

Date: 9 January 2012
Contact name: Debbie Meakin
Contact number: 01395 517540
E-mail: dmeakin@eastdevon.gov.uk



East Devon District Council
Knowle
Sidmouth
Devon
EX10 8HL

DX 48705 Sidmouth

Tel: 01395 516551

Fax: 01395 517507

www.eastdevon.gov.uk

To:
Members of the Overview and Scrutiny Committee
Portfolio Holders
Other Members of the Council for Information
Chief Executive
Deputy Chief Executives

Special Overview and Scrutiny Committee
2012/13 Budget and Service Plans

Wednesday 18 January 2012

Briefing for Members only 9.00am (please bring Draft Budget book with you)
Committee meeting commences 11.30am
Council Chamber, Knowle, Sidmouth

Members of the Council who do not sit on this Committee are welcome to attend as observers.

Members of the public are welcome to attend this meeting from 11.30am.

- There is a period of 15 minutes at the beginning of the meeting to allow members of the public to ask questions.
- In addition, the public may speak on items listed on the agenda. After a report has been introduced, the Chairman (Leader of the Council) will ask if any member of the public wishes to speak and/or ask questions.
- All individual contributions will be limited to a period of 3 minutes – where there is an interest group of objectors or supporters, a spokesperson should be appointed to speak on behalf of the group.
- The Chairman has the right and discretion to control questions to avoid disruption, repetition and to make best use of the meeting time.

A hearing loop system will be in operation in the Council Chamber.

Councillors and members of the public are reminded to switch off mobile phones during the meeting. If this is not practical due to particular circumstances, please advise the Chairman in advance of the meeting.

AGENDA

Page/s

1. **Public question time** – standard agenda item (15 minutes)
Members of the public are invited to put questions to the Committee through the Chairman. Councillors also have the opportunity to ask questions of the Leader and/or Portfolio Holders during this time slot whilst giving priority at this part of the agenda to members of the public

2. To receive any apologies for absence.
3. To receive any declarations of interest relating to items on the agenda.
4. To consider any items which, in the opinion of the Chairman, should be dealt with as matters of urgency because of special circumstances.
(Note: Councillors please notify the Chief Executive in advance of the meeting if you wish to raise a matter under this item, who will then consult the Chairman).
5. To agree any items to be dealt with after the public (including the press) have been excluded. There are **no** items that the officers recommend should be dealt with in this way.
6. **Draft Revenue and Capital Estimates 2012/13**

Members to debate the draft Estimates for 2012/13, looking at both the General Fund and the Capital Reserve.

The attached report covers:

Key objectives of Service plans 2012/15 (pages 4 – 33)

Draft revenue and capital estimates (pages 34 – 50)

Special Item Bids 2012/13 (pages 51 – 54)

Members remember!

- ❑ You must declare the nature of any personal or prejudicial interests in an item whenever it becomes apparent that you have an interest in the business being considered.
- ❑ Where you have a personal interest because the business relates to or is likely to affect a body of which you are a member or manager as an EDDC nominee or appointee, then you need only disclose that interest when (and if) you speak on the item. The same rule applies if you have a personal interest in relation to a body exercising functions of a public nature.
- ❑ Make sure you say the reason for your interest as this has to be included in the minutes.
- ❑ If your interest is prejudicial you must leave the room unless
 - a) you have obtained a dispensation from the Council's Standards Committee or
 - b) where Para 12(2) of the member Code of Conduct applies. [Para 12(2) allows a Member with a prejudicial interest to stay for the purpose of making representations, answering questions or giving evidence relating to the business but only to the extent the public are allowed the same rights. If you do remain for these purposes, you must not exercise decision-making functions or seek to improperly influence the decision; you must leave the meeting room once you have made your representation, answered questions or given evidence.]
- ❑ The Code states that any member of the Cabinet or other decision-making committee or joint committee or sub-committee attending Overview and Scrutiny committees has a prejudicial interest in any business where that member was a member of the committee at the relevant time **and** present when the decision was made or other action was taken (whether or not implemented). Members with prejudicial interests should declare them and are allowed to remain in the meeting for the limited purposes set out in the Code para 12(2) – see last paragraph.
- ❑ You also need to declare when you are subject to the party whip before the matter is discussed.

Getting to the Meeting – for the benefit of visitors



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From Exeter – 52A, 52B

From Honiton – 52B

From Seaton – 52A

From Ottery St Mary – 379, 387

Please check your local timetable for times.

The Committee Suite has a separate entrance to the main building, located at the end of the visitor and Councillor car park. The rooms are at ground level and easily accessible; there is also a toilet for disabled users.

For a copy of this agenda in large print, please contact the Democratic Services Team on 01395 517546

Service Planning 2012/15

Key Service Objectives

Housing Service

Looking forward : what we will do in 2012/13				
Key Service Objectives	Financial/ corporate resource	Lead Officer	Start date	End date
a) Living in an outstanding place				
<p>Our Homes & Communities Strategy aims are:</p> <ol style="list-style-type: none"> 1. Provide a range of affordable housing to meet housing needs. 2. Prevent homelessness wherever possible, and otherwise ensure that accommodation is provided for those who do become homeless. 3. Maintain and manage the council owned housing stock to a high standard, actively involving tenants in all aspects of the service. 4. Bring sub-standard housing (of all tenures) up to current standards 5. Improve the use and safety of housing. 6. Enable elderly persons, disabled people, and people with special needs to live as Independently as possible and remain in their own homes if they so wish. 7. Improve the sustainability and energy efficiency of housing and eliminate fuel poverty. 8. Widen the choice of housing, especially for those in priority need. 9. Support the improvement and regeneration of local communities by encouraging social inclusion, involving children and young people in housing issues, and enabling residents to actively participate in their communities. 10. Have consistently satisfied customers. 		DB	Ongoing	
		DB	Ongoing	
		SB	Ongoing	
		MS	Ongoing	
		MS	Ongoing	
		MS/SB	Ongoing	
		DB	Ongoing	
		DB	Ongoing	
		SB	Ongoing	
		All	Ongoing	

Key Service Objectives	Financial/ corporate resource	Lead Officer	Start date	End date
Specific Service Actions				
Produce at least 100 new affordable homes per annum.	Capital Plan	DB	April 2012	March 2013
Produce at least one rural affordable scheme per annum.	Capital Plan	DB	April 2012	March 2013
Maintain a healthy Housing Revenue Account, manage debt/loan portfolio, and programmes of maintenance, improvement and adaptations to tenant's homes.	HRA	JG	April 2012	Ongoing
Manage and utilise all housing assets to best effect and consider disposal where assets are not meeting their purpose.	HRA	JG	April 2012	Ongoing
Maintain high levels of rental and other income whilst achieving affordable homes and affordable warmth for tenants.	HRA	SB	April 2012	Ongoing
Procure services and programmes efficiently achieving value for money for service users.	HRA	JG	April 2012	Ongoing
Explore opportunities for introducing fair and proportionate service charges.	HRA	SB	April 2012	Sept. 2012
Produce a Tenancy Strategy and use Introductory Tenancies and take faster action on non-secure tenants who breach the terms of their agreement.	HRA	DB	April 2012	Sept. 2012
Re-tender the Partnering Agreement for responsive repairs to tenant's homes and works to void properties.	HRA	JG	Started	April 2012
Comply with the regulatory framework produced by the Tenant Services Authority and evidence achievement of the standards.	HRA	JG	Ongoing	

Key Service Objectives	Financial/ corporate resource	Lead Officer	Start date	End date
Support the Tenant Scrutiny process, Tenant Representative Group and Service Review Groups.	HRA	SB	Ongoing	
Undertake quality control/spot checks on client Support Plans and Risk Assessments.	HRA	SB	April 2012	March 2013
Deliver service efficiencies and improvements through the application of Systems Thinking techniques and ensure that we do 'what matters' for customers.	HRA/GF	All	Ongoing	
Upgrade Play Areas where equipment is worn and outdated.	HRA HRA	DB	April 2012	March 2013
Improve the environment on selected estates.	HRA	SB	Ongoing	
Continue the programme of estate walkabouts and BlitzDays.	HRA	SB	Ongoing	
Deliver continuing improvements in communal cleaning.	HRA	SB	Ongoing	
Undertake Fire Risk Assessments in flats and implement any improvements required to comply with good practice advice.	HRA	DB	April 2012	March 2013
Implement the loan scheme to provide alternative assistance through partners for elderly and vulnerable home owners to carry out repairs to their properties and to remain in their own homes.	GF	MS	Ongoing	
Set up a Landlords' accreditation scheme.	GF	MS	April 2012	Oct. 2012
Review in the light of future provision, the home improvement agency contract to ensure that we maintain a service for eligible residents.	GF	MS	April 2012	Sept. 2012

Key Service Objectives	Financial/ corporate resource	Lead Officer	Start date	End date
Operate the CosyDevon scheme to improve the thermal efficiency of homes in the district.	Capital Plan/GF	MS	Ongoing	
Implement the Empty Homes Strategy and revise the action plan.	GF	MS	April 2012	Oct. 2012
Increase the involvement of young people in the Housing Service.	HRA	SB	Ongoing	
Develop the Switch project for training and employment opportunities for younger people.	HRA	SB	Ongoing	
Develop targeted community projects and facilities for young people to develop their skills.	HRA	SB	Ongoing	
Develop the Devon Home Choice regional Choice Based Lettings scheme and ensure that we match the right people with the right home.	HRA/GF	DB	Ongoing	
Move to a fully mobile housing related support service.	HRA	SB	April 2012	March 2012
Through decommissioning have less sheltered housing.	HRA	SB	April 2012	March 2013
Increase Home Safeguard income and maintain Supporting People income.	GF	SB	April 2012	March 2013
Expand the use of Home Safeguard including lone working and telecare services.	GF	SB	Ongoing	
Support tenants in holding an annual tenant conference.	HRA	SB	April 2012	June 2012
Expand homeless prevention work and have less than 40 units of temporary accommodation in use.	GF	DB	April 2012	March 2013
Continue to reduce the average void times and End to End times.	HRA	DB	April 2012	March 2013

Key Service Objectives	Financial/ corporate resource	Lead Officer	Start date	End date
Achieve all responsive repairs within target timescales and at tenant's convenience.	HRA	DB	Ongoing	
Undertake a STAR and maintain high levels of customer satisfaction.	HRA	DB	April 2012	Sept. 2012
Meet the local offers/standards commitments to tenants contained in Our Commitments to You.	HRA	JG	Ongoing	

Looking forward: any Service challenges or pressures for the next three years? (Revenue/Capital)

1. Operating the Housing Revenue Account under the self-financing regime and managing high levels of debt whilst continuously improving services for customers.
2. Managing the transition to Welfare Reform which may lead to the loss of income if tenants struggle to pay their rent and service charges.
3. Improving standards in the private sector.
4. Preventing homelessness and increasing housing options.
5. Loss of Supporting People income.
6. Housing demand increasing faster than our ability to supply housing options.
7. Insufficient subsidy/grant/opportunities to provide new affordable homes.
8. Insufficient resources to achieve our private sector ambitions.
9. Implementing the National Housing Strategy Laying the Foundations: A Housing Strategy for England.
10. Assisting the development of a sense of community in Cranbrook.

Finance

Looking forward : what we will do in 2012/13				
Key Service Objectives	Financial/ corporate resource	Lead Officer	Start date	End date
Revenues & Benefits - Outstanding Council				
The difficult economic climate is causing customers difficulty in meeting financial commitments; against this background the service is concentrating on delivering its purpose for Council tax, Business Rates and Housing Benefits and ensuring a value for money service is being given.	No additional costs	Libby Jarrett	Ongoing	Review March 2013
Implementing welfare changes – to ensure customers are kept informed of changes and are aware of the various implications. That the service operates in proactive manner to help prevent homelessness and debt problems occurring.	No additional costs	Libby Jarrett	Next stage: April 2012	October 2013
Business Rates System conversion	In draft budget 12/13	Libby Jarrett	April 2012	August 2012
A number of ICT improvements to provide better service for the customer service and to save costs are awaiting ICT resources or business plans to be refreshed for consideration – see section 3b of service plan (Customer refunds to be paid direct to bank, E-billing, use of texting etc)				
Customer Services - Outstanding Council				
Investigating the possibility of introducing a successful method of routing calls through to service areas quicker which should result in a higher satisfaction of customer service.	No additional costs	Cherise Foster	Next stage: April 2012	March 2013

Key Service Objectives	Financial/ corporate resource	Lead Officer	Start date	End date
To continue to work with the systems thinking reviews and to then embed this within the CSC as business as usual.	No additional costs	Cherise Foster	Ongoing	March 2013
Financial Services (Accountancy and Income & Payments) - Outstanding Council				
To produce Statement of Accounts for 2011/12 with no additional auditing work required by External Auditor.	No additional costs	Laurelie Gifford	March 2012	June 2013
Implement CEDAR 4.1	Costs included in draft 2012/13 budget	Phillip Grover	June 2012	Sept 2012
More proactive accountancy service – To add more value to the organisation in project work and working more closely with services to help look at initiatives that will help the Council balance its budgets going forward.	No additional costs – full establishment in place for 2012/13	Laurelie Gifford	April 2012	Reviewed March 2013
Review of TM strategy and provision of investment advice	Monies for external Advice agreed by Cabinet	Claire Read	January 2012	August 2012
Implementation of new HRA financial regime including new accounting regulations	No additional costs	Mandy White	January 2012	June 2013
Continued roll out of E-Procurement module of Cedar	No additional costs	Glenn Foord	Started	March 2013
Roll out of new procurement cards	No additional costs	Glenn Foord	February 2012	September 2012

Key Service Objectives	Financial/ corporate resource	Lead Officer	Start date	End date
Procurement				
Living in an outstanding place				
Introduce a sustainable procurement strategy – buying products which are produced, delivered, used, and disposed of, in ways which avoid or minimise negative effects on the environment and society. Revised Strategy to be produced.	No additional costs	Colin Slater	Started	April 2013
Working in an outstanding place				
Endeavour to increase the proportion of our spend with Small Medium Enterprises/local suppliers – location now measurable through ProSpend.	No additional costs	Colin Slater; working with services	April 2012	March 2013
Outstanding Council				
We will fully introduce an eTendering portal, ProContract, to streamline supplier adoption, tendering, and contract monitoring.	Costs included in draft 2012/13 budget. Majority funded through SWRIEP	Colin Slater; working with services	April 2012	March 2013
Local Land Charges - Outstanding Council				
Implementation of new Land Charges system	Budget approved; self funded project	Nick Wright	April 2012	December 2012

Key Service Objectives	Financial/ corporate resource	Lead Officer	Start date	End date
Review and preparation of ICT business plan to allow customers to pay through the internet or telephone (currently cheque payments only)	To be determined	Nick Wright	April 2012	September 2012

Looking forward: any Service challenges or pressures for the next three years? (Revenue/Capital)

Revenues & Benefits

Benefits – Welfare reforms which includes the introduction of Universal Credit.

Currently there are significant cuts to Housing and Council tax Benefit which are being implemented. This will mean that customers will have far less disposable income and may also be at risk of homelessness. This creates issues as customers may be forced to move to cheaper areas which potentially could be outside of East Devon. There is also an impact on Housing services.

There will also be pressure on the Council to issue Discretionary Housing Payments (DHP's) with limited funds available.

Universal credit – This amalgamates a number of welfare benefits including HB which is to be administered by DWP. This is likely to lead to job cuts in local authorities through a reduction in jobs at front line and support services.

Majority of customers will be required to access UC on-line and therefore less face-to face support.

A lot of these welfare cuts will impact on Housing Service.

The transition period from current to UC with possible reduction in admin grant and uncertainty for staff will cause significant challenges/pressures in managing this.

Note. Need to cover transition for staff and customers.

Localisation of Council Tax Benefit – to have designed, scoped, consulted, and implemented a local scheme by April 2013 will be a massive significant challenge. Current proposed timescale appear unrealistic. Additional resources would be needed for any chance of meeting proposed deadlines. Financial risk being transferred to local authority.

Office relocation – With the uncertainty surrounding the future roles of Housing and Council tax Benefit it makes planning for office relocation extremely difficult.

Looking forward: any Service challenges or pressures for the next three years? (continued)

NNDR system conversion – Planned to start next April. With any conversion there is always associated risk that collection rates will be adversely affected. Resources are currently stretched in dealing with the welfare reform changes.

Maintaining Collection levels in time of recession – This is a significant pressure as individuals and customers find it difficult to meet their financial commitments.

6. Atlas Phase 2 – This is a Department for Works and Pensions initiative which updates notifies customers changes to the Council direct, however this has caused the benefits team additional work and there are problems in the number of amendments being passed to us which do not flow in logical order when the customer only wants the net effect of any adjustments.

Customer Services

Budget restrictions in the ability to make customer service improvements. (New and more updated Telephone system)

Financial Services (Accountancy and Income & Payments)

To work with services to find initiatives to set balanced budgets going forward with less Government funding being available

Further technical amendments to implement with the production of the Statement of Account.

Roll out of E-procurement module of Cedar and working with each service to determine their requirements and linking in the use of purchase cards.

Procurement

Need to make more in cash and efficiency savings – the tools to help this process are being implemented through eProcurement and ProSpend.

Local Land Charges

The question over the legality of Local land charges fees is a significant pressure on the Council's finances and for the team themselves. The Council has joined with other council's and the Local Government Association to prepare for possible litigation against the Government.

Environment Service

Looking forward : what we will do in 2012/13				
Key Service Objectives	Financial/ corporate resource	Lead Officer	Start date	End date
a) Living in an outstanding place				
Review our green and open spaces and plan to ensure we are delivering best value and community access	Within existing resources	Head of Environment	06/12	04/13
Asset mapping & condition survey. Map all of our assets (Street furniture, signs, bridges, flood defence schemes) so we can start undertaking pro-active asset inspections an condition surveys and plan a proactive maintenance budget.	7 th TO, Engineers & possibly asset register /inspection software yet to be researched	Streetscene Manager	2011	2013
Develop and implement programme of improved recycling rates and reduced landfill through: (a) Promotions – zero waste/roadshows, and (b) Education – schools, residents, parishes	F	Interim Waste & Recycling Manager	04/12	04/14
Investigate viability of extending range of recyclables collected including cardboard and mixed plastics following Beer trial.	Not known	Streetscene Manager	02/12	04/12
Investigate viability of providing on street litter recycling facilities particular in coastal towns.	Not known	Streetscene Manager	07/12	04/14
Revise civil enforcement patrol areas and reprioritise Exmouth in particular as an area into which more conspicuous regulation is needed.	Within existing resources	Environmental Health Manager	04/12	10/12

Key Service Objectives	Financial/ corporate resource	Lead Officer	Start date	End date
b) Working in an outstanding place				
Maintain existing service levels and through keeping our public open spaces attractive and clean, we will continue to encourage visitors to visit our district and improve investment by business in our area.	Within existing resources	Head of Environment	04/12	04/14
Plan/quantify how much extra work we are taking on each year (street cleansing & grounds maintenance) through s38 & s106 agreements. Make provision in our future budgets for additional resources to maintain these areas and assets.	Within existing resources	Streetscene Manager	04/12	Ongoing
Develop the eyes and ears of the Council and the ambassador role of the Civil Enforcement Officers to include initially more formal links with Streetscene concerning abandoned vehicle procedures and with Planning Enforcement concerning vehicles exposed for sale on the highway.	Within existing resources	Environmental Health Manager	06/12	04/14
c) Enjoying an outstanding place				
Produce a beach management plan to cover all EDDC beaches. The plan will detail how we can better manage our beach asset, and how we can improve it for the future.	Within existing resources	Beach Safety Officer	04/12	12/12
Investigate viability and if proven set up café concessions in Manor Gardens & the Maer.		Streetscene Manager	06/12	12/12
Deliver improved slipway access at Harbour View Exmouth and support the setting up of a JetSki Club, as well as providing a code of conduct for users, information signs and education events.	Likely to use external funding	Beach Safety Officer		

Key Service Objectives	Financial/ corporate resource	Lead Officer	Start date	End date
Review car parking provision, pricing structures, long and short stay designations, permits and payment options and to consider each asset on the basis of its value to community and income for the Council.	Within existing resources	Environmental Health Manager	01/12	06/12
Undertake an annual assessment of the condition and health of the District's LNRs to ensure that appropriate management decisions are made to target habitat and species decline or loss.	Within existing resources	Countryside Manager	10/12	10/14
Review and refresh EDDC Local Biodiversity Action Plan (LBAP) with review of achievements and setting of new targets for action on species and habitat priorities.	Within existing resources	Countryside Manager	6/12	4/13
Develop more wildlife friendly management practices for EDDC's parks and gardens	Within existing resources	Streetscene Manager	10/12	10/13
Develop & adopt a LNR Strategy that provides a benchmark standard of infrastructure, level of volunteering, quality of visitor experience that is consistent across all our LNRs	LNR management budget	Nature Conservation Officer	04/12	09/12
Deliver an environmental education programme to involve all local schools in East Devon including: i) Carry out series of "drop in sessions" on Axe Wetlands for all local school Head Teachers to showcase opportunities for use of new classroom facilities. ii) Deliver 100 school visits as part of Natural England's HLS agreement for education on Wetlands and Trinity Hill agreements.	Dependent upon continuing existing fixed term posts	Countryside Manager	06/12	06/13

Key Service Objectives	Financial/ corporate resource	Lead Officer	Start date	End date
<p>iii) Deliver a new programme of Forest Schools initiative and John Muir Award scheme as part of wider educational offer from Education Ranger</p> <p>iv) Engage Exeter University on Axe Wetlands as part of their undergraduate and post graduate natural sciences and geography courses.</p>	Dependent upon continuing existing fixed term posts	Countryside Manager	06/12	06/13
Deliver annual EDDC Countryside Service's events programme that provides opportunities for public to engage with LNRs and Team to foster greater understanding of their value for wildlife	Dependent upon continuing existing fixed term posts	Countryside Manager	06/12	04/13
Develop programme of health walks on LNRs that are accredited by NHS to ensure they provide positive health benefits	Within existing resources	Countryside Manager	04/13	04/14
Work with partners to ensure bathing water quality meets national standards	Within existing resources	Environmental Health Manager	04/12	04/13
Complete the delivery of new inter tidal habitat scheme on Sheep's Marsh on Axe Wetlands & develop strategic Axe Wetlands Management Plan that guides site management, access & public engagement	Capital scheme – EA funded	Countryside Manager	01/12	09/12
LNR volunteering – increase volunteer numbers, set up volunteer warden scheme on Wetlands, adoption by Council of Volunteer Framework document	Costs for supporting in Countryside budget	Nature Conservation Officer	01/12	ongoing
Develop a Tree Strategy that provides framework for streamlining enforcement process, site monitoring issues and value of 'treescape' in our district	Document to go out for consultation	Senior Tree Officer	09/12	03/13

Key Service Objectives	Financial/ corporate resource	Lead Officer	Start date	End date
Engage with Ancient Tree Forum & their Ancient Tree Survey in collaboration with Parish Tree Wardens		Senior Tree Officer	04/12	Ongoing
Develop opportunities for shared working with Streetscene services around site management following open spaces review	Linked to Environment budget setting 2013/14	Countryside Manager	09/12	Ongoing
Investigate opportunities for more electronic point of sale and update THG database	Income generation 12/13	THG Curator	04/12	Ongoing
Investigate possibility of THG's Phase 2 development plans with Environment Portfolio Holder & Culture Champion – make business case	Impact on capital budget	Countryside & Culture Services Manager & THG Curator	01/12	Ongoing
Carry out review of operational functions of THG to consider opportunities to increase income generation	Outcome will impact on revenue budgets 2013/14	THG Team & Countryside & Culture Services Manager	01/12	07/12
Re- tender summer season for Manor Pav Theatre as part of CCT process & achieve increased levels of income	Revenue budget implications 2013/14	Countryside & Culture Services Manager & Theatre Manager	04/12	09/12
Investigate opportunity for Manor Theatre to install a computerised box office system to enable business processes to operate more efficiently	Revenue budget implications 2013/14	Theatre Manager	04/12	03/13
Respond to the construction and environmental demands associated with development of the west of the district.	Within existing resources	Environmental Health Manager	10/12	04/14

Key Service Objectives	Financial/ corporate resource	Lead Officer	Start date	End date
Maintain our statutory inspection and monitoring programmes to safeguard standards of food, public health and public safety.	Within existing resources	Head of Environment	03/12	04/13
Maintain our statutory monitoring programmes and commitments for air quality control. To complete further assessment of air quality in Honiton Air Quality Management Area and work with our partners to produce an action plan.	Within existing resources	Environmental Health Manager	03/11	10/12
To take reasonable and proportionate action to investigate problems and enforce the law in respect of people who commit environmental crime and cause noise, pollution, fly tipping and dog fouling in particular.	Within existing resources	Environmental Health Manager	03/12	04/13
Renew the contract for provision of dog warden services.	Within existing resources	Environmental Health Manager	04/12	12/12
Implement junior life skills and health promotion events in schools.	Within existing resources	Head of Environment	03/12	04/13
d) Outstanding Council				
Complete a review of our business processes with ICT as part of the Councils Mobile Working Project and design/implement new systems and technologies to make the way we work more efficient; allowing more time to be spent 'on site'.	TBA	Head of Environment	04/12	04/14

Key Service Objectives	Financial/ corporate resource	Lead Officer	Start date	End date
Rationalise enforcement policies and processes across the service to ensure consistency, pooling of expertise and experience and efficiency gains through cross service working. To include nomination of Enforcement Champion to co-ordinate enforcement activity.	Within existing resources	Head of Environment	04/12	12/12

Looking forward: any Service challenges or pressures for the next three years? (Revenue/Capital)
Streetscene:
Localism might be a challenge and the budget arrangements that come with it;
Capital budget for repairs to existing infrastructure
Lofstedt Review of Health & Safety enforcement may change LA role – possible revenue pressure.
Transfer of public health agenda from NHS to County Council – expectation of close working between 2 tier authorities
The economy and the effects of the ongoing difficulties on visitor numbers may adversely affect revenue income, particularly for car parks..
Cuts in funding from various Govt Agencies has implications for levering in external funding for projects either in revenue or capital terms
Growing the Service's capacity to manage its assets as popularity & usage of projects, schemes and sites grows. Revenue and capital pressures.
Ensuring that Planning contributions such as CIL & S106 can actively help to deliver the Council's greenspace agenda and so benefit site management for the community and wildlife of the district
Food Standards Agency review of food safety enforcement may have revenue implications.

Economy Service

Looking forward : what we will do in 2012/13				
Key Service Objectives	Financial/ corporate resource	Lead Officer	Start date	End date
Living in an outstanding place				
Objective 1: To deliver an up to date Local Plan to provide homes (including affordable homes) and job opportunities	Planning Policy Team Funds for evidence base and Inquiry costs	Planning Policy Manager	Ongoing	Summer 2013
Objective 2: To implement the Localism Act, including Neighbourhood Plans and Community Asset Transfers	Planning and Estates Teams	Head of Economy	December 2011	As and when regulations come into force
Objective 3: Adopt an Infrastructure delivery plan and a Community Infrastructure Levy Charging Schedule	Planning Policy and New Growth Point Teams Transitional Funding for NGP team	Head of Economy	Ongoing	Summer 2013
Objective 4: Negotiating to secure low carbon solutions for all new development'	All teams	Development Manager/ Building Control Manager	Ongoing	Ongoing

Key Service Objectives	Financial/ corporate resource	Lead Officer	Start date	End date
Working in an outstanding place				
Objective 1: to increase the number and variety of job opportunities within and throughout East Devon by building on the benefits emerging from the development taking place in the West End of the District	Council's asset portfolio New Growth Point team and Partners	Head of Economy	Feb 2012	3 years
<p>Objective 2: to provide business support, innovation ideas, networking opportunities and training for small and medium size businesses. To look to provide or facilitate suitable premises for all stages of their development.</p> <p>Objective 3: to prioritise locations and sectors of greatest opportunity or need, for specific projects.</p> <p>Objective 4: to use the natural assets of the District to strengthen and widen the visitor economy throughout the year by aiding new and existing tourism businesses to provide high quality facilities and accommodation, without damaging the outstanding beauty of the East Devon environment.</p> <p>Objective 5: to help secure the necessary infrastructure to create and support sustainable agricultural, business and visitor economies in East Devon.</p>	Economic Development and Estates Team	Head of Economy	Feb 2012	3 years
Enjoying an outstanding place				
Objective 1: To implement the Green Infrastructure Plan	Development Management team	Development Manager	2011	Ongoing

Key Service Objectives	Financial/ corporate resource	Lead Officer	Start date	End date
Objective 2: To deliver all necessary habitat and flood mitigation measures to off-set development	Development Management and Building Control Teams	Development Manager/ Building Control Manager	Ongoing	Ongoing
Objective 3: To secure, procure, manage and monitor CIL and S106 funds on behalf of the community	S106 Monitoring Officer £2m in funds held	Development Manager	Ongoing	Ongoing
Outstanding Council				
Objective 1: To manage and maintain the Council's non residential estate on business lines.	Economic Development and Estates and Property Teams	Economic Development Manager	2012	Ongoing
Objective 2: To maintain high levels of customer satisfaction with the services provided	All teams	Head of Economy	2008	Ongoing
Objective 3: To publish real time performance data	CAPS data system	Economy Service Practice Manager	2008	Ongoing
Objective 4: To advance e-administration and smarter working techniques, and to provide regular provide training for users	CAPs data system Document management System e-Property Register	Economy Service Practice Manager	2011	Ongoing

**Looking forward: any Service challenges or pressures for the next three years?
(Revenue/Capital)**

1. Council's non residential estate is beginning to deteriorate as a percentage of income is used to support other Council services and thus planned maintenance budgets are running at a reduced level. (2010/11 - £240K; 2011/12 - £100K; 2012/13 - £200K?). This will delay planned maintenance works, which will have a detrimental effect on the quality of the various building assets. This could lead to building failures and cessation of service provision. This in turn could lead to claims from tenants (e.g. LED). Decisions are required on funding options (Capital) for future management and maintenance of the estate.

2. Community Asset Register and Right to Buy will impact on the Estates Team's work programme and on the potential value of the Council's estate.

3. Potential challenges to the proposed Local Plan reduced housing numbers allocation could increase risk of the Plan being found unsound.

4. The cost and staff time in producing Neighbourhood Plans will impact on the Planning Policy team's work programme. Examinations and referenda have to be financed by the District Council. Funding bid made.

5. The Localism Act implications could change the whole way Development Management operates. Confused aspirations and expectations of the local community will need to be handled carefully.

6. Transition funding for New Growth Point team comes to an end in 2013/14. Others sources of funding will need to be sought.

7. The management of the Community Infrastructure Levy (CIL) – it's governance and meaningful share for the community, the New Homes Bonus, the retention of business rates – and the potential for Tax Incremental Funding (TIF) options, all add up to a very complex future for Council funding and spending.

8. Delivering the Exmouth and Seaton Regeneration Programmes over the next few years will involve a considerable investment of time and resources, to bring forward: In Exmouth, the key development sites, investment in the town centre and at the estuaryside and seafront; and in Seaton, the Discovery Centre.

9. The improvement in the support the Council can deliver to the Tourism offer of the District is a special challenge, given the absence of any funding. It will require working with others to secure any quantifiable outcomes.

Legal and Democratic Services

Looking forward : what we will do in 2012/13				
Key Service Objectives	Financial/ corporate resource	Lead Officer	Start date	End date
a) Living in an outstanding place				
Continue to secure affordable housing (and other planning benefit through planning agreements).		AS	Jan 2012	2014
Develop new Licensing Act statutory processes which give the Council greater power to control adverse impacts of licensed activities on local communities in Police Reform and Social responsibility Bill		RP	Jan 2012	2014
Provide effective enforcement mechanisms, through court or otherwise (for example, REACT team), for breaches of planning control, combating anti-social behaviour, and dealing with regulatory breaches, in line with available resources		GS	Jan 2012	2014
Work with Affordable Housing Group to implement innovative and effective approaches to delivering affordable housing in light of Localism Act proposed changes.		RP	Jan 2012	2014
b) Working in an outstanding place				
Support to major projects and processes including the Local Plan (in-house with external resources as necessary).		RP	Jan 2012	2014
Implement case management for the legal service in line with previous service plan		RP/GS	Jan 2012	June 2012
c) Enjoying an outstanding place				
Provide advice on council property projects		BH	Jan 2012	2014
Working with Licensing authority to implement amendments to Licensing Act effectively		JT/GS	Jan 2012	2014

Key Service Objectives	Financial/ corporate resource	Lead Officer	Start date	End date
d) Outstanding Council				
Effective and satisfied councillors fitted for the challenges of the future through the successful recent Member Welcome programme and building on Member Development Charter status through tailoring development for councillors individually		DV	Jan 2012	2014
Developing and implementing new governance requirements and providing strategic legal advice on Localism Act implications		RP	Jan 2012	2014
Continue to provide opportunities for democratic engagement and to enthuse the councillors and voters of the future		DV	Jan 2012	2014
Supporting modernisation of procurement processes		RP/BH	Jan 2012	2014

Looking forward: any Service challenges or pressures for the next three years? (Revenue/Capital)
<p>1. Localism Act:</p> <p>a) Developing effective governance arrangements during and after Localism Act changes, including the new councillor Code of Conduct requirements</p> <p>b) Advising/supporting the Council on new powers for communities/social housing</p> <p>c) Helping focus limited council resources to any projects or proposals most likely to deliver value for money community benefit</p>
<p>2. Need effective succession planning in place within teams due to actual and potential staff changes and older worker age profile</p>
<p>3. Making good decisions in using new licensing powers</p>
<p>4. All three teams are relatively small and any redirection of priorities or changes in workload or staff will need careful prior consideration and management to avoid staff being overloaded</p>

Organisational Development

Looking forward : what we will do in 2012/13				
Key Service Objectives	Financial/ corporate resource	Lead Officer	Start date	End date
a) Living in an outstanding place				
Participatory budgeting work with Towns and Parish Councils to deliver sports and play areas		Jamie Buckley	April 2012	April 2013
Embed the Council Community Engagement Policy and increase awareness of the toolkit		Jamie Buckley	April 2012	April 2013
d) Outstanding Council				
Achieve continued Investor in People status	£6k plus officer time	Karen Jenkins (KJ)		
Implement upgraded version of Trent including reviewing all related work processes	£15k plus consultancy ICT/HR/Payroll resource	ICT, HR and Payroll Project team, KJ.	Sept 2012	April 2013
Delivery of HR/Communications and Engagement workstreams for office relocation project		KJ (HR and internal communication) Nick Stephen (external communication) Jamie Buckley (engagement)	April 2012	April 2013
Staff engagement survey and actions		KJ	October 2012	Jan 2013
Delivery two A'level apprenticeships in liaison with the pilot run by Sidmouth College.		KJ	October 2012	January 2013
Implement new changes to Local Government Pension Scheme and communicate		Terry Wilson	October 2012	Jan 2013
Implement new long service award scheme		KJ	April 2012	April 2012

Key Service Objectives	Financial/ corporate resource	Lead Officer	Start date	End date
HR workstream support for achievement of equality objectives		KJ	April 2012	April 2013
Revise key employment policy in line with legislation including Localism Act and amendments to Employment Rights Act.		KJ	April 2012	April 2013
Review performance and employee data published on the internet to ensure statutory compliance and greater transparency		KJ	April 2012	April 2013
Review communications function and use of social media channels		KJ	April 2012	April 2013

Looking forward: any Service challenges or pressures for the next three years? (Revenue/Capital)

1. Managing staff engagement and retention in continued difficult financial context particularly with issues affecting pay and pensions.

ICT

Looking forward : what we will do in 2012/13				
Key Service Objectives	Financial/ corporate resource	Lead Officer	Start date	End date
a) Living in an outstanding place				
b) Working in an outstanding place				
The initiative to combine ICT services with other councils in the form of a separate mutual organisation would help retain professional jobs within Devon.	Council to agree direction.	Chris Powell	Jan 2012	March 2017
c) Enjoying an outstanding place				
d) Outstanding Council				
1. Continue investigation into shared ICT services with other councils in Devon in the form of a single, separate mutual entity.	Council to agree direction	Chris Powell	Aug 2011	Depend upon result of Jan meeting
2. Update ICT Strategy	SMT	Chris	Jan 2011	April 2012
3. Update of Microsoft licences and migration to new versions of software for : - all servers - Office suites Migration to new Microsoft thin client method of deploying software applications.	All ICT S&O team plus contractors.	Chris Powell	March 2012 July 2012	Dec 2012 March 2013
4. Select and implement new open source content management system for website as part of a larger communications project.	ICT Analysts	Steve Gammon	Jan 2012	July 2012

Key Service Objectives	Financial/ corporate resource	Lead Officer	Start date	End date
5. Continue Integrated Mobile Working project specifically with Streetscene for the first 6 months	Integrated Mobile Team (funded project)	Steve Gammon	Jan 2012	March 2013
6. Development and implementation of "Paperless Committees and member IT" project	£30k capital but reduction in Doc centre costs.	Chris Powell	Dec 2012	April 2013
7. Continue development of Systems thinking issues logs to enable transparent allocation of ICT (and other) resources to highest priority council requirements.	All Analysts.	Chris Powell	Jan 2012	Dec 2012
8. Change programme board processes and resource allocation to enable council-wide systems thinking priorities.	Chris Powell/ Steve Gammon /SMT	Steve Gammon	April 2012	Dec 2012
9. Continue ICT strategy of system simplification and integration including: - Replacement Land Charges system - Replacement Business Rates system - Upgrade to HR/payroll - Potentially replacement Housing system.	Self funding 2012/13 budget Capital bid of £40K Bid to be made for funding	Steve Gammon	Nov 2012	April 2013
10. Develop ICT strategy for new building to bring in latest use of integrated communications and mobility systems.	Part of building project	Chris Powell	Dec 2011	Dec 2012

Key Service Objectives	Financial/ corporate resource	Lead Officer	Start date	End date
11. Implement the EDMS across the council; analyse back scanning requirements and make a case for each	£120,000 from building project	Contract project manager	January 2012	Dec 2012
12. Create an Information Management Group from officers within the council to share best practice for use of information such as: <ul style="list-style-type: none"> - Asset data - GIS data - Data sharing protocols - Land and address data - Single view of customer 	Officer time.	Adrian Marsden	April 2012	Ongoing
13. Investigate a strategy of replacing all back office systems with a Microsoft enterprise tool.	Chris Powell	Chris Powell	Feb 2012	Aug 2012
14. Ensure continued compliance with CoCo and PCI/DCC security including implementation of: <ul style="list-style-type: none"> - Log management system - Working DR site 	£10,000 capital bid In process	Paul Bacon	Jan 2012	March 2013
15. Continue upgrade and migration to new versions of databases and subsequent system upgrades for SQL 2008 (or 2012?) and Oracle 11.	2011 capital budget and Analysts time.	Steve Gammon	September 2011	Aug 2012

Key Service Objectives	Financial/ corporate resource	Lead Officer	Start date	End date
16. Investigate money saving ICT ideas but otherwise maintain ICT infrastructure at minimum costs awaiting transfer to new building at greenfield site.	All Support and Operations	Chris Powell	Jan 2012	Dec 2014

Looking forward: any Service challenges or pressures for the next three years? (Revenue/Capital)
1. Excellent opportunity to upgrade our IT and use the latest efficient technology with the challenging move to a greenfield site new building
2. A shared ICT service with one or more councils to reduce costs, retain control and keep flexibility to enable us to respond to circumstances.
3. Lack of capital resources to maintain ICT infrastructure or take advantage of new technology and processes.
4 Lack of ICT Analysts to respond to customer demands for ICT change

Service Plan Finance Information

Service	Employees	Premises	Transport	Supplies & Services	Income	Net cost of Service	
Economy - Total Portfolio	2,822,360	543,140	140,440	3,595,930	(5,354,140)	1,747,730	
Environment - General Portfolio	1,963,180	430,680	152,480	1,599,270	(4,095,720)	49,890	Includes Licensing
Environment - StreetScene Portfolio	2,118,030	765,770	541,900	5,247,850	(2,188,240)	6,485,310	
Environment Total	4,081,210	1,196,450	694,380	6,847,120	(6,283,960)	6,535,200	
Finance - Total Portfolio	2,424,490	1,000	35,730	36,708,250	(37,138,730)	2,030,740	
IT services - Total Service	759,870	6,960	5,450	621,160	(3,000)	1,390,440	Includes Document Centre
Organisational Development Services - Total Service	371,840		3,280	77,600		452,720	
Legal Services	283,290		10,100	42,530	(7,620)	328,300	Excludes Licensing & Elections
Members Services	215,860	200	6,550	462,750		685,360	
Total Legal & Democratic Services	499,150	200	16,650	505,280	(7,620)	1,013,660	
Taxi Licensing	4,500			2,580	(82,720)	(75,640)	
Homeless Persons	32,720	40	1,670	314,210	(207,160)	141,480	
Home Safeguard	309,690	9,160	13,380	185,600	(457,560)	60,270	
Low Cost Homes					(420)	(420)	
Public Health Housing Services	186,830	50	21,810	38,760	(13,250)	234,200	
Private Sector Leasing	27,620	12,400	1,550	261,990	(309,460)	(5,900)	
Housing General Fund- part of SUSTAINABLE HOMES & COMMUNITIES PORTFOLIO	561,360	21,650	38,410	803,140	(1,070,570)	353,990	

Agenda Item 5

Overview & Scrutiny

18 January 2012

SD



Draft Revenue and Capital Estimates 2012/13

Summary

This report presents the draft revenue and capital estimates for 2012/13 for consideration by the Overview and Scrutiny Committee and the Housing Review Board.

Recommendations from these meetings will be presented to the Cabinet on 1 February when members will finalise budget proposals to be recommended to Council on the 22 February.

Key issues in summary

General Fund

- A balanced draft budget is being presented for 2012/13; this has assumed a nil increase in council tax which meets the Government's one year grant offer. The consequence of this is the loss of £0.175m from 2013/14 onwards, had the Council actually raised its council tax by 2.5% this sum would then actually be received each year going forward. There has been a £0.731 (12%) reduction in formula grant for 2012/13.
- Special items bids totalling £0.351m have **not** been included in the draft budget. Consideration is given in the report to funding items that members feel are essential from an element of the General Fund Balance, or alternatively, to leave the Balance intact to support the financial risks facing the Council particularly the localisation of council tax benefit from 2012/13.
- Against a background of annually reduced funding there is a need to continually explore initiatives which create savings or raise income to maintain balanced budgets going forward.

Housing Revenue Account

- 2012/13 sees the introduction of self financing with the Council making a payment to the Government of £84.782m and in return being able to retain all income received in rents rather than making an annual payment to Government in the order of £6m under the existing subsidy system.
- The draft budget gives additional investment in council houses with the ability to increase the Housing Revenue Account Balance to a level that gives reassurance when entering into a new financial regime.

Capital

- The draft capital programme for 2012/13 is funded but brings the Capital Reserve down to a minimum level. New Homes Bonus monies have been used to fund some schemes in the programme that give community benefit by utilising Council assets, the Housing Revenue Account has funded all schemes applicable to its area and it is assumed specific asset sales in year will generate capital receipts.
- For years beyond 2012/13 unless capital receipts are generated to fund the programme then borrowing will be needed, this will create additional pressure on the General Fund.

Recommendation

That the draft revenue and capital estimates are recommended for adoption to the Cabinet.

a) **Reasons for Recommendation**

There is a requirement for 2012/13 to set balanced budgets, to levy a Council Tax and to set Council House Rents.

b) **Alternative Options**

Please see main body of report.

c) **Risk Considerations**

Risks have been considered in preparing the budgets and the financial implications have been assessed at the point of preparation. Various budget assumptions have been made including the treatment of inflation and interest rates; estimates on the level and timing of capital receipts; the treatment of demand led pressures; the treatment of planned efficiency savings/productivity gains; levels of income; financial risks inherent in any new arrangements; capital developments; the availability of funds to deal with major contingencies and the need for any provisions. In each of these areas the Council's financial standing, management and track record have been considered in order to prepare robust budget proposals.

General Fund Balance

In setting the 2011/12 budget, members agreed to hold the General Fund balance at a higher level than the adopted amount to safeguard the Council against financial uncertainties which faced all local authorities. The latest financial monitoring report shows at the end of 2011/12 we will hold £2.835m above the adopted level; this includes savings from 2010/11 of £0.357m. The financial uncertainties remain and have been added to with the Governments proposals on the localisation of Council Tax Benefit, further details of this and other risks are given below.

Particular areas to draw to members' attention are:

- **Formula Grant**

This Council has had a £1.068m reduction in formula grant for 2011/12, with a further reduction in 2012/13 of £0.731m; over the two years this equates to a 26% reduction in funding. Further reductions are expected in the remaining two years of the spending review (2013/14 and 2014/15).

The Council needs to continue to find initiatives to balance its budgets going forward into 2013/14 and beyond.

- **Localisation of Council Tax Benefit – Proposed implementation April 2013**

As part of the Welfare Reform and linked with the Local Government Finance review, the Government issued a consultation paper on Localising Support for Council Tax, consultation ended on 14 October and we await further details. The proposals are that the Council will become responsible for assisting those on low incomes to help meet their council tax liability, not only in terms of administering a scheme but actually setting the scheme details locally.

Financial risks associated with these proposals are extremely high and relate to how the Council will be financially reimbursed for the payments made under the scheme and the cost of administration. Under the current system of Council Tax Benefit, payments made are reimbursed to the Council based on actual cost; proposals suggest this will change to an annual allocation not tied to actual costs thereby giving significant risk to local authorities on potential costs incurred. The Government's financial target of introducing this change is to reduce overall expenditure by 10%, thereby putting local authorities into a difficult position of having to reduce benefits/discounts to those on low incomes compared with the current scheme or fund costs locally.

In order to safeguard the Council it will have to hold significant reserves in case demand increases above the grant level in year. Currently the scheme costs £8.8m, if for example there was a 5% additional take up in year this equates to a cost of £0.440m or the need to suddenly save nearly 4% from all services net costs to accommodate this variance.

Another key concern is how we can scope a scheme for working age, with reduced funds, that meets the Government's principles of creating incentives to make work pay, ensuring a fair scheme, avoids poverty, safeguards the vulnerable and as currently prescribed protects pensioners on their current entitlement. Pensioners currently represent 62% of our payments under the current scheme. This will mean the savings will have to be met from the working age resulting in a 25% to 28% reduction in entitlement in order for the equation to work with the funds available.

The proposals include the ability for Councils to fund a shortfall in the scheme itself, for East Devon if we were to meet the 10% reduction from our own funds this would equate to us finding annually a sum of £0.880m, bearing in mind our total net budget is only just over £12m.

An awareness of this risk needs to be considered now in setting the 2012/13 budget and members need to be mindful of the level of the Council's General Fund Balance in order to allow sufficient funds to be available to give the Council time to implement any proposals sensibly, this may include consideration of a transitional period to help those customers who will be significantly affected or sums to assist with setting up a local scheme which would include consultation and software changes. This will be all within an extremely tight time scale requiring additional staffing resources to deal with the issues at a time when other significant changes are taking place under welfare reform.

Report update: A Government response to the outcome of consultation was released on 19 December. The underlying policy has not changed from that in consultation document, nor has the timescale to bring into force in April 2013. Details of the timetable indicate that secondary legislation will not come into force until "early autumn" 2012 and billing authorities will have to decide on a local scheme by 31 January 2013. The support for pensioners remains intact set by national rules and possibly funded nationally, but this needs to be understood more. The financial risks are to be shared amongst the major preceptors who will have a say in scheme design.

- **Homelessness Costs**

The draft budget contains sufficient sums to cover costs based on current demand, with an additional sum included of £0.029m to mitigate the risk of expected increased costs in this area. Careful monitoring will be required in the forthcoming year as pressures relating to the recession and changes in welfare benefits may increase the need for this service.

- **Business Rates Retention – proposed implementation April 2013**

Under the Local Government Finance Review consultation papers were issued on the retention of Business Rates, the consultation period ended on 24 October and further details have yet to be released. The proposals significantly change the formula grant methodology and the relationship with Business Rates. The scheme consulted on will result in winners and losers based on business growth in the area, the implications are difficult to assess without the scheme details. With the business developments planned in the East Devon area, it would be reasonable to assume the Council could benefit from the new proposals in the medium term. It should be noted that a significant proportion of any income generated under the scheme will be paid at County Council level as they are seen to have greater influence on promoting economic growth.

Report update: A Government response to the outcome of consultation was released on 19 December. The principles of the proposals remain and the details are to be contained in the regulations. A significant change made in the response document is that in two tier areas a fixed share of the rate income (80%) will go to the district council, instead of the majority going to the upper tier authority.

- **Universal Credit Proposals – proposed implementation October 2013**

The Government plans that local authorities will no longer, from October 2013, be responsible for the administration of Housing Benefit payments. Benefits payments will in future form part of the Universal Credit proposals amalgamating a number of

welfare payments into one system administered directly by the Department of Works and Pensions (DWP).

This brings with it uncertainties for customers, council staff and financial uncertainty in understanding clearly the role the Council will play in the future and during the long transitional arrangements that are proposed past 2013. The current administration of the scheme in theory is cost neutral when taking direct grant and formula grant together, although as always with formula grant, individual service grant is not identifiable. There is a risk that the Council could be disadvantaged in the calculations used by Government to reduce funding to reflect the stopping of this responsibility.

The proposals have an associated risk concerning rent income in the Housing Revenue Account. Currently those council house tenants in receipt of housing benefits (over 60%) have their benefit credited directly to their rent account and the HRA receives that income immediately, this will no longer be the case under the new arrangements. An increase in bad debt provisions has been allowed for in future years of the HRA business plan to mitigate this potential risk.

- **New Homes Bonus Scheme – Implementation April 2011**

The introduction of the New Homes Bonus (NHB) scheme addresses an anomaly in the current formula grant calculation whereby additional housing growth is counted as additional income to the authority in its Council Tax base and deducted from grant payable as assumed income raised locally. The introduction in April 2011 of the NHB rewards housing growth with a 6 year payment of an average Council Tax per additional property. With the housing development planned in the East Devon area the Council should see additional monies under this proposal. A significant risk to the financial position of this scheme is that from 2013/14 funding comes from top slicing the formula grant to those categories of councils that benefit from the scheme. There is a risk that payments received under the scheme are not greater for a council than the reduction in formula grant.

The Council has mitigated this risk by agreeing the principle of not committing NHB monies until it is received and the effect known on the formula grant, also that a significant proportion of the monies should be directed to capital one off schemes so as not to commit the Council to ongoing spend.

Payments received to date under the scheme are £0.311m in 2011/12 and the proposed sum in 2012/13 is £0.759m which includes the second year of the original payment. Sums paid nationally in NHB are above that set aside by Government to be funded in the first two years and it is understood that the shortfall will be met from additional top-slicing of formula grant in 2013/14.

- **Pay Award 2012/13**

No pay increase has been assumed in the draft budget, if an increase materialises then this would have to be met from the General Fund balance. A 1% rise will equate to an increase in General Fund costs of £0.119m.

- **Local Land Charges income 2012/13**

Personal search fee income of £209,000 from the local land charges register has been included in the budget based on the current level of searches. This gives a break-even position for the service.

There is the question over the legality of these charges for the future, and the past, this Council has joined with others with LGA to prepare for possible litigation against the Government on this issue.

- **Proposed increases in Planning fees**

Legislation was imminent on changes to how local authorities charge for planning applications to a basis of cost recovery. This should be beneficial to the Council as the service is currently subsidised at £1.2m. It was assumed that the new regime would be in place by April 2012, this is now looking unlikely and the proposals have gone quiet.

No increases have been assumed in the 2012/13 draft budget for this legislation.

- **Council Tax Freeze for 2012/13**

The Government has offered a one off grant to councils if they freeze the Council Tax for 2012/13. The scheme for East Devon means a payment of £0.175m representing an equivalent rise of 2.5% in the Council Tax. This amount will be lost in 2013/14 requiring a reduction in costs to find this sum, whereas if the Council Tax was actually increased by 2.5% this income would be available each year going forward.

An alternative to replace this income would be to increase Council Tax by 5% in 2013/14 which would certainly require a referendum to get local agreement under the Localism Act.

In 2012/13 any Council Tax increase for a district council over 3.5% will require a referendum to agree the rise locally.

- **Localism Bill**

Different parts of the Act will come into effect at different times and in many areas the Government will have to issue further details. Some of the key areas affecting the finances of the Council are picked up within this report but there are other areas which have been the subject of previous reports to Cabinet or will be in the future which will need consideration as details become clearer.

Potential areas not directly covered in this report but will need to be considered in depth going forward in terms of financial implications include; Community right to challenge, Community right to bid (assets of community value), Neighbourhood planning (subject of a special item bid), Community right to build, Community Infrastructure Levy, Local Plans and Social Housing Tenure Reform.

d) Policy and Budgetary Considerations

The position is outlined in the report.

Positive Impact Overall

Affordable Homes.
Thriving Economy.
Safe Environment.
Clean Environment.
Green Environment.
Recycling.
Young People.
Excellent Customer Service.
Inspirational Council.
Meeting our crime and disorder duties.
Meeting our Diversity and Equality duties.
Providing more service at same cost.
Providing same service at less cost.
Create Cashable Savings

e) Date for Review of Decision

The Cabinet will review estimates again on 1 February with recommendations to Council on 22 February.

1. Process

- 1.1 The Council's Financial Strategy, revenue budget and capital programme are soundly based and designed to deliver priorities set down in the Council Plan and service plans.
- 1.2 The Constitution requires the Cabinet to approve the draft revenue and capital estimates prior to their detailed consideration by the Overview and Scrutiny Committee. The Housing Review Board will undertake the same function in relation to the Housing Revenue Account estimates.
- 1.3 Any decisions taken at these meetings will be reported back to the Cabinet at its meeting on 1 February. At this meeting members will be required to recommend East Devon's Council Tax requirement for 2012/13 and Council House Rent levels.

2. General Fund Budget

The Overall Financial Picture

- 2.1 One of the most significant impacts on the Council's finances has come from the Comprehensive Spending Review 2010 (CSR 10) where the Government has cut local authorities funding as part of their programme of tackling the national debt problem.
- 2.2 This Council has had a £1.068m reduction in formula grant for 2011/12, with a further reduction in 2012/13 of £0.731m; over the two years this equates to a 26%

reduction in funding. Further reductions are expected in the remaining two years of the spending review (2013/14 and 2014/15).

- 2.3 Other factors had a negative effect on the Council's finances including low interest rates, the effect on funding in the removal of the responsibility on the free bus travel scheme and increased running cost of services. Together these factors required the Council to make tough decisions in order to find £2.4m savings to set a balanced budget for 2011/12.
- 2.4 The Council will continue to find it difficult to afford its spending plans against further government spending cuts, the added pressure of increases in costs due to inflation, continued low investment income, an increasing call on services and the Council wishing to keep to moderate increases in Council Tax and other fees and charges. Each year going forward the Medium Term Financial Plan shows a position of an underlying need to find savings in the order of £0.3m to £0.5m on an annual basis.
- 2.5 The Council has prepared balanced budgets against these significant reductions; measures have been taken through restructuring the management team, reducing back office staffing, procurement savings, shared services, asset management, redesigning services around the customer and the smarter use of ICT. Further initiatives continue to be worked on within these areas and it is essential that progress is made to enable the Council to continue balancing its budgets going forward.

Draft Revenue Budget 2012/13

- 2.6 A balanced draft budget for 2012/13 is presented for members' consideration. Appendix A gives a summary position; the attached budget book gives service details for members' scrutiny and highlights variations between years and comments on specific areas to note. The budget has been prepared on the basis of no service cuts, but no growth either other than an increase in planned property maintenance where the budget has been increased from £0.1m to £0.2m following the significant reductions in the current year. A schedule of asset maintenance expenditure is included within the budget book for information.
- 2.7 Fees and charges have been increased mainly in line with inflation (assumed in the draft budget at 3%) and adjusted where necessary to reflect expected demand for the service. It has been assumed that no increase will be applied to car park charges other than an inflationary rise on parking permits.
- 2.8 The Council Tax level is included in the draft budget at a nil increase, remaining at the same level as the current year of £121.78 which was frozen from the previous year 2010/11. This is in accordance with the government's wish to freeze council tax for 2012/13 and meets the requirement for the Council to be reimbursed by Government for an assumed 2.5% increase in tax (grant of £0.175m).

Members need to be fully aware that the grant being offered by Government for 2012/13 it is a one off sum and will leave the Council's budget short by this amount of council tax each year going forward and savings will have to be found to make good this loss. Should the Council decide instead to raise council tax by 2.5% (£3 a year for band D property) then this income will come to the authority each year.

- 2.9 An income amount of £114,190 has been included in the budget as a surplus on Council Tax collection, this is where our collection has been better than estimated and a surplus can be distributed back to the major preceptors and back to the Council Tax Payers by way of income in the budget.
- 2.10 The draft budget contains a sum of £15,760 in order to create a grade 11 to our existing structure which currently ends at grade 10 (a cost of £15,760 in year one rising to a cost of £30,786 in year 4 as it proposed there will be four increments in the grade). Following the introduction of our grading structure in April 2007, there are some specialist senior posts which are in the same grade (grade 10) as the post to which they report. In addition this would provide greater flexibility in the structure to reward and recognise roles which are larger than other senior positions rather than having to shoe horn them all into grade 10. These proposals if agreed in the budget will need discussing with the union and the individuals involved (possibly 6 posts affected) before implementation.
- 2.11 Included in the draft budget is a savings target of £0.125m backed up with some schemes in mind, mainly around procurement efficiencies, but it is a target which cannot be guaranteed and if not achieved will have to be met from the General Fund Balance.
- 2.12 In addition to the draft budget a list of special item bids totalling £0.351m has been put forward for consideration. These are detailed in Appendix B and are currently **not** included in the draft budget. There is currently no scope within the budget to include any of these items unless reductions are made to areas contained in the draft budget.

In order to give members some capacity to include any of the special items where considered essential to be funded it maybe appropriate to use an element of the Council's General Fund Balance, especially around one off items which do not create a funding need for future years.

In setting the current year budget, 2011/12, members agreed to maintain the General Fund Balance above its adopted level in order to deal with the many financial uncertainties facing the Council. However, since members took that decision when setting 2011/12 budget a further £0.357m was added to the balance from savings obtained in the final position for 2010/11. Although members agreed that part of this could be used to fund a replacement Business Rates system this is now being offset by savings in the current year.

As an option Members could consider using this additional element in the General Fund Balance to fund special item bids if they are considered essential and ideally have a defined end date to their funding commitment. Of the £0.357m it may be considered prudent not to use the full sum but to hold £0.125m back to cover the savings target figure included in the draft budget, therefore leaving **£0.232m to be considered against the special item bids.**

Alternatively, because of the current financial uncertainties particularly around the localisation of Council Tax Benefit, members may consider it appropriate to maintain this amount in the General Fund balance in order to fund the initial costs of the localisation of the Council Tax Benefit to help set up the scheme and to give the Council time to make the necessary adjustments in its budget to accommodate this scheme going forward.

3. Housing Revenue Account Budget

The Overall Financial Picture

- 3.1 In setting the Housing Revenue Account (HRA) budgets each year the Council has been following the previously adopted 30 year business plan; designed to improve and maintain the standard of dwellings whilst keeping within the finances available.
- 3.2 The Localism Act provides for the commencement of self financing and the abolition of the HRA subsidy system with the regime coming into place in April 2012. This has resulted in the need to develop a new 30 year plan with the implications of the HRA taking on debt to make a payment to Government of £84.782m and in return being able to retain all income received in rents rather than making an annual payment to Government in the order of £6m under the existing subsidy system.

Draft Revenue Budget 2012/13

- 3.3 The budget book details the draft estimates for 2012/13. A revised 30 year HRA Business Plan under the new self financing regime is being prepared in full and will be presented to Housing Review Board in March. The budget book does give the proposed 30 year operating account for the HRA with the debt repayment profile shown in a graph for information; the first year of the Plan is mirrored in the detailed 2012/13 budget being presented for the HRA.
- 3.4 In setting the budget a cautious approach has been taken because of the uncertainty of operating the new self financing regime in practice, however, there is sufficient financial provision included to maintain council homes to a high standard with a comprehensive programme of planned improvements, adaptations and routine repairs. The 2012/13 draft budget includes an increased sum of £0.544m for general housing improvements and an additional £1.330m for major repairs. Details of specific areas of spend are detailed in the budget book. Rents have been increased by 6.1% in line with the Governments rent reform policy this being the increase we have been advised through the annual determination issued by the Government.
- 3.5 Even with this significant increase in budgeted spend on council houses it is still expected that the HRA balance will increase to £2.970m at the end of 2012/13, from the current projected level of £1.236m at the end of 2011/12. The 30 year operating account does show an increasing balance being projected forward and as the balance grows decisions can be made on what sums could be reinvested back into existing housing or perhaps the possibility of new build. It is prudent to gain confidence in self financing before the Council commits itself to significant capital programmes and additional staffing resources in order to deliver them.
- 3.6 It was previously agreed that from 2012/13 the HRA would fully support its own capital schemes contained within the Council's Capital Programme, this has been implemented with £0.750m worth of schemes detailed in the budget book being funded from the HRA. As part of this, any capital receipts obtained from HRA assets will go to offset this expenditure.
- 3.7 Under the self financing valuation of our housing stock the Council is required to pay to the Government £84.782m; this will have to be borrowed and the loan repayments are to be met by the HRA as part of the self financing regime. Differing options of borrowing have been considered and we have obtained external advice

through Sector Treasury Services. However, HM Treasury have announced a one off reduction in Public Works Loan Board (PWLB) interest rates specifically on borrowing for housing self financing making this the sensible borrowing option. It is thought this will be a 0.85% reduction on the rates being offered on the day of dealing (26 March 2012). The draft budget has used PWLB interest rates as at 2 December (average interest rate payable of 3.84%, ranging from 1.65% to 4.25%) but no assumed reduction has been applied. It is felt prudent to use the existing rates even though a reduction will be applied as it is envisaged that rates may increase before the day of dealing due to market conditions but we are advised that any increase should easily be offset by the reduction. To illustrate the effect of 0.85% reduction being applied to interest rates this would generate an interest saving of £0.721m compared with the rate currently applied in the draft budget for 2012/13.

The strategy is to borrow from the PWLB; this will be with a range of maturity periods profiled to when the Business Plan generates resources to be able to make repayments (repayments to be made on maturity of each loan). A balance has been struck in structuring a loan portfolio over the ability to make repayments as quickly as possible and thereby saving on interest payments, whilst leaving sufficient surpluses as a cushion against uncertainties and the ability to carry out investment in stock within the HRA own resources. The debt repayment profile shows that all loans will be repaid by year 27 with debt falling significantly up to this year.

This approach allows the HRA headroom to borrow further sums in the near future for plans of investment or new build if considered an objective going forward and affordable.

More details will be contained in the Council Treasury Management Strategy to be presented to Cabinet in February.

- 3.8 The draft HRA budget will be reviewed by the Housing Review Board on 12 January for their consideration and recommendations to the Cabinet.

4. Capital Programme

The Overall Financial Picture

- 4.1 The Medium Term Financial Plan clearly indicates that there is a disparity between the Council's capital spending plans and the amount of finance available to it to finance such works. The Capital Programme has been reliant upon using the Capital Reserves to fund this gap in recent years and as predicted the Capital Reserve will soon be depleted.
- 4.2 Members are fully aware of the pressure on the Council's asset management programme to ensure we are maintaining only the assets we need and they are in good condition to deliver our services. Where there is potential to generate income this is maximised through either ongoing revenue streams by way of rentals or through the generation of capital receipt to help fund the capital programme. To aid the capital programme members have agreed to utilise the New Homes Bonus monies to fund capital items which focus on community benefit being delivered through our own assets.

4.3 The draft budget booklet details the draft capital programme for 2011/12 to 2014/15.

4.4 The adopted capital appraisal process has been used to build a capital programme aimed at delivering the Council's stated priorities. As well as the traditional Portfolio presentation style the capital budget has also been summarised for consideration under the following headings;

- **Mandatory/Health & Safety**

These are schemes where it is considered the Council has to deliver the scheme because there is a mandatory obligation.

- **Committed Schemes**

Where the Council has already started or committed/agreed to undertake a scheme.

- **Externally funded schemes or generation of capital receipt ring-fenced to linked schemes.**

Schemes externally funded by way of grant or schemes requiring expenditure which will then generate receipts in order to deliver the scheme. This covers schemes for Exmouth and Seaton regeneration.

- **New Bids outside this criteria**

Top priority schemes scored highly through the appraisal process are included in the capital programme, other schemes have been included which perhaps would have not been able to be funded but have been included as they can be met by the Council's decision to use New Homes Bonus monies to fund schemes that give community benefit through the enhancement or provision of a council asset. Schemes funded through NHB are indicated as such in the capital programme contained in the budget book. In recognition of the scarce capital resources available, not many new bids were received for 2012/13 and with the ability to use NHB monies all schemes have been incorporated into the draft budget for 2012/13.

4.5 The draft capital budget for 2012/13, detailed in the budget book, show a shortfall in funding of £1.575m which is to be met from the Capital Reserve. This position is set out below:

Capital Budget	2012/13 £m
Net Proposed Programme	6.646
Funds available:	
In Year Receipts – General Fund	-0.689
In Year Receipts – HRA	-0.035
HRA contribution for balance of scheme cost	-0.750
Specific Grants	-3.250
New Homes Bonus	-0.347
Shortfall met by capital reserve	-£1.575m

- 4.6 It needs to be stressed that the capital receipt figure of £0.689m does include an expected receipt from the Elizabeth Hall Site of at least £0.600m; this is assumed to be a conservative estimate. The Capital Reserve will only have £0.291m at the end of 2012/13. The funding deficit on the capital programme for 2013/14 is in the order of £1m and £0.7m for 2014/15 (assuming capital receipts are received to match regeneration scheme costs), this represents just core capital expenditure without the inclusion of any significant initiatives/projects. Clearly these years can not be funded under current projections of expenditure levels against expected capital receipts.

To assist the capital funding position the priority disposal programme is progressing and with the exception of the Elizabeth Hall Site no receipts have been assumed in the figures so far. It is also likely that monies will be received in 2012/13 from an overage clause agreed on Stowford Rise, Sidmouth to be triggered by house sales; this could be around £0.630m.

There will be £0.305m available of New Homes Bonus monies at the end of 2012/13 for capital schemes which meet the appropriate criteria, although £0.230m of this will be committed against schemes approved and started in 2012/13.

If capital receipts are not generated, then borrowing will be required at a cost to the General Fund budget.

5. Interest Receipts from investments in 2011/12.

- 5.1 The Council's surplus cash resources are invested to produce an annual income which is used to support revenue expenditure. Interest rates are still low and it is projected that this will continue in 2012/13.
- 5.2 The net position on interest receipts available to the General Fund in 2012/13 is estimated at £0.301m, based on an assumed return on external investments of 1%. This sum is after a proportion of the interest figure generated, equal to £0.012m, has been transferred to the HRA.
- 5.3 Members have agreed to use only interest receipts up to £0.5m to support revenue activities because of volatility of using interest to support day to day spend. Any sums over this figure would be used to support the Capital Programme. Unfortunately since agreeing this policy interest receipts have not reached this threshold!

6. Balances available to support 2012/13 and future budgets.

General Fund

There are two reserves available to the General Fund:

- **The General Fund Balance**

The policy set by the Council is to maintain a General Fund Balance of 1.5 years of the minimum level (7.5% of the net budget). This equates in 2012/13 to £1.481m. Assuming a balanced budget is set for 2012/13 (with the exception of possibly using £0.357m towards meeting the £0.125m savings target and the balance for special item bids in 2012/13) then the

General Fund Balance is estimated at £3.997m at the end of 2012/13, this being £2.516m above the adopted level.

The Council has agreed to maintain a higher balance than the adopted level at this present time because of the many financial uncertainties and risks facing the Council. This is even more relevant in times of reducing budgets and reducing government grants.

- **Transformation Reserve**

The uncommitted balance on this Reserve is currently £1.262m, after deducting the recent agreement to use up £0.200m on the relocation project. This sum was set aside to assist the Council's transformation programme by meeting upfront costs necessarily incurred in order to produce savings in future years.

Housing Revenue Account

The policy set by the Council is to maintain an HRA Balance of £245 per property, this currently equates to £1.054m. The current estimate of the closing position in 2011/12 of the HRA Balance is £1.236m.

It is considered sensible to increase the adopted Balance with the risks associated with self financing and to double the sum held to £490 per property (£2.108m). The draft HRA budget for 2012/13 shows the Balance will increase to £2.970m at year end and it is felt that any decision on how to use this sum above the new level should be made after year end and the balance is "real".

Capital Reserve.

Capital Reserve

The Capital Reserve has a projected balance at the end of 2011/12 of £1.866m and a projected balance at the end of 2012/13 of £0.291m. The capital programme deficit in 2013/14 alone is currently £1m.

New Homes Bonus

Subject to agreement of the draft budget and using £0.347m of NHB monies to fund the 2012/13 capital programme this leaves £0.305m available for future capital schemes, although if approved £0.230 of this will be committed against schemes already started in 2012/13.

Other Balances & Reserves available

The Council holds other earmarked reserves detailed below:

Local Authority Business Growth Incentive Scheme Reserve (LABGI)

The purpose of this reserve is to promote and deliver economic development. The estimated balance at the end of 2011/12 is £0.536m with commitments against the reserve £0.292m leaving an uncommitted sum available of £0.244m.

Asset Management & Maintenance Reserve

The balance at the end of 2011/12 is expected to be £1.341m.

A list of schemes requiring funding against this Reserve is shown in the budget book totalling £0.405m in 2012/13; this shows all expenditure on asset improvement/enhancements for member information. This list will need to be considered by the Asset Management Forum to ensure expenditure on assets do not conflict with asset management plans.

7. Robustness of estimates and adequacy of reserves.

- 7.1 This part of the report deals with the requirement of Section 25 (2) of the Local Government Act 2003 in that the Council's Chief Finance Officer (CFO) must report on the robustness of the estimates included in the budget and the adequacy of reserves for which the budget provides.
- 7.2 In terms of the robustness of the estimates all known factors have been considered and the financial implications have been assessed at the point of preparation. Various budget assumptions have been made including the treatment of inflation and interest rates, estimates on the level and timing of capital receipts, the treatment of demand led pressures, the treatment of planned efficiency savings/productivity gains and levels of income, financial risks inherent in any new arrangements and capital developments and the availability of funds to deal with major contingencies and the need for any provisions. In each of these areas the Council's financial standing, management and track record have been considered in order to prepare robust budget proposals.
- 7.3 The proposed draft budgets for 2012/13 maintain both the General Fund balance and the Housing Revenue Account balance at, or above, the advisory level provided actual net expenditure is at, or below, the level forecast. Continuous monitoring and reports to Cabinet will highlight and make recommendations on any corrective action necessary to achieve this during 2012/13.

8. Prudential Code

- 8.1 The Local Government Act 2003 also requires under regulation for local authorities to have regard to the Prudential Code for Capital Finance in Local Authorities, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) when setting and reviewing their affordable borrowing limit.
- 8.2 The key objective of the Code is to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable. A further key objective is to ensure that treasury management decisions are taken in accordance with good professional practice and in a manner that supports prudence, affordability and sustainability.
- 8.3 To demonstrate that local authorities have fulfilled these objectives, the Prudential Code sets out the indicators that must be used and the factors that must be taken into account. These indicators will be presented to the next Cabinet meeting when a recommendation will be made on the budget for 2012/13, Council Tax levy and Council House Rents.

Legal Implications

The legal implications under the regulatory code of the Local Government Act 2003 are set out within the report and require no further comment. The provisions in the Localism Act concerning Council Tax referenda have now been brought into force.

With reference to land charge income, the LGA is co-ordinating the defence of legal actions brought against local authorities [including East Devon] by personal search companies to recover personal search fees levied prior to government revocation of the regulations which permitted these charges. The government revoked the regulations on the grounds of their incompatibility with a European Directive. The potential for councils to claim against the government [should any basis for liability be established] is noted in the report.

Financial Implications

As stated in the report

Consultation on Reports to the Executive

The details of this report have been discussed by the Strategic Management Team and are in line with the Council's Financial Strategy previously adopted by Cabinet on 7 September 2011.

Background Papers

- Internal estimate working papers, Local Government Finance Settlement
- CIPFA's Prudential Code , Local Government Act 2003
- Financial Strategy (2012 onwards) including Medium Term Financial Plan
- Council Plan and Service Plans

Simon Davey
Head of Finance

Overview & Scrutiny
18 January 2012

APPENDIX A

General Fund Revenue Budgets 2012/13	2011/12		2012/13	Variation	% change
	Original	Revised	Budget	Revised 11/12 to Budget 12/13	Revised 11/12 to Budget 12/13
	£	£	£		
Portfolio Budget Submissions - Net Expenditure					
Core Business	5,665	5,665	6,010	345	6%
Core Services	1,481,010	1,481,010	1,498,720	17,710	1%
Economy	2,377,600	2,315,600	1,868,380	(447,220)	-19%
Environment - General	1,049,170	1,049,170	1,254,460	205,290	20%
Environment - StreetScene	7,655,950	7,728,340	7,726,060	(2,280)	0%
Finance	1,791,500	1,791,500	1,840,750	49,250	3%
Strategic Development & Partnerships	235,035	235,035	16,700	(218,335)	-93%
Sustainable Homes & Communities	746,180	746,180	875,390	129,210	17%
Portfolio Totals	15,342,110	15,352,500	15,086,470	(266,030)	
Reversal of Capital Charges (Depreciation Amortisation)	(1,837,410)	(1,837,410)	(1,884,820)	(47,410)	
Portfolio Total Net of Capital Charges	13,504,700	13,515,090	13,201,650	(313,440)	
Interest Receipts (Net of investment management fees)	(464,470)	(464,470)	(301,330)	163,140	
Interest Payable	7,070	7,070	1,440	(5,630)	
PWLB principal repayments + Int GF only	113,890	113,890	72,080	(41,810)	
Net Expenditure	13,161,190	13,171,580	12,973,840	(197,740)	
GF contribution for one-off cost (District Council elections)	(65,500)	(65,500)		65,500	
Use of Collection Fund Surplus	(8,000)	(8,000)	(114,190)	(106,190)	
S 106 New Community Planning Officer			(39,690)	(39,690)	
Council Tax Freeze Reimbursement Grant 2011/12	(173,510)	(173,510)	(173,770)	(260)	
Council Tax Freeze Reimbursement Grant 2012/13			(175,110)	(175,110)	
Local Services Support Grant (Homelessness)			(99,000)	(99,000)	
Savings Target 2012/13			(125,000)	(125,000)	
Use of GF Reserve for Supplementary estimate	0	(10,390)		10,390	
Budget Requirement	12,914,180	12,914,180	12,247,080	(667,100)	
Formula Grant (Government) (Includes loss of Concessionary Fares grant)	(5,963,470)	(5,963,470)	(5,232,310)	731,160	
Council Tax Requirement (1)	6,950,710	6,950,710	7,014,770	64,060	

Notes:

1

2012/13 Council tax base has increased from 57,076 to 57,602. There is no council tax increase, a band D remains at £121.78.

APPENDIX B - SPECIAL ITEM BIDS 2012/13

Manager	Cost Centre	Cost Centre Description	Item	Reason	Bids for Jan 2012 Cabinet £
AW		Growth Point	Construction of Cranbrook has now started and we are expecting the first residents to be moving in from the spring of 2012. How Cranbrook develops socially will be critical to its future success as a new community. Recent dialogue with the parish clerks for the surrounding joint parishes (Broadclyst, Rockbeare, Whimple and Clyst Honiton) has revealed not just a current lack of capacity to deal with the volume of planning related consultations coming forward but has also flagged up the importance of having a readily identifiable and available person who is able to deal with queries arising from the very first residents of Cranbrook – in effect a de-facto parish clerk role. It is important that this person is plugged back in to both the District and County Councils and is available to provide practical assistance and support and help to nurture the fledging new community. The parish clerks have identified a resource requirement of a person for 2 days per week for an interim period of circa 2 years whilst the new Cranbrook parish/town council is formally established. The Growth Point team are exploring ways in which they can provide support but there is an outstanding resource requirement of circa £20k over the 2 year period (£10k for 2 years) to support this vital role.		10,000
AH	03001	Beaches & Foreshores	Sidmouth - the railings along the seafront at Jacobs Ladder have taken a pounding by the shingle, over the last couple of years, and are in a poor condition. Painting will increase the lifespan of the existing railings	The railings will require replacement at a much higher cost if they are left any longer. These railings need to be in place and in a sound condition as there is an approximate 2metre drop on to the rocks.	5,000
AH	03001	Beaches & Foreshores	Sidmouth - the ladder was last painted in 2007 and is now showing signs of weathering and staining. The hand rails and treads are wearing and require a fresh coat of paint.	This town land mark will deteriorate to the point that it will have to be closed to the public and maybe taken down for health and safety reasons.	11,000
AH	06001	Cemeteries	Seaton Cemetery - the memorial wall will be full of plaques within the next year or so. If we are to keep supplying this service, then the wall has to be extended.	The wall will be full in a couple of years and this service will stop. We have now started using the pillars which has increased the life by approx 2 years.	12,000
KS	08001	Coast Protection	Inspection & Repairs - to safeguard and protect the public from falling rocks from the cliffs. To carry out a condition survey of the cliffs owned by EDDC in order to identify any potential dangers of loose rock and material (£17k) and small works resulting from inspections at the same time £15k.	There will be an increased risk of rock falls from the cliffs as the unstable material and rocks will not have been identified. This may result in injury or death to members of the public who, despite signage, walk close to the base of these cliffs.	32,000
KL	23020	Tourist Info Centre Support	Tourist Information Centres contributions to running costs	For the 2011/12 budget this was funded from the LABGI reserve. Not in draft budget 2012/13.	20,610
KL	23###	Economic Development	Exeter and Heart of Devon Employment and Skills Board	EDDC contribution for the next 3 years report to Cabinet Nov 2011 (+ £12,500 per year 13/14 + 14/15)	15,000

Manager	Cost Centre	Cost Centre Description	Item	Reason	Bids for Jan 2012 Cabinet £
AH	28001	Parks & Gardens	Roman wway bridge - the bridge has been present for over 15 years and weathering has taken effect. The main beams and decking have rotted out and are in need of replacement as they are past the point of repair. At some point they will fail, leaving EDDC liable to a claim.	The bridge will need to be closed and pedestrian diversion signs put up as and when the decking boards start to fail - may result in complaints from residents.	14,000
CP	39010	Arts Development	Museums Officer contribution	Part of a national programme that will enable a Museums Development Officer to lever funding from many sources such as lottery, MiL to help support East Devon's museums with exhibitions, volunteer training and deliver projects such as Jurassic Coast arts programme to engage young people as part of a youth volunteering programme. This is an important part of the wider delivery of the Culture programme across the district and assisting the promotion of all our local museums.	1,500
CP	36030	Countryside Team	Staff Costs - currently two fixed term post, make them permanent.	The 2 posts are currently fixed term until January 2012. Growth of Service activities makes it essential to appoint both posts for delivery of the Education programmes with schools, public events growth, supporting the new volunteer network & the huge demands of the Axe Wetlands & Nature reserves management. If this is not in place we will have to significantly reduce delivery on all these programmes which would be detrimental to all the public facing work the team does. Posts will be funded by savings from Education Ranger vacant post (bottom of scale) £2,800 plus agreed contributions received of £18,500 from DCC, Natural England and fees for schools/public. EDDC net costs £19,204; 12/13 & 13/14 = £15k and 14/15 = £11k. 2015/16 onwards should be self fund. This equates to £9.5K contribution per post for 12/13 which is seen as good value.	23,204
MD	43411	Planning Policy	Neighbourhood Plan Referendum	Referendum and communication costs	50,000
MW	46080	Civic Fund	Queen's Diamond Jubilee	Scheme/project to be decided	5,000
MW	1607?	Financial Assistance	Contribution towards WWII Battle of Britain Exeter Airfield	Community Contribution	2,000
KJ	53023	Local Apprenticeships	2 Apprentices	Budget for 2 apprentices working within two services and hopefully linking to future employment opportunities at the Council.	6,000

Manager	Cost Centre	Cost Centre Description	Item	Reason	Bids for Jan 2012 Cabinet £
CPowell	53030	ICT	Additional Post	Notwithstanding the likelihood of this request not being approved, I thought it worthwhile bringing to members attention the performance of the Business Solutions Team. While demands upon this team from internal customers has remained steady over the last year, capacity to deliver and performance have decreased. Customers are more frustrated than ever at having change requests they consider important to the workings of their service sat on a "to do" list and not being allocated resources.	28,786
CPowell	53030	ICT	Information security Systems monitoring for servers	A CoCo security requirement is to monitor and react to incidents identified within server log files. These files are simply long lists of detailed server activity and it is almost impossible to sift out the important security concerns, such as repeated log in attempts by outside services. This is compounded by having 90 servers to monitor. This system manages all the log inputs, filters out the important ones, and sends appropriate alerts when something is amiss and enables compliance with CoCo.	10,000
KJ	57221	Human Resources	Investors in People (Reaccreditation)	Over 30,000 UK organisations are recognised as Investors in People covering a wide spectrum of UK industries. The practical benefits of keeping and continuously achieving the standard are many including engendering pride in working for an accredited Council and an external endorsement that we have a cohesive approach to our people processes ensuring we achieve better job satisfaction, improved development and great customer satisfaction.	5,500
RC	New	Regeneration	Town centre renewal and resilience strategies £30k for each of 3 years	Axminster town centre, Honiton – Visioning, high street and public realm, Sidmouth Port Royal.	30,000
SS	New	Coast Protection	Pennington Point	Carry out proposed study and assess scope for agreeing with English Nature and others proposed works to protect the cliff from erosion at Pennington Point. Sum requested is a net figure with contributions expected	25,000
Councillor Ian Thomas	New	Corporate	Marketing post - making best use of technology	There is a requirement to continually explore initiatives that make savings for the Council in order to balance the budgets going forward. This could be away to help with this objective but details of the proposal do need determining.	No actual request

Manager	Cost Centre	Cost Centre Description	Item	Reason	Bids for Jan 2012 Cabinet £
SS		Recycling	Possible roll out cardboard recycling	EDDC would like to move towards proving this service. However, detailed consultation with SITA and lead times for operational changes (extra vehicles, staff etc) will mean details not available for 2012/13 budget process. Currently financial resources are restricted in terms of adding additional costs on an annual basis to our budget as such scheme is likely to do; for consideration in 2013/14 budget with details being considered in 2012/13.	No actual request
TOTAL					306,600