Tax (£)
Basildon	231.66	4.46
Braintree	148.59	2.86
Brentwood	159.93	3.08
Castle Point	204.30	3.93
Chelmsford	145.08	2.79
Colchester	161.73	3.11
Epping Forest	139.50	2.68
Harlow	235.26	4.52
Maldon	157.00	3.02
Rochford	179.28	3.45
Tendring	138.58	2.67
Uttlesford	130.14	2.56
 Average Essex	 169.25	 3.25
All Districts		
Average	155.02	2.98

- 6.5 In determining the actual level of Council Tax, Members will take into account the following section on capping and also recent Government statements regarding the expectation that Council Tax levels will not rise by more than 5%.

6.6 Capping

- 6.7 The Secretary of State has two options for deciding how to deal with authorities who he considers have set excessive budgets or increases in council tax. Announcements regarding the action to be taken are normally made after the start of the financial year to which they relate. The Secretary can either “designate” an authority which means that it is capped in the current financial year, or “nominate” an authority which means that he sets a notional budget for the current financial year to be used for comparison in the following year so effectively the capping is delayed for a year.
- 6.8 In deciding whether to designate or nominate, the Secretary uses two criteria and these are determined each year by Government. The last year that capping was used was in 2006/07 when the following criteria for the level of council tax rise and the increase in budget were used. Only the two authorities who met both criteria had their budgets nominated.

- 6.9 The Budget Increase is based on the Budget Requirement which is calculated after the drawdown of balances. The Authority has followed a strategy of building up General Fund balances in order to prepare for the Environmental Contract renewals and the housing transfer, so minimising the overall increase in Budget Requirement for 2008/09 to 4.9%.

Criteria	Capping Limits	Rochford District Council Increase over previous year	
		2007/08	2008/09
Budget Requirement Increase	More than 6% over previous year and	6.8%	4.9%
Council Tax Increase	More than 5.0% over previous year	5.0%	4.9%

- 6.10 The only announcement from Government so far has been that they are expecting council tax levels to be significantly below 5%. However, in responses to MP questions, the Minister for Local Government would not clarify what this might mean in terms of percentages.
- 6.11 As can be seen from the above figures, we should not trigger the capping criteria if the Government applies the 5% cap. However, there is a risk that, particularly if other councils achieve low council tax rises, the Government could impose a lower cap. The impact of this would be that we would have to find additional savings because of the reduction in income and also send out new council tax bills, which would incur additional costs. New bills would also have to be sent out if one of our precepting bodies were capped.

7 MANAGEMENT OF RESERVES – POLICY

- 7.1 The requirement for financial reserves is acknowledged in statute. Sections 32 and 43 of the Local Government Finance Act 1992 require authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. Within the existing statutory and regulatory framework, it is the responsibility of the Chief Finance Officer to advise local authorities about the level of reserves that they should hold.
- 7.2 There is no statutory minimum level of reserves
- 7.3 Although the level of Reserves has been previously agreed as part of the annual budget process, the Council has not agreed a policy on reserves. This is an item in the key lines of enquiry on the Use of Resources assessment carried out each year.

7.4 It is important to manage the level of reserves for the following reasons:

- Maintain adequate balances to provide contingency funds for unforeseen events.
- Provide resources to support the Council's long term spending plans
- Avoid holding excessive amounts because of the opportunity costs in not utilising these resources.

7.5 The Council is therefore asked to agree that the Policy on Reserves is:

“As part of the budget preparation process, the Council will carry out a risk assessment of any material items included in the budget that are based on forecasts or assumptions and that an appropriate level of reserve be maintained for each item based on the assessment of the probability of events occurring that would require some or all of those reserves to be drawn upon. The approved level of reserves to be adhered to in order support the Council in the achievement of its long term objectives. The Council will also establish and maintain earmarked reserves to build up resources and for each earmarked reserve there will be a clear protocol setting out:

- the reason for/purpose of the reserve
- how and when the reserve can be used
- procedures for the reserve's management and control
- a process and timescale for review of the reserve to ensure continuing relevance and adequacy.”

8 MANAGEMENT OF RESERVES – REVIEW OF EARMARKED RESERVES

8.1 This section of the MTFS applies the above Policy.

8.2 The Council regularly reviews the reserves as part of the budget setting and closure of accounts processes to make sure that they are appropriate. Reserves should be used in accordance with the reasons they were set up and their use is authorised by the Head of Finance, Audit and Performance Management.”

8.3 The Council maintains a number of earmarked reserves as a means of building up funds to cover expenditure on particular items. These reserves are used for a number of reasons including:-

- Sums set aside for major schemes
- Self insurance
- Surpluses arising from trading accounts, for example Building Control, or ring fenced activities, for example Crime and Disorder and Decriminalised Parking Enforcement
- Reserves retained for specific service use where under spends are carried forward to enable better use of finances

- Ring fencing grants received by departments for specific uses or held on behalf of partnerships.
- Additional surpluses on the General Fund up to £250,000 are kept in a reserve to provide funds for IT development and improvements in line with the Council's agreed ICT Strategy.

8.4 Forecast movement in the current Earmarked Reserves is summarised below. However, it must be stressed that these are only best estimates based on expenditure and plans at this time.

Earmarked Reserves	Balance at 31 March 07 £000s	Balance at 31 March 08 £000s	Balance at 31 March 09 £000s	Reason for Reserve	Criteria for usage
Corporate	319	220	258	To meet Councils' Corporate and Statutory objectives	Officers can authorise usage of this reserve to meet its Corporate objectives and develop the Corporate image.
Housing	103	71	62	Funds for provision of Strategic Housing.	Officers can agree usage of this reserve to meet the Housing requirement of the Council.
IT Strategy	250	250	250	Funds for IT Strategy - maintained by additional surpluses on the General Fund identified at the end of the year	Bids to utilise these funds are considered annually as part of the divisional plan and budget process.
Projects	936	736	403	For specific projects including Economic Development.	Members decision.
Repairs & Maintenance	152	138	94	Funds to maintain Councils assets at an acceptable level.	The HLS in conjunction with the Financial Programmes Group can approve use of these resources.
Housing Revenue Account	(36)	1,630	0	These reserves no longer exist following LSVT.	Not applicable
Redundancy and Financial Strain Reserve	56	56	0	Funds to cover previous restructuring costs	Use of these Resources is agreed as part of the MTFS.
Total	1,780	3,101	1,067		

- 8.5 Following the successful transfer of the Council's housing stock to the Rochford Housing Association in September 2007, the Housing Revenue Account (HRA) will be closed at the end of 2007/08. Once the audit of the Account has been completed, the balance in the HRA will be amalgamated with the General Fund Reserve.

9 MANAGEMENT OF RESERVES – REVIEW OF GENERAL FUND RESERVE

- 9.1 The Authority also has a General Fund reserve as a result of accumulated surpluses on the General Fund account. This Reserve is intended to provide sufficient safeguards against events that may happen that would impact on the Council's liquid cash resources and place the Council in an insolvent position and therefore ensures the Council avoids unnecessary temporary borrowing. It also enables the Council to undertake medium term financial planning and achieve its longer term objectives. A recent example of this has been the steady build up of the Reserve since 2003 in order to meet the additional costs of the new environmental contracts (Refuse collection/Recycling/Street Cleansing and Grounds Maintenance) and also to manage the impact of the housing transfer in September 2007.
- 9.2 The level of the General Fund Reserve has been reviewed annually as part of the budget process and a minimum level of 10% of net expenditure agreed.
- 9.3 In order to improve the management of our reserves and in line with the proposed Policy on Management of Reserves, a detailed Risk Assessment has been carried out by officers during the budget preparation process on the material items and the key risks are summarised below.
- 9.4 It includes a number of items where it is not possible to quantify and therefore include a figure in the MTFS. In view of this, it is essential that the Council has a sufficient level of uncommitted reserves set aside to support this approach. The figures quoted below are based on experience and current indications and give a recommended minimum level for uncommitted revenue balances.

LEVEL OF REVENUE BALANCES - - A RISK BASED ASSESSMENT			
ITEM	CONSIDERATION TO ASSESS FIGURES TO INCLUDE	2008/09 £000s	2009/10 Onwards £00s
Adequacy of inflation or interest rate provisions in budgets.	Nearly 50% of the Council' gross expenditure is related to salaries which are nationally agreed and outside the control of the Council.	Nil	Nil
MTFS allows for 3% per annum	Government have announced stricter controls on pay rises in future and Inflation rate was 2.1% in November 2007.		

ITEM	CONSIDERATION TO ASSESS FIGURES TO INCLUDE	2008/09 £000s	2009/10 Onwards £00s
Effects of Capital Finance	Capital cashflows can be difficult to predict as historically they have been from right to buy sales and the Council has now transferred its housing stock. If the Council were not able to finance capital expenditure, it would have to be met from revenue, however, capital balances are relatively healthy.	Nil	Nil
Investment Income and uncertainty of interest rate assumptions	There is a risk that the Bank of England will reduce interest rates to a greater degree than currently forecast (For further information, please refer to the Annual Treasury Management Strategy 2008/09). <i>Worst Case Scenario that interest rates fall to 4%</i>	150	150
Debt Collection and Uncertainty of Income	If there were to be a significant increase in bad debts or a sudden reduction in income, this would impact on revenue balances. <i>2% downturn in income</i>	200	200
Reduction in Grants	Housing Benefit Administration subsidy was reduced by 5% for 2008/09. New look LABGI scheme has not yet been announced and the Planning Delivery Grant (PDG) is to be replaced by a Planning and Housing Grant, the details of which have not yet been announced. Only PDG is used for ongoing expenditure such as salaries. <i>PDG 2007/08 allocation for salaries</i>	38	Nil
Unpredictable and demand-led expenditure	This would be managed through robust budgetary control during the year and the budget setting process. However, as budgets become tighter, flexibility to accommodate the unexpected reduces and mandatory demand led items represent unavoidable expenditure that has to be financed. <i>Based on 2006/07 Variances</i>	300	300

ITEM	CONSIDERATION TO ASSESS FIGURES TO INCLUDE	2008/09 £000s	2009/10 Onwards £00s
Concessionary Fares	For 2006/07 and 2007/08, the estimates have greatly underestimated the demand for this service and there have also been a number of successful appeals by transport operators over the level of reimbursement. With effect from 1 April 2008, the scheme goes nationwide. <i>Based on % of 2008/09 estimate.</i>	200	100
Emergency Expenditure	Resulting from unforeseen events. Although the Council has comprehensive insurance cover, there may be incidents which are not covered or where Government assistance is only partial. In the event of such an incident, significant costs may have to be met from revenue reserves. <i>1% of net expenditure</i>	100	100
Management of Change	Local Authorities need to have available resources to manage change (eg retraining, accommodation). The lack of such resources can stifle effective management and/or result in other important services being adversely affected.	50	50
Underachievement of Efficiency Targets	Apart from the risk of not achieving nationally set efficiency savings, the MTFS includes cashable savings. If these are not achieved, Revenue reserves would have to be used to balance the budget. <i>Additional savings built into MTFS in 2008/09</i>	300	380
Recommended Minimum Revenue Balances		1,338	1,280

9.5 Forecast General Fund balances:

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
£m	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
<u>Balance Bought Forward</u>	1,778	2,829	1,339	1,976	1,317	935
Contribution to/(from) Fund	1,051	(1,491)	637	(659)	(382)	89
<u>Balance Carried Forward</u>	2,829	1,339	1,976	1,317	935	1,024

- 9.6 There is a forecast dip in General Fund balances below the Recommended Minimum Revenue Balance but the longer term forecast is for balances to recover. Some of the areas of risk around Concessionary Fares and achievement of efficiency targets will have reduced by then.

10 MANAGEMENT OF RESERVES – REVIEW OF COLLECTION FUND RESERVE

- 10.1 As the Billing Authority, we collect council tax on behalf of Essex County Council, Essex Fire Authority and Essex Police Authority (known as precepting bodies). The amount of council tax to be collected includes an allowance for non collection of council tax, currently based on 98% collection rate. When we collect more than 98% of the amount due, this surplus is held in the Collection Fund as a ring fenced amount and can be distributed to the precepting bodies and ourselves on a proportionate basis, based on the Band D council tax amount for each body.
- 10.2 As the Billing Authority, we have to pay over an agreed amount to each of the precepting bodies on a monthly basis of approximately £3.5m per month. If there were any interruption to the income from council tax, Rochford District Council would still have to pay this amount over. It is therefore considered prudent to maintain the Collection Fund at a level that generates sufficient investment income to cover any interruption to council tax collection. For 2008/09, the level is £824,000 plus any surplus identified at the end of 2007/08. This will generate about £50,000 per annum in investment income and allow the distribution of £485,871 in the following amounts:

Recipient	Band D Council Tax	% Share	Distribution Amount	
			2008/09 Proposed	2007/08 Actual
	£	%	£	£
Rochford District Council (including Parish/Town)	208.34	15.00	72,893	71,212
Essex County Council	1003.95	72.29	351,259	341,941
Essex Police Authority	116.46	8.39	40,747	39,510
Essex Fire Authority	59.94	4.32	20,972	20,732

11 FROM VISION TO REALITY - TOTAL PROPOSED BUDGET FOR 2008/09

- 11.1 The Council's Vision is "to make Rochford district the place of choice in the County to live, work and visit". The Council brings together its Vision for Rochford, the Community Strategy, our role as the "green gateway" in the Thames Gateway South Essex Strategy, IT Strategy, Economic Strategy and Workforce Development Plan amongst others, into the Corporate Plan to identify what it needs to deliver for the whole community of Rochford district.
- 11.2 In determining the Council's priorities, Members consider them against our key objectives which are detailed in the Council's Corporate Plan.
- 11.3 The budget process is then about identifying the allocation of the resources so that the Council can deliver these ambitions for the district.
- 11.4 Before identifying new areas for expenditure, there have been a number of issues affecting the budget this year.
- 11.5 Renewal of Environmental Contracts
- 11.6 The planned renewal of the environmental contracts (street cleansing, waste collection, recycling and grounds maintenance) in April 2008 has been managed by the Contracts Sub Committee. The MTFS has included provision for an increase in the overall costs of the contracts in 2008/09 since 2004 as part of the Council's forward planning of service improvements. The provision was increased during last year's budget process to £500,000 but the final total for the 3 contracts has been an increase of just under £1m. The final cost of the contracts is dependent upon the calculation of additional recycling income from Essex County Council, the level of which is still the subject of negotiation and also the agreement of the Recycling Centre Gate Fees which are paid for recycling.
- 11.7 Concessionary Fares
- 11.8 Concessionary Fares has been an area of concern for the Authority for the last two years as the level of expenditure has risen higher and quicker than forecast. The Council belongs to the Essex wide Travel Consortium to provide an Essex wide concessionary fare scheme, which was a more generous scheme than the current statutory service, which is only to provide

free travel within the district. With effect from 1 April 2008, the statutory scheme goes nationwide, which means that anyone eligible for a pass can travel anywhere in the country and the cost of the journey is met by the authority where the journey originates. There have been a number of problems which have caused difficulties in setting estimates including:

- The late publication of Government guidance on how the new scheme would operate and how the costs would be calculated.
- Lack of a nationwide approach to the reimbursement level of operators,
- Lack of accurate information on the number and value of journeys because bus operators do not have the technology installed to record passengers travelling free.

- 11.9 The Government have provided funding since 2006/07 for the scheme through the Formula Grant which comprises Revenue Support Grant and redistributed business rates and is an unhypothecated grant i.e. authorities are free to spend it on any service. For this reason, and due to the complex method of calculation, including floor damping, Department of Communities and Local Government are unable to say how much additional grant may have been provided to individual authorities for any particular service.
- 11.10 As the majority of authorities have been forecasting major increases in cost for this area, the Government have been heavily lobbied by local authorities and the Local Government Association. For 2008/09 onwards, the Government grant towards the additional costs is being distributed as a stand alone grant to provide greater transparency.
- 11.11 The Government have announced funding of £212m in 2008/09, £217m in 2009/10 and £223m in 2010/11. The allocations for Rochford for each year are £141,000, £145,000 and £149,000.
- 11.12 Summary of Concessionary Fares Estimates and Expenditure

Financial Year	Actual Expenditure or Estimated	Amount £
2003/04	Actual	141,313
2004/05	Actual	128,971
2005/06	Actual	158,079
2006/07	Actual	433,901
2007/08	Original Estimate	520,000
	Current Estimate	796,000
2008/09	Current Estimate	840,700

11.13 Benefit Administration Grant

11.14 Department of Work and Pensions Administration Grant will be cut by 5% in real terms annually over the three years of the settlement whereas caseload is expected to rise e.g. implementing the Lyons Review proposals, aging population etc. This is a reduction in income of £22,000 in 2008/09.

12 2008/09 IDENTIFICATION OF PRIORITIES

12.1 For 2008/09 a number of priorities were identified from divisional service plans, Strategy documents, Workforce Development Plan and statutory requirements.

12.2 These were initially considered at the Members Awayday held on 24th November 2007. Members at the Awayday agreed a list of key priorities from the total list that went forward for discussion in relation to the budget for 2008/09.

12.3 Members have to make the choice between competing priorities and have to consider the impact that a proposal can make and also the ability to implement the proposal.

12.4 At the Member Awayday held on 19th January Members considered the key priorities against the estimated resource position of the Council following the announcement of the Formula Grant. Members at the Awayday agreed that the following areas should be proposed for approval by the Council for 2008/09:-

Planning Enforcement - £30,000 will be used to deal with breaches of planning control and in particular taking remedial action where there is no landowner to pursue for recovery of costs and direct action is required.

Helping New Businesses - £20,000 has been allocated to look at ways of providing financial support to new small businesses in the district. The Council will need to do some work to assess the likely demand and determine criteria and a report will be brought to the Executive Board with proposals on how a scheme might work.

Partnership Working - £20,000 has been allocated to develop and take forward shared service working for the Revenue and Benefits service and develop possible opportunities with other authorities.

Youth Council – £10,000 has been allocated to build up capacity with the Youth Council and communication links with young persons across the District.

Rochford District Matters – £5,000 has been allocated to facilitate the review of the distribution of Rochford District Matters and its layout.

Planning Policy - £40,000 has been included in the budget to increase staffing resources in order to continue providing the current level of policy planning service, and provide for additional work linked to the Local Development Framework.

Urban Tree Planting Scheme – supporting the Council’s objective to be the “green” part of the Thames Gateway, £10,000 has been allocated to a project in partnership with Essex County Council to plant trees along the highways in urban areas.

Heritage Initiatives - £10,000 will be spent on, increased signage and enabling more events around the district, which benefit both residents and the business community so that residents and visitors are made more aware of the rich heritage of the district.

12.5 The above are the items where new resource allocations are proposed for approval. For a number of priorities progress can be made through existing resources or an existing programme of action. Many of the items will be addressed through the Local Development Framework. Others will be met by partnership working, particularly if there is a key supplier of the service identified.

12.6 The total budget for 2008/09 and beyond will be a combination of:-

- The proposed core budget.
- The priorities shown above
- The progression of the Local Area Agreement initiative with any funding requirements being met by funding achieved through the current agreement.

12.7 Summarised Medium Term Financial Plan for 2008/09 to 2012/13:

	2007/08	2008/09	2009/10	20010/11	2011/12	2012/13
£000s	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Projected permitted expenditure	10,360	10,868	11,227	11,660	12,114	12,588
Budget Growth	190	1,782	40	40	285	9
Savings to be achieved	(250)	(380)	(380)	(380)	(380)	(380)
Additional income review	-	-	(100)	-	(100)	-
Total budget	10,441	12,344	12,274	12,303	12,479	12,482
<u>Balance Bought Forward</u>	1,778	2,829	3,054	2,006	1,363	998
Change in fund	1,051	(1,476)	(1,047)	(643)	(366)	106
<u>Balance Carried Forward</u>	2,829	1,354	2,006	1,363	998	1,103

Impact on Band 'D' Council Tax

	Total £000s	Per Band D Property
2007/08 Original Budget	10,359,841	335.80
Government Funding	(4,757,549)	- 154.21
Collection Fund Surplus	(71,212)	-2.31
2007/08 Net Sum to be met from Council Tax	5,531,080	179.28
Changes to 2007/08 Budget		
Plus		
Inflation	365,295	11.84
Budget Growth	159,210	5.16
Environmental Contracts	917,056	29.72
Concessionary Fares	321,000	10.40
Less		
Change in Government Funding	(148,563)	-4.82
Increase in Collection Fund Surplus	(1,681)	-0.05
Increase in Council tax base	(88,831)	-2.88
Planned Efficiencies	(130,000)	-7.46
Use of Reserves	(1,124,151)	- 36.44
2008/09 Net sum to be met from Council Tax	5,800,415	188.01

13 IDENTIFICATION OF NON PRIORITIES

13.1 During the year and the budget process, Members have considered many competing priorities, some of which have been considered either a low or non priority. The Council have decided that for 2008/09 the following are non priorities and no additional resource should be allocated to them.

- Provision of on street residents parking in the District.
- Moving forward with the Housing Benefit and Council tax partnership with Chelmsford
- IdEA Charter for Members Training and Development
- Charging for Bulky Waste Collection
- Maintaining the quantity of Bring Banks in the area at the current level
- Transferring Dutch Cottage to the Town Council.
- Proactive enforcement of the non-smoking Agenda
- Maintaining stand-alone CCTV in shopping parades.

14 EFFICIENCY REQUIREMENTS 2008/09

14.1 The Government adopted the Gershon recommendations to make savings of 2.5% per annum within all public services. As a consequence, this Council has been under an obligation to make savings over the last 3 years ending in 2007/08. Within this 2.5% target, there have been two broad types of savings - those that reduce budget requirement but still deliver the same service

(called cashable savings) and non cashable savings which are those where services can be expanded at no extra cost.

14.2 Our target for the 3 years was £703,000, of which at least £351,500 had to be cashable. Up to the end of 2006/07, the Council had achieved ongoing efficiency savings totalling £842,000, of which £543,000 were cashable. This does not include savings that were achieved in one year but not sustained.

14.3 The Council's Strategy for achieving these savings has been based on:

- Implementation of Performance Management framework with clear targets to improve efficiencies.
- A focus on high priority services
- A commitment to work with partners to deliver efficiency across public services
- The development of divisional plans for all services to ensure delivery of sustained improvements
- A continuing programme of IT development linked to service improvements
- Introduction of policies to reduce sickness
- Ongoing workforce planning and development linked to service improvements
- More effective and collaborative procurement taking full advantage of the opportunities available through the Procurement Agency for Essex, Essex On-line Partnership and the Regional Centre of Excellence.
- Completing the implementation of an electronic document records and management system

14.4 The CSR07 included the Government's expectation that local government will save 3% per annum in cashable efficiency savings. Department of Communities and Local Government (CLG) guidance says that individual councils will not be allocated a target, as under the current regime, but that the achievement of efficiencies will be monitored through a national performance indicator:

The total net value of ongoing cash releasing value for money (VFM) gains that have impacted since the start of the 2008-09 financial year.

14.5 The Guidance suggests that the target may therefore be set through the local area agreement. Whatever the mechanism, the Council will need to report on this indicator and demonstrate that it is taking positive action to improve value for money. We will also need to achieve these savings in order to achieve a balanced budget.

14.6 The measure of the performance against the indicator will be made on a baseline year of 2007/08 estimates. For us, this equates to about £380,000 per annum

- 14.7 Rochford has, for many years, been the lowest spending Council in Essex based on expenditure per head of the population. Clearly, savings should be easier to identify for a Council that is a high spending one rather than in our position.
- 14.8 Rochford Council has already exposed all of its major services to outside competition. No credit will be granted for this past action and therefore attempts to produce significant further savings and efficiencies through outsourcing may be limited to us.
- 14.9 The following areas have been identified as a focus for further savings to meet the 3% requirement and officers will be working on the detailed arrangements for delivering them. A criteria will be that any savings identified should not result in any reductions in the quality or level of service provided, unless it relates to a non-priority area. Regular monitoring reports will be received by the Council's Senior Management Team and the Council's Executive Board as part of the normal budget monitoring arrangements.
- 14.10 The 3 key areas for focusing on achieving savings will be:-
- Review of existing services to identify efficiency savings
 - Continuing the improvements in Procurement of goods and services
 - Managing vacancies proactively

15 PARTNERSHIPS

- 15.1 The Council has a sound record in working in partnership with other bodies in order to increase capacity in order to deliver its objectives.
- 15.2 For 2008/09, the main financial implications are summarised below:
- 15.3 Working in partnership with the local authorities within Thames Gateway to develop a Choice Based Lettings scheme. This gives people the improved choice in securing social housing. TGSE have received £96,000 to support work across the TGSE Housing sub region. In addition, the Council is contributing £10,000 per annum to fund a joint post to co-ordinate housing strategy across the South Essex region.
- 15.4 The Council works in partnership with VirginActive to deliver a high quality leisure service to residents. One benefit to the Council is that VirginActive provide financial support for the publication of the Council's newspaper, Rochford District Matters and for two officer posts, Arts Development Officer and Sports Development Officer, a total of £85,000.
- 15.5 Since 2005, Rochford District Council has been part of the Groundwork Trust for Thames Gateway. Our contribution in 2008/09 will be £10,300. We are able to call upon their expertise and experience.

- 15.6 The Council has good links with the voluntary sector and for 2008/09, will be giving £239,000 in grants. The main grant is to the Citizens Advice Bureau who will receive £81,400. A number of grants are allocated each year as decided by Members and £18,000 has been allocated for these.

16 EXTERNAL FUNDING

- 16.1 The Council has a good track record of bringing in external funding.
- 16.2 The Big Lottery announced in December that Rochford district would receive £200,000 for improving play service in our area as part of its big play fund. The Council will work in partnership with local residents, Team Around the School, Child and Community Team, Police, Virgin Active, Parish Councils and Early Years and Surestart, to name but a few to deliver the Rochford Play Strategy over the next three years. Achievement of the Strategy and delivery of its objectives will be monitored by the Council's Leisure Development Officer and the Leisure & Cultural Services Manager. The funds will be held by Rochford District Council and although the Play Strategy outlines how the money will be spent, further consultation will take place regarding the specific details of play equipment and ice rink venues.
- 16.3 The HR Strategic Partnership for Essex, in which Rochford is a leading player, has received funding from Building Capacity East, which will be used for joint projects, around the recruitment, training and development, and other initiatives in line with our Workforce Development Plan.
- 16.4 During 2007/08, the Council received £175,000 from Building Capacity East to support the work that the Council is doing around Access to Services.

17 FEES AND CHARGES FOR 2008/09

- 17.1 The proposed charges in respect of the discretionary charges for 2008/09 are shown in Appendix A to this report. All fees and charges are reviewed and the Council's policy is to increase in line with inflation, where appropriate but also taking into account the impact on users.
- 17.2 Members will recall that for 2005/06 a new strategy was agreed in respect of off street parking charges, which included a commitment to review the charges every two years. In December 2006 the two year review of these charges was carried out, and it was agreed that from 1 July 2007, charges would be increased. It was agreed to maintain Saturday afternoon parking as free. Therefore, no change to the car parking tariff is proposed for 2008/09.
- 17.3 Fees for Gambling Licence and Liquor Licence applications are not included within the schedule for fees and charges, as there are various categories of charge. These are available on the Councils website and can be obtained direct from the Licensing Section.

18 CAPITAL PROGRAMME AND PRUDENTIAL BORROWING

- 18.1 The Council has agreed a Capital Strategy which sets out how the Council intends to maximise the use of available capital resources in order to achieve its objectives and includes references to other key documents that influence capital investment. The Strategy outlines the framework for management, planning and monitoring needed to ensure that any capital investment undertaken helps to achieve the Council's objectives.
- 18.2 The Strategy has identified criteria for capital investment to ensure that the Council's limited resources are spent in the most cost effective way to achieve the Council's objectives. These criteria are:
- A. ***Investment in statutory and priority services*** to ensure the continuation of essential services and value for money
 - B. ***Ensure that landlord and owner responsibilities are undertaken*** including priority items identified through the asset management plan
 - C. ***Improve infrastructure*** that has an influence on economic activity and the wellbeing of the Authority. This mainly relates to the improvement of town and village centres.
 - D. ***Priority items flowing from key strategy documents***
 - E. ***Schemes bringing in external funding***
- 18.3 The Strategy is closely linked to the Asset Management Plan and the two documents combine to explain how the Council will use assets and capital investment to enable continuous improvement in service delivery. The Medium Term Financial Strategy takes into account the revenue implications arising from capital investment decisions.
- 18.4 In line with the decision taken last year to look at youth facilities in Great Wakering, a provision has been included in the Programme for 2008/09. Any decision on how or when this will be spent, will be made at later date through reports to committee.
- 18.5 The main changes to the Capital Programme are summarised below together with the background and how the schemes will be managed and monitored:

Line	Item	Capital Strategy Criteria & Background	Provision £	Decision making process
1.	Bins	<p>A. Investment in statutory and priority services D. Priority items flowing from key strategy documents It was more cost effective for the Authority to finance the capital expenditure to buy the bins for the new waste collection contract.</p> <p>The revenue implications of financing the capital expenditure are included in the Revenue Budget.</p>	1,090,000	Expenditure will be reported in the quarterly Capital Programme Monitoring Reports
2.	Rochford - office accommodation – electrical rewiring	<p>B. Ensure that landlord and owner responsibilities are undertaken Current wiring in the older buildings cannot support the level of electrical usage, as identified during investigation during 2007/08</p>	60,000	Expenditure will be reported in the quarterly Capital Programme Monitoring Reports.
3.	Rayleigh Office Accommodation - Heating - Ramps - Reception Area	<p>B. Ensure that landlord and owner responsibilities are undertaken Current heating system is becoming uneconomical to repair and is energy inefficient. Ramps will allow disabled access to the Council Chamber. Improvements to reception area are linked with the Access to Services work.</p>	60,000	<p>Expenditure on Heating system and Ramps will be reported in the quarterly Capital Programme Monitoring Reports.</p> <p>Any improvements to the Reception Area will be considered as part of the Access to Services work with Member decision.</p>
4.	Planned Equipment Replacements - 2008/09 Call Logger Print Room Noise Monitors	<p>A. Investment in statutory and priority services Programme of replacement to equipment will improve management of the Council's assets</p>	60,000	Expenditure will be reported in the quarterly Capital Programme Monitoring Reports.
5.	Depot Hardstanding	<p>B. Ensure that landlord and owner responsibilities are undertaken Works required to comply with environment agency requirements including inspection, reconstruction of pits and major resurfacing</p>	345,000	Expenditure will be reported in the quarterly Capital Programme Monitoring Reports.

Line	Item	Capital Strategy Criteria & Background	Provision £	Decision making process
6.	Cherry Orchard extension	D. Priority items flowing from key strategy documents Acquisition of land in order to continue the development of this important green asset	450,000	Decision to acquire land was made by Executive Board who will receive further reports on progress.
7.	Public Open Spaces - Extension to Swayne park & – develop car parking areas. - Little Wheatleys	C. Improve infrastructure D. Priority items flowing from key strategy documents To continue the development of the open space for use as community football pitches. Members identified extra funding for Swayne Park and Little Wheatleys as a priority	125,000	Consultation with Area Committees and report to Executive Board for decision on how allocation will be spent.
8.	Public Conveniences - Great Wakering refurbishment	A. Investment in statutory and priority services B. Ensure that landlord and owner responsibilities are undertaken This refurbishment was planned as part of the programme completed in 2005/06. It was deferred because of ongoing vandalism, which is no longer a problem.	25,000	Expenditure will be reported in the quarterly Capital Programme Monitoring Reports.
9.	Freight house car park – resurface top end of car park	B. Ensure that landlord and owner responsibilities are undertaken The whole car park is heavily used and the unmade part cannot be properly used	40,000	The possibility of introducing parking charges in the future will be discussed with VirginActive. Expenditure will be reported in the quarterly Capital Programme Monitoring Reports.
10	Youth Facilities	C. Improve infrastructure Members identified providing teen shelters and meeting places for young people, as a priority.	20,000	Consultation with Area Committees to identify possible sites and plan programme to provide 2 shelters per year.

Line	Item	Capital Strategy Criteria & Background	Provision £	Decision making process
11	Building Works	<p>B. Ensure that landlord and owner responsibilities are undertaken</p> <p>As part of the process of managing the impact of the housing transfer, some of the capital receipt generated will be used to capitalise some of the building works items that used to be funded from the General Fund.</p>	50,000	<p>The whole list of Building works Special Items is considered by Members as part of the budget process and is included at the end of this document. The split to Capital and Revenue is then made.</p> <p>Expenditure will be reported in the quarterly Capital Programme Monitoring Reports.</p>

18.6 The proposed capital programme in respect of General Fund services is shown as Appendix B. Within the General Fund programme there are a number of new items relating to maintenance and enhancement of the Council's assets. The approval to any detailed scheme will be at a later date.

18.7 When agreeing to include items in the Capital Programme, Members need to bear in mind that capital receipts are one off items of income. Once those funds have been used, they are not available either to use for other projects or to generate investment income. This is the Opportunity Cost of capital expenditure.

19 PRUDENTIAL BORROWING

Members will recall that Local Authorities are now able to determine their own borrowing requirements. However these have to be within the Prudential Code. Much of what follows are technical issues that are required to be reported to Council however the bottom line is the question of whether the Authority can afford any new borrowing. Therefore when agreeing the Capital Programme, under the Prudential Code, the Council is required to consider a number of Prudential Indicators of affordability.

12.2 It should be stressed that although the following borrowing indicators have been calculated there may not be any actual borrowing as funding may come from other sources.

19.3 Ratio of Financing Costs to Net Revenue Stream – This indicator identifies the trend in the cost of capital (borrowing costs net of interest and investment income) against the net revenue stream. A negative figure represents a contribution to the revenue budget from investment income.

%	2006/07 Actual	2007/08 Estimate	2008/09 Estimate	2009/10 Estimate	2010/11 Estimate
HRA	16%	19%	0%	0%	0%
General Fund	(5%)	(7%)	(5%)	(2%)	(2%)

- 19.4 It can be seen from the above that our percentage of financing costs remains generally steady.
- 19.5 Estimates of the incremental impact of capital investment decision on the Council Tax. This indicator identifies the trend in the cost of implementing changes in the three-year Capital Programme compared to the current Capital Programme.
- 19.6 The Council is required to make reasonable estimates of the total capital expenditure that it plans to incur during the forthcoming financial year and at least the following two years. Council agreed the current Capital Programme on 26th June 2007 and this is the starting point for considering the affordability of the proposed Capital Programme.

	2007/08 £000s	2008/09 £000s	2009/10 £000s	2010/11 £000s
General Fund Capital Expenditure				
Current Programme	1,000	489	525	532
Proposed Programme	991	2,719	705	712
Incremental impact on Council Tax (per Band D per year)	(£0.02)	£4.24	£0.34	£0.34

It must be stressed that these are only to be used as indicators and do not represent actual increases or decreases in Council Tax. The code merely requires the potential change to Council Tax be identified to Council.

- 19.7 Capital Financing Requirement (CFR) – This indicator reports on the Council's underlying requirement to finance its current and historic capital expenditure, which has not been charged to revenue. The change year on year will be influenced by the capital expenditure within the year. The Council's expectations for the CFR are shown below:

CFR	31/03/07 £000s Actual	31/03/08 £000s Estimate	31/03/09 £000s Estimate	31/03/10 £000s Estimate	31/03/11 £000s Estimate
Total	10,638	172	172	172	172

19.8 This indicator is designed to measure the underlying need to borrow, or finance by other long term liabilities, capital expenditure. As previously mentioned although this measures the need for borrowing, the borrowing may not necessarily take place externally. It is not anticipated that it will be necessary to undertake any other borrowing to finance the capital programme, although temporary short-term borrowing may have to be undertaken for cash flow purposes. As previously mentioned, the indicators are to identify to Council the potential impact of borrowing following agreement of the capital programme.

20 HOUSING REVENUE ACCOUNT

20.1 The Council successfully transferred its housing stock to the Rochford Housing Association in September 2007. As a result of this, the Housing Revenue Account will be closed with effect from 31 March 2008. The Housing Revenue estimates for 2007/08 are summarised below:

	2006/07	2007/08 Original	2007/08 Revised
Supervision and Management General	1,945	1,956	1,173
Repairs Administration	337	337	214
Repairs	948	1,035	582
Depreciation	1,169	1,178	588
	<u>4,400</u>	<u>4,506</u>	<u>2,557</u>
Debt Management expenses	41	42	42
	<u>4,441</u>	<u>4,548</u>	<u>2,599</u>
Rents and Charges (Net)	(6,131)	(6,373)	(3,187)
Allocation of Fees for Major Repairs	(100)	(100)	(50)
Subsidies	507	914	457
NET COST OF SERVICE	<u>(1,283)</u>	<u>(1,011)</u>	<u>(180)</u>
Interest Payable	994	988	442
Amortised PWLB Premiums & Discounts	8	8	-
Investment Income	(39)	(63)	-
(SURPLUS)/DEFICIT FOR THE YEAR	<u>(320)</u>	<u>(78)</u>	<u>262</u>

20.2 The movement on the HRA balance is estimated as :

	£m
Balance Brought forward 1 April 2007	(1.89)
Movement in 2007/08	0.26
Balance Carried Forward 31 March 2008	(1.63)

The Balance outstanding on the HRA will be transferred into General Fund balances on 1 April 2009.

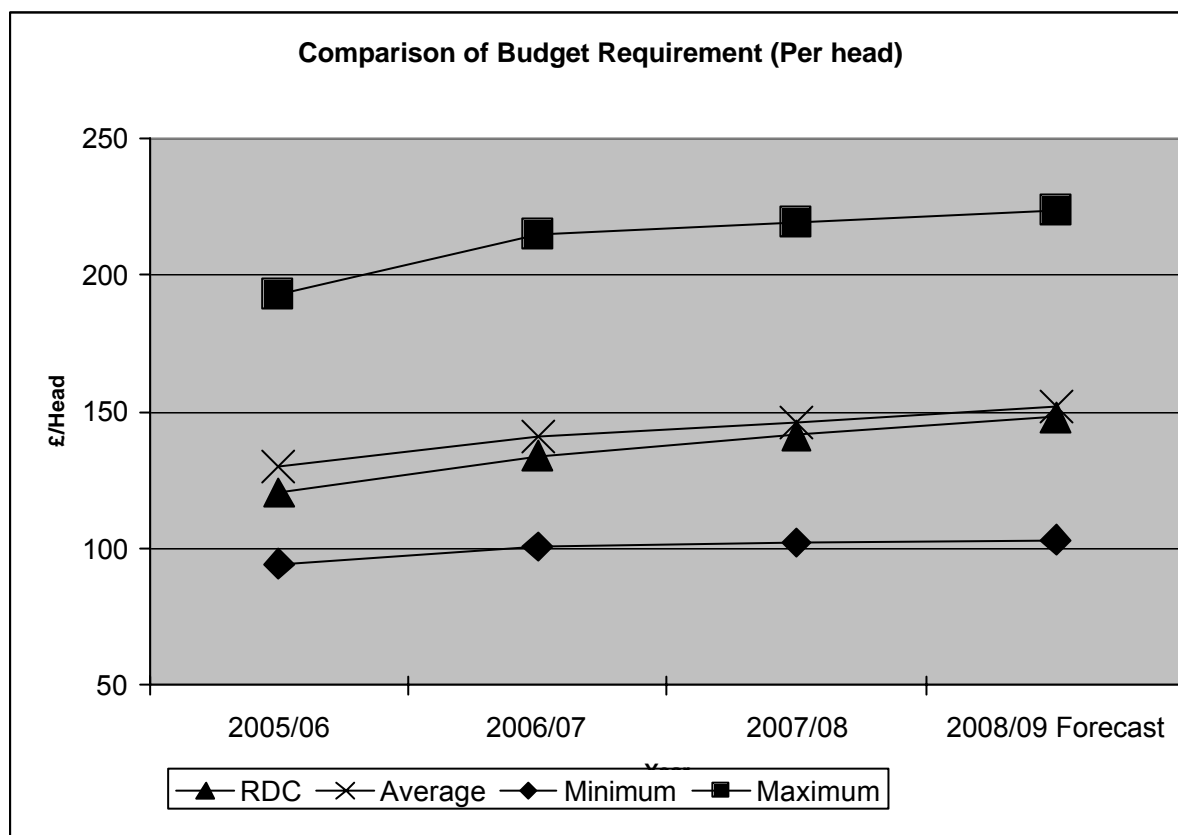
21 VALUE FOR MONEY

21.1 One of the Council's corporate objectives is "To provide quality cost effective services". Value For Money (VFM) is the relationship between economy, efficiency and effectiveness and good VFM is achieved where there is the best balance between all 3 elements i.e. relatively low cost, high productivity and successful outcomes. In order to achieve this, the Council will:-

- Focus on high priority services such as Revenues and Benefits
- Maintain its commitment to work with partners to deliver efficiency across public services, for example the Crime and Disorder Reduction Partnership
- Continue to develop and embed a comprehensive Performance Management culture throughout all divisions to ensure delivery of sustained improvements
- Continue to deliver a programme of IT development linked to service improvements as identified in the IT Strategy
- Maintain its commitment to effective and collaborative procurement taking full advantage of the opportunities available through the Procurement Agency for Essex, Essex On-Line Partnership and the Regional Centre of Excellence.
- Deliver a Workforce Development Plan that ensures that our staff have the right skills and knowledge to meet the future.
- Develop a VFM Strategy that clearly articulates the Council's commitment to achieving and demonstrating the VFM that it achieves.

21.2 In order to demonstrate Value For Money it is important to understand how the Council compares to other authorities and there are a number of ways of benchmarking the Authority, either against all 238 district councils, against the Essex Authorities and against the CIPFA Nearest Neighbours (who are considered to be similar in terms of size and demographics).

21.3 Looking at the Council's Budget Requirement, which is the cost of services after use of General Fund balances, and is used as one of the criteria for capping, against the 238 districts, we are in the 3rd quartile and below average on a per head basis, as shown in the following diagram:



22 RISK IMPLICATIONS

- 22.1 The Corporate Risk Register includes the risk that “there is a mismatch between plans and available funding. The MTFS demonstrates how the Council is managing its plans within available funds including contingency for any unexpected demands.
- 22.2 A Risk Assessment is carried out at the beginning of the budget preparation process and is updated as more current information becomes available.
- 22.3 The main areas of risk are dealt with in Section 9.4 and are managed through maintaining a level of General Fund balances.
- 22.4 If the Council did not have an approved Management of Reserves policy in place there is a possibility that the level of reserves maintained may be inadequate and the council may find itself in an insolvent position or unable to deliver services.
- 22.5 There is a risk that the Government will introduce tougher criteria for capping council tax rises, than the previous 5%. This is discussed in more detail in Section 6.6.

- 22.6 All the services of the Council rely on resources, which are approved within the budget strategy. When looking at expenditure and income, the Council must be aware of the risks involved. The information used for this strategy is based on the best information available to officers of the Council.

For further information, or to give your views on the Council's spending plans, please contact:

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INSERT FEES AND CHARGES

<u>SCHEDULE OF DISCRETIONARY CHARGES</u>	Current 2007/08 £	Proposed 2008/09 £
<u>CONCESSIONARY FARES</u>		
(Charges where VAT is absorbed)		
Taxi Voucher Scheme Membership	6.50	7.00
Duplicate Bus Pass	6.50	10.00
<u>CAR PARKS</u>		
Old Ship Lane		
Up to 1 hour	0.60	0.60
Up to 2 hours	1.20	1.20
<u>Websters Way / Mill Hall</u>		
Up to 1 hour	0.60	0.60
Up to 2 hours	1.20	1.20
Up to 3 hours	1.80	1.80
Up to 4 hours	2.40	2.40
Mixed		
Up to 1 hour	0.60	0.60
Up to 2 hours	1.20	1.20
Up to 3 hours	1.80	1.80
Up to 4 hours	2.40	2.40
Up to 5 hours	3.00	3.00
All day	4.00	4.00
<u>Approach</u>		
Day Ticket	4.00	4.00
<u>Season Tickets (Price includes VAT)</u>		
Quarterly	220.00	220.00
Annual	730.00	730.00
Admin fee for refund of season ticket	30.00	30.00
<u>Penalty (off street parking)</u>		
Penalty fines	60.00	N/A
Penalty fines - if paid within 14 days	30.00	N/A
Penalty fines - if unpaid after 56 days	90.00	N/A
Higher Penalty Charge		70.00
Lower Penalty Charge		50.00
<u>Commercial Parking</u>		
Dispensation to park on-street (per bay)		
- First day	15.00	20.00
- Each day thereafter	5.00	7.50
NB For multiple bay applications, only the first bay is subject to the first day charge, all others are charged at the subsequent day rate.		
Commercial use of an off-street parking space (per bay)		
- First day	15.00	20.00
- Each day thereafter	5.00	7.50
day charge, all others are charged at the subsequent day rate.		

<u>SCHEDULE OF DISCRETIONARY CHARGES</u>	2007/08	2008/09
	£	£
<u>PUBLIC FOOTPATHS</u>		
Diversion, Extinguishment or Creation (plus VAT)	850.00	950.00
Each additional path on same Order (plus VAT) (Plus advertisement costs)	350.00	450.00
<u>HACKNEY CARRIAGE AND PRIVATE HIRE VEHICLE LICENSING</u>		
(Charges exempt from VAT)		
<u>Vehicle Licence</u>		
Hackney Carriage Vehicle Licence	250.00	250.00
Wheelchair Accessible Hackney Carriage Vehicle Licence	200.00	200.00
Private Hire Vehicle Licence	200.00	200.00
Wheelchair Accessible Private Hire Vehicle Licence	150.00	150.00
<u>Other Charges</u>		
Interim vehicle inspection (for vehicles over 6 years old)	30.00	30.00
Replacement Vehicle Licence Plate	10.00	10.00
Replacement Drivers Badge	10.00	10.00
Replacement Door Stickers (x2)	10.00	10.00
Magnetic Door Sticker (Private Hire only) (x2)	15.00	15.00
Replacement Flexiplate Platform	10.00	10.00
Change of Vehicle	50.00	50.00
Transfer of Interest	20.00	20.00
<u>Driver Licences</u>		
Hackney Carriage or Private Hire Drivers Licence - First Application	100.00	100.00
Hackney Carriage or Private Hire Drivers Licence - Renewal	50.00	50.00
Both Drivers Licences - First Application	120.00	120.00
Both Drivers Licences - Renewal	70.00	70.00
Criminal Records Disclosure (charge set by CRB)	34.00	34.00
<u>Private Hire Operators Licences</u>		
Annual Licence - up to 3 vehicles / per annum	70.00	70.00
Annual Licence - Over 3 vehicles	100.00	100.00

<u>SCHEDULE OF DISCRETIONARY CHARGES</u>		2007/08	2008/09	
		£	£	
<u>LICENCES ETC.</u>				
(Charges exempt from VAT)				
Dangerous Wild Animals Act 1976	}	Plus	123.00	127.00
Animal Boarding Establishment Act 1963		consultants	152.00	157.00
Riding Establishments Act 1964		fees where	259.00	267.00
Pet Animals Act 1951 & Breeding of Dogs Act 1973		appropriate	133.00	137.00
<i>Variation of conditions - half annual licence fee</i>				
Home Boarding of Dogs		52.50	55.00	
Motor Salvage Operators Licence		79.00	175.00	
—				
Sex Establishments:				
Non refundable application fee		6,355.00	6,551.00	
Fee for Issue of Licence (if granted)		6,355.00	6,551.00	
Non refundable Annual Renewal of Licence fee		6,355.00	6,551.00	
Transfer of licence		N/A	200.00	
Acupuncture, tattooing, semi-permanent skin colouring, cosmetic piercing &		148.00	153.00	
Gambling Licence Fees and Liquor Licence Fees				
These vary dependent on the premises type and application type, therefore please contact the licensing department for further information or refer to the Licensing area of the Council website.				
Surrender notes for unsound food (VAT to be added)				
- per hour or part thereof (minimum charge 1 hour)		40.00	45.00	
Street Trading Consent	- issue	147.00	175.00	
	- renewal	69.00	175.00	
Pavement Permissions	- issue	147.00	175.00	
	- renewal	69.00	175.00	
Export of food documentation - per hour or part thereof (minimum charge 1		18.00	45.00	
(provision and/or authorisation, plus additional fees recharged on an actual cost basis)				
Access to Land		5.00	5.00	
<u>ZOO LICENSING</u>				
Application for grant of first licence	}	Plus	186.00	192.00
Application for renewal of licence		consultants	123.00	127.00
Grant of first licence		fees	393.00	405.00
Renewal of licence		and	541.00	558.00
Alteration of licence		inspection	73.00	76.00
Transfer of licence		expenses	73.00	76.00
<u>FACTUAL STATEMENTS</u>				
(VAT to be added)				
Section 28(9) of Health & Safety at Work etc Act 1974 plus cost of photographs as necessary		103.00	107.00	
<u>REPAIR NOTICE ETC</u>				
Charge for the service of Statutory Enforcement Notice under the Housing Acts (fitness enforcement)		300.00	300.00	

<u>SCHEDULE OF DISCRETIONARY CHARGES</u>		2007/08	2008/09
		£	£
<u>CEMETERIES</u>			
(Charges exempt from VAT except for additional inscriptions & exhumations)			
<u>Interments in grave or vaults for which exclusive right of burial has been granted</u>			
<u>Note - interment fees are inclusive of excavation charges and registration</u>			
Interment Fee (new grave or re-open)			
Still Born - under 1 month			
Under 12 years	185.00	185.00	
Over 12 years	255.00	255.00	
	430.00	450.00	
Exclusive right of burial (50% reduction for child under 12 buried in children's area)			
For the interment of a cremation casket in a purchased grave	440.00	475.00	
	185.00	185.00	
<u>Interments in Cremation Plots with or without exclusive rights of burial</u>			
Interment Fee (new grave or re-open)			
Exclusive right of burial	185.00	185.00	
	250.00	280.00	
Monuments, Gravestones, Tablets and Monumental Inscription			
For the right to erect or place:-			
A flat stone not exceeding 60cm x 45cm	}	95.00	100.00
A Headstone up to 90cm			
A nameplate of any description (other than a headstone)			
Kerbstone or border stone (height not exceeding 30cm)			
A tablet or vase			
A cross	}		
Kerbstone or Border Stone (Height not exceeding 30cm) Childs plot			
A flower vase or tablet (45x37cm) on a grave in which the exclusive right of burial has not been purchased			
A memorial case (37cm long x 22cm wide x 30cm high) and inscription panel for cremation plot			
Kerbstone around a cremation plot	}		
Any additional inscription on a gravestone tablet or monument (VAT to be a			
	50.00	54.00	
<i>NOTE: If the deceased had not been a Council Taxpayer, inhabitant or parishioner within the Rochford District within period of three years prior to his or her death, then all the foregoing fees, payments and sums will be doubled.</i>			
<u>Exhumation Charge</u>			
Each exhumation will be recharged on an actual costs basis plus VAT			
Additional fees fixed by the Council			
Registering Transfer of Grant	55.00	57.00	

<u>SCHEDULE OF DISCRETIONARY CHARGES</u>	2007/08	2008/09
	£	£
<u>LEISURE (Other than Leisure Contract)</u>		
Note - All charges subject to consultation with the Grounds Maintenance Contractor		
<u>Hockey</u> (Note 1 below applies) (Charges exempt from VAT, except casual lettings)		
Exclusive use of pitch	545.00	560.00
Alternate use of pitch	278.00	285.00
Casual lettings including Pavilion (where VAT must be added)	52.00	55.00
<u>Rugby/Football</u> (Note 1 below applies) (Charges exempt from VAT)		
Exclusive use of a pitch		
-Class 'A' Pitch	910.00	935.00
-Class 'B' Pitch	660.00	680.00
Alternate use of pitch		
-Class 'A' Pitch	458.00	470.00
-Class 'B' Pitch	327.00	335.00
<u>Casual Lettings Including Pavilion</u> (where VAT must be added)		
-Adults	66.00	68.00
-Juniors	40.00	42.00
<i>NOTE: Junior Teams 40% less on use of senior pitches</i>		
<u>Established Junior Pitches</u>		
Exclusive use of pitch		
- Class 'A' Pitch	481.00	485.00
- Class 'B' Pitch	316.00	320.00
Alternative use of pitch		
- Class 'A' Pitch	256.00	265.00
- Class 'B' Pitch	175.00	180.00
- Club use	150.00	165.00
(Exclusive use by Cub Scouts League 80% of junior Charge)		
<u>Mini Football</u> (Note 2 below applies)		
Exclusive use of pitch	251.00	255.00
Alternate use of pitch	189.00	195.00
1. In the event of a shortened season these prices will be charged pro rata 27/32		
2. Includes 2 hour usage (am or pm) and pavilion hire		
<u>Pavilion Hire</u> (Note below applies)		
Including Changing Rooms - per 3 hour session	38.00	40.00
<i>NOTE: Hire in respect of Youth Clubs will be reduced by 50%</i>		

<u>SCHEDULE OF DISCRETIONARY CHARGES</u>		2007/08	2008/09
		£	£
<u>LEISURE (Other than Leisure Contract) continued</u>			
<u>Playgroups</u>			
Pre-School and mother and child			
-Morning Session		9.25	9.50
-Afternoon Session		8.15	8.50
-Brownies Evening Session		3.50	3.60
NOTE: All playgroups using pavilion for five or more sessions per week will have a 10% reduction in the booking fee (minute 344/83 refers)			
<u>Tennis</u>			
<u>Casual Bookings (55 minute sessions)</u>			
(Charges where VAT is absorbed)			
Per Court	- Adult - Any Day	3.30	3.40
	- Junior - Any Day	2.15	2.20
<u>HIGH HEDGES</u>			
Fee for processing a High Hedges Complaint			
	Standard Fee	320.00	320.00
	Concessionary (Benefits & Pensions)	100.00	100.00
<u>RUSTIC PRODUCTS</u>			
(All prices are inclusive of VAT)			
<u>Woodchips</u>			
Collected from Hockley Woods per bag		2.00	2.00
Collected from Hockley Woods per m³.		16.00	16.00
Delivered within District m³.		21.00	21.00
Rustic Bench		50.00	N/A
Firewood (logs) per transit load delivered		60.00	60.00
Woodlands Walks leaflet		F.O.C	F.O.C
Stakes (5½ft/1.6m chestnut fencing) per stake		1.00	N/A
<u>HIRE OF CIVIC SUITE</u>			
(Per 3 hour session)			
Council Chamber - per hour		50.50	52.00
Additional charge for use of Video Projection equipment - per hour		11.00	12.00
All charges for commercial use will be increased by 100%			

<u>SCHEDULE OF DISCRETIONARY CHARGES</u>		2007/08	2008/09
		£	£
<u>LOCAL LAND CHARGES</u>			
(Charges exempt from VAT except where stated)			
Note - charge is subject to any increase in E.C.C. charge			
- fees for supplementary part 1 enquiries are inclusive of statutory LLC1 fee			
<u>Fees for Supplementary Enquiries.</u>			
Part I (a)	where relating to one parcel of land only, as defined in Rule 2(2) (CON29)	172.00	172.00
(b)	where relating to several parcels of land (which a single requisition for an Official Search would cover) and delivered on a single form:- for the first parcel of land	172.00	172.00
	for each additional parcel of land (provided that where the fee on that basis would exceed £150.00, the amount is to be fixed by arrangement between the solicitors and the District Council)	31.00	31.00
Part II	where relating to one parcel of land only or to several parcels (as above-mentioned) and delivered in a single form For each printed enquiry numbered in the form.	26.00	20.00
	For each further enquiry added by solicitors and which the Council is willing to answer	36.00	36.00
<u>COUNCIL MINUTES ETC.</u>			
(Charges exclusive of VAT)			
Parish List	-Yearly Charge	142.00	146.00
Council	- per annum	94.00	97.00
Council	- per meeting	16.50	17.00
Committee	- per annum	185.00	190.00
Committee	- per meeting	29.00	30.00
Sub Committee	- per annum	104.00	107.00
Sub Committee	- per meeting	16.50	17.00
Committee Report Background Papers			
Inspection Fee (per item)		1.20	1.20
Local Plan - replacement second deposit - paper		100.00	100.00
Local Plan - replacement second deposit - CD-ROM (VAT to be absorbed)		12.00	12.00
Inspectors report		25.00	25.00
Land Availability - Residential		30.00	30.00
Land Availability - Industrial		20.00	20.00
Annual Monitoring Report		40.00	40.00
Local Development Scheme		40.00	40.00
Statement of Community Involvement		40.00	40.00
Rochford Conservation Area Appraisal		75.00	75.00
Rayleigh Conservation Area Appraisal		75.00	75.00

<u>SCHEDULE OF DISCRETIONARY CHARGES</u>	2007/08	2008/09
	£	£
Supplementary Planning Documents	40.00	40.00
Core Strategy Development Plan Document (final version only)	100.00	100.00
Any documents on CD	12.00	12.00
Urban Capacity Study CD only	50.00	50.00
<u>COPY DOCUMENTS</u>		
(VAT absorbed on items under £1.00 - VAT to be added in other cases)		
A4 copy per sheet	0.10	0.20
A3 copy per sheet	0.20	0.30
A2 copy per sheet	0.40	0.50
A1 copy per sheet	1.45	1.55
A0 copy per sheet	2.55	2.65
ALL ITEMS BELOW ARE CHARGED PER SHEET AT THE ABOVE RATES		
Tree Preservation order or similar		
Copies of Planning Consents, Building Regulations, Stop Notice,		
Microfiche Planning Consent		
Public Path Orders		
Casual photocopying of documents (per A4/A3 sheets)		
Copying Charge (A0/A1 Size)		
Plans		
FAX - Internal use only - first page		
- each subsequent page		
Ordnance Survey Sheets	28.00	N/A
<u>MISCELLANEOUS ITEMS</u>		
Research or completion of works in default of a notice per hour or part thereof (VAT to be added)	50.00	50.00
Requests for Environmental Information		
Up to 4 hours	80.00	86.40
4-8 hours	160.00	164.80
Over 8 hours	160.00	164.80
Per hour thereafter	22.00	22.66
Engrossment of Conveyances	65.00	70.00
S106 Agreements - Single Domestic Dwellings	120.00	125.00
S106 Agreements - Other The charge will be based on actual costs associated with the preparation and completion of 106 agreements		
Notice of Assignment/Notice of charge	60.00	70.00
Rochford Matters - Half page advertisement	Price on application	
Origins of Rochford Book	1.50	1.50
Origins of Rayleigh Book	1.50	1.50
Old House Guide	1.00	1.00

SCHEDULE OF DISCRETIONARY CHARGES	2007/08 £	2008/09 £
Inspection of other electoral documents on deposit	12.00	12.00
Letter of confirmation of registration on electoral register	15.00	15.00
Mobile Exhibition unit - per day (plus staffing costs)	150.00	160.00
Photocopying charge (per copy A4) - Town & Parish Council, voluntary orga	0.10	0.10
Sewer Clearances.	Minimum charge:	15.00
Costs over £15.00 per household are apportioned.		15.00
HIRE OF WINDMILL		
For Commercial Use - 1 hour session on one floor	17.00	17.00
All day (7.5 hr)		85.00
For Non-Commercial Use - 1 hour session on one floor		17.00
All day (7.5 hr)		42.50
Charities & Community Organisations should contact the Council direct for prices		
<u>Wedding Hire - (for use of ground floor for day of wedding and set up day before)</u>		
These had not been agreed at the time of publication. Please contact the Leisure Department for further information		
SERVICES PROVIDED VIA CONTRACTORS		
The following services are available through our contractors. Cost on asking		
01702318045		
Collection of household items (bulky waste) - Some items are collected free of charge		
Treatment of rats and mice in domestic premises		
Treatment of wasps and bees in domestic premises		
Treatment of other pests in domestic premises		
Reclaim fee for Stray Dogs		

GENERAL FUND CAPITAL PROGRAMME AND FINANCING ESTIMATES

APPENDIX B

General Fund Capital Programme & Financing estimates		Estimate 2007/08	Revised 2007/08	Estimate 2008/09	Estimate 2009/2010	Estimate 2010/11	Estimate 2011/12	Estimate 2012/13
	Responsible Officer							
Information and communications technologies								
IT requirements	Sarah Fowler	30,000	8,000	30,000	30,000	30,000	30,000	30,000
Vehicles and equipment								
Wheelie Bins	Richard Evans	50,000	50,000	1,090,000	55,000	55,000	55,000	55,000
Vehicle Replacements	Richard Evans	15,700	15,700	16,000	32,000	41,000		
Equipment Replacement Programme	Sarah Fowler	-	-	60,000	60,000	60,000	60,000	60,000
Elections	Sarah Fowler	10,000	10,000	-	-	-	-	-
Repairs and improvements to operational assets								
Depot	Richard Evans	-	20,000	345,000	-	-	-	-
Hall Road Cemetery Extension	Albert Bugeja	45,000	40,000	15,000	180,000	178,000	-	-
Rochford Offices - Electrical works	Dave Timson			60,000				
Rayleigh Accommodation - Heating/DDA/Reception	Dave Timson			60,000				
Office Accommodation - Building Works	Dave Timson			50,000	50,000	50,000	50,000	50,000
Town and Village improvements								
District Boundary Signs	Paul Warren	-	-	40,000	-	-	-	-
Oxford Parade Footway	Dave Timson	10,000	10,000	-	-	-	-	-
Great Woking Public Conveniences	Dave Timson			25,000				
Open Spaces and play facilities								
Play Spaces	Dave Timson	50,000	80,948	50,000	50,000	50,000	50,000	50,000
Cherry Orchard Jubilee Country Park	Richard Evans		270,500	450,000				
Rayleigh Leisure Centre	Jeremy Bourne	73,200	74,600	-	-	-	-	-
Open Spaces Programme	Jeremy Bourne	50,000	50,000	125,000	50,000	50,000	50,000	50,000
Great Woking Youth Facilities	Jeremy Bourne	-	25,000	65,000	-	-	-	-
Teen Shelters Rolling Programme	Dave Timson			20,000	20,000	20,000	20,000	20,000
Car parks								
Freight House	Dave Timson	18,000	18,000	40,000	-	-	-	-
Total For General Fund		351,900	672,748	2,541,000	527,000	534,000	315,000	315,000
Other Housing								
Home maintenance and Adaptation Grants		70,000	147,000	70,000	70,000	70,000	70,000	70,000
Disabled Grants		158,000	171,600	108,000	108,000	108,000	108,000	108,000
		228,000	318,600	178,000	178,000	178,000	178,000	178,000
Other Housing - financing								
Grant		66,960	157,659	65,000	65,000	65,000	65,000	65,000
New Capital Receipts		161,040	160,941	113,000	113,000	113,000	113,000	113,000
		228,000	318,600	178,000	178,000	178,000	178,000	178,000

CAPITAL PROGRAMME – STATEMENT OF CAPITAL FINANCING ESTIMATES

Statement on Capital Receipts	Estimate 2007/08	Revised 2007/08	Estimate 2008/09	Estimate 2009/10	Estimate 2010/11	Estimate 2011/12	Estimate 2012/13
Capital Programme financing							
Revenue Contribution to Capital	-	-	-	-	-	-	-
Capital Grant	-	25,424	-	-	-	-	-
Planning Delivery Grant	-	-	-	-	-	-	-
Capital Fin. Requirement/Prudential Borrowing	73,200	73,200	-	-	-	-	-
Capital Receipts Required	278,700	574,124	2,541,000	527,000	534,000	315,000	315,000
	351,900	672,748	2,541,000	527,000	534,000	315,000	315,000
Capital Receipts B/fwd	404,679	753,437	3,597,373	1,791,373	1,999,373	1,613,373	1,453,373
Received in Year - Housing	300,000	100,000	100,000	100,000	-	-	-
Received in Year - General Fund	-	-	-	-	-	-	-
VAT shelter receipt	-	179,000	748,000	748,000	261,000	268,000	100,532
Use in the year - Other Housing	(161,040)	(160,941)	(113,000)	(113,000)	(113,000)	(113,000)	(113,000)
Use in year - General Fund	(278,700)	(574,124)	(2,541,000)	(527,000)	(534,000)	(315,000)	(315,000)
Capital Receipts C/fwd	264,939	297,373	1,791,373	1,999,373	1,613,373	1,453,373	1,125,905