
BUDGET STRATEGY

1 SUMMARY

- 1.1 To consider the Budget Strategy for 2004/05 – 2008/09.

2 INTRODUCTION

- 2.1 Members are required to agree:

- The detailed revised estimates for 2003/04 (Appendix 1).
- The detailed estimates for 2004/05 (Appendix 1).
- The Budget Strategy for 2004/05 – 2008/2009 (Appendix 2).
- The Council Tax for Rochford District Council for 2004/05.
- The Capital Programme (Appendix 3).
- The Housing Revenue Account (Appendix 4).
- Housing rents and charges.
- The Schedule of Fees and Charges (Appendix 5).

- 2.2 In making these decisions Members need to take account of the awayday on 24 January 2003.

- 2.3 This report should be read in conjunction with the report submitted to Policy and Finance Committee on 4 December 2003 (Item 10) as much of the detail is contained within that report rather than restated.

3 CONSIDERATION

Ambitions and Priorities

- 3.1 Members will be aware that in order to determine the Budget Strategy Members need to ensure that they have identified and considered:
- All competing requirements for the Council.
 - Decided on priorities and non-priorities.
 - Agreed resource allocation to priorities

- 3.2 The report to Policy and Finance Committee held on 4th December identified all the objectives within the current Corporate Plan and Best Value Performance Plan. Whilst most had been determined as priorities with resources allocated there are some which need to be considered

| | Item | Comments |
|---|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Develop alternatives to the use of bed and breakfast accommodation for the homeless | This will require a mixed solution. It will involve a higher percentage of housing vacant property being allocated for the homeless, partnership schemes with Housing Associations and alternatives arrangements to secure properties such as leasing dwelling for use by the homeless. Within the current budget strategy is a provision of £150,000 for two years to assist any partnership schemes with Housing Associations and the current revenue budget for Bed and Breakfast accommodation of a net £100,000. |
| 2 | Strategy to bring empty houses back into use | The reasons for empty property will need to be identified and where appropriate it is likely to require a significant level of grant funding. No provision within the budget strategy |
| 3 | Cherry Orchard Jubilee Country Park – continued development | Additional phases will require funding. Grant funding will be requested from Thames Gateway |
| 4 | Recycling scheme targeted at local business | Scheme not yet developed. Possible funding for pilot scheme |
| 5 | Air quality sampling | No budget for significant sampling |
| 6 | Thames Gateway project | Potential for match funding requirement. Will depend on project. |
| 7 | Issues emerging from Community Strategy | No funding in current budget strategy for initial issues identified <ul style="list-style-type: none"> • Additional Police • Additional Youth provision |
| 8 | Accommodation review | Short term issue within the budget strategy. Long term issues not covered |

- 3.3 In addition to the Corporate Plan there are other areas that create issues for consideration.

| | Source | Item | Comment |
|---|----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| 1 | Town and Parish Council submission to Finance and Procedures Overview and Scrutiny Committee | Parish liaison Officer | Not included within current budget strategy |
| 2 | Town and Parish Council submission to Finance and Procedures Overview and Scrutiny Committee | Assistance to Stambidge Parish Council to install 3 street lights outside the school | Agreed under Crime and Disorder partnership |
| 3 | Town and Parish Council submission to Finance and Procedures Overview and Scrutiny Committee | Development of Parish Plan for Rawreth Parish Council. | No issues yet for consideration |
| 4 | Business Community submission to Finance and Procedures Overview and Scrutiny Committee | Waste and recycling for business community | See Corporate Plan item 4 above |
| 5 | Business Community submission to Finance and Procedures Overview and Scrutiny Committee | Crime and Disorder against business | Not included within current budget strategy |
| 6 | Business Community submission to Finance and Procedures Overview and Scrutiny Committee | Additional Parking for Rayleigh | Not included within current budget strategy |
| 7 | Housing Option Appraisal | General Fund implications in relation to any move away from RDC management or ownership | Not included within current budget strategy. Will have to be assessed as part of the option appraisal process |
| 8 | IS/ICT Strategy | Development of IS/ICT for all services of the | Main capital cost currently funded by Government Grant. |

| | Source | Item | Comment |
|--|--------|---------|------------------------------------------------------------------------------------------------------------------------|
| | | Council | (possible to 2004/05) Capital requirements and revenue implications for later years will require provision |

- 3.4 As regards non priorities the following items were raised as part of the Public Regulation Best Value Review and regarded as non or low priorities and therefore not supported for resource allocation.

| | Item | Comment |
|---|----------------------------------------------------------------------|--------------------------------------------------|
| 1 | Implement a standby rota system for emergency calls out of hours | Budget requirement of £60,000 p.a. not supported |
| 2 | Implement a standby service for out of hours environmental nuisances | Budget requirement of £25,000 p.a. not supported |
| 3 | Introduce charges for bulky household collections | Potential savings of £30,000 p.a. not supported |

Revised Estimates and Estimates for 2004/05

- 3.5 As in previous years these appear in the reduced version of the Budget Book (Appendix 1). This shows the percentage variations between original estimate 2003/04 and estimate 2004/05. Increases less than £200 have been removed. This is used as Members have found this presentation particularly useful in focusing on expenditure and income of the Authority without the complication of recharges. It should be noted that the printed index refers to the numbers shown at the bottom right side of the page and not the agenda numbering.

Government Support

- 3.6 Members will be aware that the Government has now issued revised figures. Although not final they have been used within this current Budget Strategy. The increase in grant is now shown as 5.15 %. This still leaves an estimated £232,000 assessed by the Government as due to this Council but not released under the floors and ceilings arrangements.

Budget Strategy Statement

- 3.7 At Appendix 2 is the updated Budget Strategy Statement. It should be noted that since the Policy & Finance Committee on 4 December the following items have been added in relation to the best value review of public regulation, inspection and protection.

- Expanded role of patrol enforcement officers - £17,300 from 05/06.
- Publicity to prevent fly tipping - £5,000 from 04/05.

- Additional dog fouling bins - £2,000 from 04/05.
- Additional ditch clearance - £10,000 from 04/05.

Financial Management

- 3.8 Within the budget strategy the general reserves are shown at 10% of net expenditure. This is regarded as adequate level of balances for this Council, which operates with a significant amount of major services delivered by contractors.
- 3.9 Within the final accounts for 2002/03 there was a statement of earmarked reserves. That list is shown at appendix 6 but updated to show the anticipated usage of those earmarked reserves.
- 3.10 The estimate process of the Council has been the subject of review by both internal and external audit. The system used is regarded as producing robust information for Members consideration of the budget strategy.
- 3.11 The Council does not intend to use Prudential Borrowing for 2004/05. The current agreed treasury management practices and limits to borrowing would remain in force until a future report to Council.

Council Tax

- 3.12 On the basis of the current Budget Strategy the recommended tax increase for Rochford District Council for 2004/05 is 9%. It is estimated that at least 50% of this increase in Council Tax can be attributed to changes and new requirements of the Government. The total Council Tax will be set at Council on the 24th February after receipt of the precepts.

Capital Programme

- 3.13 The Capital Programme is attached at Appendix 3. Both the General Fund and the Housing Capital Programme have been amended to take account of the resources available. The effect is mainly within the Housing Capital Programme with reduction of decent Homes expenditures funded from the Major Repair Allowance but with an increase within the Housing Revenue Account. The provision for Sheltered Housing Conversions has been deleted for 2004/05 in line with the strategy to provide funding for the option appraisal required by the Government.
- 3.14 Overall the General Fund overdrawn position as at 2008/09 has been reduced to £230,000.

Housing Revenue Account

- 3.15 The Housing Revenue Account is attached at Appendix 4. The estimates for 2004/05 represent some significant changes following new legislation. Rent rebates are now included within the General Fund and there is no longer any obligation to provide for the repayment of housing debt.

Housing rents and charges

- 3.16 The proposed increase in rents is in line with the Government requirements to meet rent restructuring. This is for an increase of 3.96% plus 1/8 the difference between the adjusted rent (current rent plus 3.96%) and the rent target for rent restructuring. Overall the average increase will be 4.4%.
- Garage rents to increase 20p to £6.40 per week.
 - Sheltered housing heating charge unchanged at £6 per week.
 - Sheltered housing lighting charge unchanged at £2 per week.
 - Supporting people charge reduced by £1 to £21 per week.
 - Amenity charge increased by 50p to £3.
- 3.17 A meeting to obtain the views of tenant's representatives was held on the 7th January. At that meeting the rents and charges, revenue estimates, repair, maintenance and improvement programmes were discussed. In addition the broad issues with regards the housing option appraisal were also discussed. Members will be aware that this is a major issue for tenants and the authority, as the process will determine the future of Council housing.
- 3.18 The tenant representative noted the Government requirements on rent increases, agreed the other charges, agreed the capital programme and noted the revenue estimates. A significant part of the discussion related to the option appraisal process.
- 3.19 Tenant representatives were disappointed that all options within the option appraisal process do not appear to be available to Rochford tenants. This refers to the listed option of council housing staying within the control of the Authority. Current guidance suggests that this will not be an option that will be agreed by the Government for Authorities like Rochford who have a small stock and are unable to finance new social housing.
- 3.20 Tenants expressed strong support for current management at Rochford District Council and for this reason were disappointed that it was likely that this option would not be available to them. Tenants will be central to the whole option appraisal process and therefore they will have every opportunity to make informed judgements about their future. Therefore these issues will be raised with the advisors and Government officers as soon as the option appraisal process starts.

Fees and Charges

- 3.21 The Schedule for Discretionary Fees and Charges is attached at Appendix 5.

Management of the process

- 3.22 Members are reminded that the policy of the Council is that questions of detail relating to the enclosed information should be raised in advance of the meeting. A report showing the questions raised and the reply given will be made available for the meeting. The last date for questions raised is the 23rd January.
- 3.23 This action ensures that the meeting can focus on the policy issues regarding the Budget Strategy rather than points of detail.
- 3.24 For any issues relating to these papers please contact either:
- Dave Deeks - 01702 318029 – dave.deeks@rochford.gov.uk
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4 IMPLICATIONS

- 4.1 The Budget Strategy affects all services and all parts of the District.

5 RECOMMENDATION

- 5.1 It is proposed that Council **RESOLVES**

- (1) To determine the priorities and non priorities for the Council.
- (2) The revised estimates for 2003/04.
- (3) The General Fund printed estimates for 2004/05.
- (4) The Budget Strategy for 2004/05 – 2008/09.
- (5) The Council Tax for Rochford District Council for 2004/05.
- (6) The Capital Programme.
- (7) The Housing Revenue Account.
- (8) Housing rents and charges.
- (9) The Schedule of Fees and Charges.

D Deeks
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Background Papers:

None

For further information please contact Dave Deeks on:-

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