

Taunton Deane Borough Council

Executive – 10 February 2011

General Fund Revenue Estimates 2011/12

Report of the Financial Services Manager

(This matter is the responsibility of the Leader of the Council, Councillor John Williams)

1 Executive Summary

This report presents the Executive's final 2011/12 budget proposals. These are submitted for approval for recommendation to Full Council on 22 February 2011. The report contains details of:

- i) The General Fund Revenue Budget proposals for 2011/12
- ii) A proposed Council Tax Freeze in 2011/12
- iii) Draft figures on the projected financial position of the Council for the subsequent four years within the Medium Term Financial Plan to 2015/16.

2 Background

- 2.1 The purpose of this report is for the Executive to present its final General Fund Revenue Budget proposals for 2011/12.
- 2.2 Each year the Council sets an annual budget which details the resources needed to meet operational requirements. The annual budget is prepared within the context of the Medium Term Financial Plan (MTFP) – which provides more of a forward look to resource planning and encourages Councils to plan their finances further forward than just one year. The MTFP includes the 2011/12 proposals within a 5-year rolling forecast.
- 2.3 Full Council agreed a Budget Strategy on 5 October 2010. This was agreed in the face of unprecedented financial challenges and uncertainty and the need to adopt a robust but flexible budget strategy to deal with the tightening economic and funding conditions. The strategy can be summarised as follows:
 - Plan for a 40% reduction in grant over four years
 - Adopt a strategic approach that requires managers to review spending and offer choices of savings that could be delivered over a four year period
 - Be flexible to enable some services to deliver savings earlier than others, and consider investment in order to realise longer term savings

- Support the flexible approach by using reserves to smooth the impact of cuts over the four year period
- Look for innovative ways to deliver and charge for services
- Be clear on priorities and undertake a thorough review of the existing stance on service area priorities
- Undertake a complete review of the Corporate Strategy in the summer of 2011 once priorities have been finalised.
- Adopt a more “traditional” savings plan approach to setting 2011/12 Budget.

2.4 Savings Delivery Plans and proposed Fees & Charges were reviewed by Corporate Scrutiny on 18 November 2010, and approved by Executive on 1 December. Since then the Provisional Finance Settlement was issued by the Coalition Government on 13 December. These items were explained in some detail to all Councillors as part of the Draft Budget Consultation Pack issued on 22 December.

2.5 The Executive continued to finalise proposals for the budget, and the updated draft of these were presented to Corporate Scrutiny on 27 January 2011 for comment. Comments from that Committee are included within this report.

2.6 Since the Corporate Scrutiny meeting, the Final Settlement on the formula grant from central government has been received, and there have also been emerging issues which have needed to be addressed by the Executive. Details of these are included in this report.

3 The Robustness of the Budget Process

3.1 The Local Government Act 2003 (Clause 25) requires a report on the adequacy of the Council’s financial reserves; this Act also introduces a requirement for the S151 Officer to report on the robustness of the budget plans. Both of these elements are included in the Strategic Director’s/S151 Officers Statement which is included in Appendix I of this report.

4 General Fund Grant Settlement

4.1 The General Fund Revenue Account is the Council’s main fund and shows the income and expenditure relating to the provision of services which residents, visitors and businesses all have access to including Planning, Environmental Services, Car Parks, Leisure Services, certain Housing functions, Community Services and Corporate Services.

4.2 The Council charges individual consumers for some of its services, which means that less has to be funded from local taxpayers and central Government. The expenditure that remains is funded by central government via the Revenue Support Grant and Business Rates, and the Council Taxpayer.

4.3 Details of the Provisional Finance Settlement were issued by CLG on Monday 13 December 2010, and it was on this basis that the

settlement information was included in the report to Corporate Scrutiny on 27 January 2011. The **Final Settlement was received on 31 January**. The funding position is better than the provisional settlement for 2011/12, but worse for 2012/13. When the Comprehensive Spending Review (CSR) headlines were announced on 20 October this was set out in the basis of a four year Review period. However, the funding information issued by CLG in the Final Settlement (as was the case with the Provisional Settlement) only covers the next two financial years – 2011/12 and 2012/13. This makes longer term financial planning more difficult.

- 4.4 The Final Settlement for TDBC represents a cut to funding of 13.2% and 12.0% in 2011/12 and 2012/13 respectively (compared to 13.7% and 10.6% as per the Provisional Settlement position). The funding settlement includes a 'Base Adjustment' to the grant, which is largely due to the transfer of concessionary travel responsibility and funding to upper tier authorities, i.e. for Somerset, the County Council.
- 4.5 The following table provides a summary of the final grant, and compares to the provisional settlement detail included in the report to Corporate Scrutiny on 27 January.

	2011/12 £'000		2012/13 £'000	
2010/11 Funding	8,721			
Base Adjustment 2011/12	-1,831	-21.0%		
Adjusted 2011/12 Base	6,890		5,981	
Funding Reduction	-909	-13.2%	-719	-12.0%
Final Settlement	5,981		5,262	
<i>Note:</i>				
Provisional Settlement was:	5,944		5,316	
Final v Provisional difference	+37		-54	

- 4.6 The following table provides a summary of the final settlement to the authorities within Somerset, for comparative purposes.

RSG/NNDR Increases 2010/11 to 2011/12

	Adjusted 2010/11* £m	2011/12 £m	Decrease %	£ Per Population
Mendip	7.296	6.260	14.20	56.85
Sedgemoor	8.984	7.798	13.20	67.91
South Somerset	9.114	7.730	15.19	47.70
Taunton Deane	6.890	5.981	13.19	54.09
West Somerset	2.915	2.530	13.21	70.80
Somerset CC	146.893	130.158	11.39	244.07
Districts Average			13.80	59.47

*Note the 2010/11 figures have been adjusted for changes in the funding formula e.g.

transfer of concessionary travel to upper tier authorities.

5 Council Tax Freeze

Proposed Council Tax Increase = 0%

- 5.1 The Executive is minded to propose a **Council Tax Freeze** for 2011/12.
- 5.2 The council tax calculation and formal setting resolution is included in a separate report on the agenda for tonight's Executive. A Council Tax Freeze would mean that the **Band D Council Tax** would remain at **£135.19**. The Band D taxpayer would therefore receive all the services provided by the Borough Council in 2011/12 at a cost of £2.59 per week.
- 5.3 As part of the Finance Settlement the Government have incentivised local authorities to voluntarily freeze Council Tax in 2011/12, by offering a grant equivalent to a 2.5% Council Tax increase. TDBC can expect to receive a grant of approximately £136,000.
- 5.4 The government has indicated that the grant could be paid "for the whole of the Review Period". We have therefore assumed in the MTFP that the grant will be received in 2011/12 plus the following three years.
- 5.5 The longer term impact is shown in the following table. As you can see, adopting a Council Tax freeze in 2011/12 would have an impact on the Council's base budget position in 5 year's time, therefore the Council would need to plan for the assumed loss of this grant in future via the longer term Budget Strategy.

	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000
Effect of 2.5% Council Tax increase in 2011/12	136	136	136	136	136
Effect of Council Tax Freeze Grant	136	136	136	136	0
Difference	0	0	0	0	-136

6 The Executive's Budget Proposals 2011/12

- 6.1 The Budget Proposals for 2011/12 incorporate the impact of cuts in government funding and the measures that are proposed to address the overall budget gap in line with the approved Budget Strategy.
- 6.2 The budget gap position has been reported to all Councillors at various points in the budget setting process. The position reported to Executive on 1 December 2010 showed a Budget Gap of £1.151m. Members were issued with a Draft Budget Consultation Pack in December which included proposals that would significantly close the gap to £132,000.

6.3 The following table shows the changes to the proposed budgets between the Draft Budget position reported to Executive on 1 December 2010 and the updated Draft Budget reported to Corporate Scrutiny on 27 January 2011.

	Change £000	Gap £000
A Previous Gap – Executive 1 December		1,151
B Provisional Revenue Grant settlement	340	1,491
C Additional Cost Pressures		
Housing Benefit & Council Tax Admin Grant	91	1,582
Various changes moving to detailed estimates	47	1,629
D Proposed increases in fees and charges	-358	1,271
E Savings Delivery Plans (Public Acceptability 1&2)	-1,047	224
F Other savings		
Council Tax Base increase	-17	207
Waste services contract price provision	-75	132
G Estimated Budget Gap as at 22 December 2010 (per Members' Draft Budget Consultation Pack)		132
H Further Changes:		
Proposed Council Tax Freeze	136	268
Council Tax Freeze Grant from Government	-136	132
Maintenance of Pop Up Urinal in Taunton High St	4	136
Youth Initiatives - One-off in 11/12	10	146
Building Preservation Trust grant	1	147
Yearbook and diary savings plan item removed	1	148
Employee benefits and travel allowances	-20	128
Planning Fees	-70	58
Court Costs Recovery	-50	8
Updated Collection Fund Deficit Forecast	-26	-18
Reduce Deane Helpline contribution to Gen Fund	26	8
Movement in Support Service Recharges	-88	-80
Revenue Contribution to Capital (RCCO)	80	0
Estimated Budget Gap 13 January 2011		0
RCCO – New Schemes from General Reserves	49	49
Use of General Reserves for One-off RCCO	-49	-49
Budget Gap - Corporate Scrutiny 27 Jan 2011		0

6.4 Subsequent to the position reported to Corporate Scrutiny there have been three significant new pieces of information that have needed to be considered as a matter of urgency by the Executive:

- The final settlement information has been received;
- A budget 'error' has been found related to double-counting of recharges income
- Improvements to business processes have helped to identify an updated position on the Deane Helpline budget, highlighting a projected financial deficit in 2011/12.

6.5 The following table identifies the impact of the changes and the measures identified by the Executive to balance the resultant budget gap position. The table also includes modest investment in new initiatives that the Executive are minded to support. Further explanation of the changes in the tables above and below is included in the remainder of this report, and a full reconciliation of the Budget Requirement is included in Appendix D.

Budget Updates Since 27 January Corporate Scrutiny Report

	Change £000	Gap £000
Budget Gap as at 27 January 2011		0
Budget error – recharges	150	150
Deane Helpline Trading Account	154	304
Final Finance Settlement	-37	267
Remove budget re the Pop up Urinal	-4	263
Taunton High St improvements	4	267
Funding to support projects emerging from the Priority Areas Strategy and Action Plan	10	277
Support for rural post offices and shops	8	285
Updated pay award assumption	-70	215
Vacancy Factor (0.75%)	-61	154
Use of General Reserves for Deane Helpline	-154	0
Final Budget Gap		0

6.6 *Final Grant Settlement*

6.6.1 As set out on paragraph 4 above, the final funding settlement was received on 31 January, where the 2011/12 general grant from government was confirmed to be £5,981k. This is £37k better than the funding position in the Provisional Settlement, but still represents a **funding reduction of 13.2%**. Initial estimates within the MTFP had assumed a reduction of 10%; the higher cut means the grant is £303,000 worse than initially estimated.

6.7 *Housing Benefit and Council Tax Benefit Admin Grant*

6.7.1 The grant allocated to TDBC for 2011/12 is £783,000, which is £91,000 less than the allocation for 2010/11. The allocation for 2010/11 included additional one-off funding for anticipated increased administration costs caused by the recession. The Provisional Settlement information received in December indicates that the grant has been reduced for 2011/12, but this had not been previously removed from the MTFP. Funding for 2012/13 is not likely to be confirmed by the Department for Work and Pensions (DWP) until September 2011.

6.8 ***Fees and Charges***

- 6.8.1 On 1 December 2010, the Executive agreed a recommendation to Full Council to increase fees and charges for a number of services that would generate an increase to income budgets of £58,000. The budgeted increases apply to cemeteries and cremation, pre-planning advice and licensing.
- 6.8.2 In addition, the TRO Panel on 5 January 2011 agreed a range of proposed increases to parking charges. The proposed increases continue to support the Transport Strategy, and will generate an estimated £300,000 additional income in 2011/12.
- 6.8.3 The Government published a consultation on proposed changes to planning application fees in November 2010, and this consultation ended on 7 January 2011. A briefing note is included in Appendix A to this report, to provide background information on the consultation. It would appear highly unlikely that regulations will be published in time for new fees to be set from April 2011; it is more likely that any changes would apply from this summer. However, for budget setting purposes it is estimated that the Council can prudently allow for an additional £70,000 income in 2011/12.
- 6.8.4 A separate report is included on the agenda related to recovery of court costs. Where the Council incurs court costs as part of recovery action for unpaid debts it is entitled to recover these from the debtor. At present the Council does not recover the full cost of collection, therefore this is effectively subsidised by the tax payer. It is recommended that charges to recover court costs are increased to better reflect the true costs. If approved, it is estimated that a further £50,000 income can be included in the Proposed Budget.

6.9 ***Savings Delivery Plans***

- 6.9.1 On 1 December the Executive were minded to approve a recommendation to accept savings options that were assessed as Public Acceptability 1 and 2. There is one minor change to these (see 6.17 below) which means that the savings options totalling £1.046m are proposed. These plans have been widely reported and debated at Corporate Scrutiny and Executive committees; however for Members' convenience these are included again in this report in Appendix G and Confidential Appendix J. Equalities impact assessments have been undertaken for all items included in the Savings Plans, and these are included in Appendix H and Confidential Appendix K.

	Savings Proposed £k	Exec Minded to Approve £k
Public Category 1 Items	593	592
Public Category 2 Items	454	454
Public Category 3 Items	122	0
Total Savings	1,169	1,046

6.10 ***Council Tax Base and Council Tax Freeze***

6.10.1 The Council Tax Base approved by Executive on 19 January 2011 is 40,390.60. The estimated total Council Tax generated within the district is therefore £17,000 higher than initial estimates within the Medium Term Financial Plan, based on a 2.5% tax increase.

6.10.2 The movement in the budget gap shown above also includes the impact of the proposed Council Tax Freeze, and the related Grant from the Government that offsets the impact, as set out in section 5 of this report.

6.11 ***Waste Services***

6.11.1 The council has previously held a budget to provide funding for investment in plant and equipment (e.g. bring banks, new and replacement bins, etc), and to provide for some anticipated volatility in the contract price for waste services as the phased move to Sort It+ by other districts in Somerset continues. The budget requirement has been reassessed following the expected move to full rollout of Sort It+ across the County, which will deliver a budget saving of £75,000.

6.11.2 The initial MTFP Budget Gap had already taken into account estimated contract price inflation of £245,000, which was significantly offset by £212,000 efficiency savings passed through to the Council based on the full roll out to Sort It+ by all districts in Somerset. The £75,000 savings identified in the previous paragraph are in addition to this £212,000 saving.

6.12 ***Taunton High Street***

6.12.1 Since its installation the Taunton Town Centre Company (TTCC) has funded the cleaning/maintenance of the 'pop up urinal' in Taunton High Street. TDBC's savings plans include a proposed 10% reduction in the contribution to TTCC, but the TTCC have therefore indicated they will no longer be able to afford to maintain this urinal, which costs approximately £4,000 per year.

6.12.2 There has been considerable debate by Members about this facility. Following further consideration, the Executive are minded to propose a budget increase for maintaining/improving the Taunton High Street environment. It is planned to consult with traders and the TTCC regarding the priorities for this budget, to determine whether

maintaining the pop up urinal facility or some alternative investment in the High Street is the priority.

6.13 *Priority Areas Strategy Initiatives*

6.13.1 The Council and its key partners are making good progress on the development of the Priority Areas Strategy, with updates provided to members' via the Members Briefing and regular reports to Community Scrutiny. The Priority Areas Strategy and Action Plan (North Taunton / Taunton East) will be published this autumn and the Executive is minded to create a new budget of £10,000 to contribute to multi-agency projects to support its delivery.

6.14 *Support for Rural Post Offices and Shops*

6.14.1 The Executive is minded to support the creation of a new budget of £8,000 to provide support for promotion of rural post offices and shops. This budget could be used in a variety of ways, and our Economic Development team will drive this forward.

6.15 *Youth Initiatives*

6.15.1 The budget gap position reported to Executive on 1 December 2010 assumed the Youth Initiatives budget would be £20,000 in 2011/12. It is proposed to increase this to £30,000 comprising:

- £15,000 funded from Special Expenses (see 8.1.1 below)
- £15,000 a further one-off allocation in 2011/12 from existing budget (in 2010/11, £10,000 of this amount was funded from reserves)

6.16 *Somerset Building Preservation Trust Grant*

6.16.1 The Somerset Building Preservation Trust undertakes work to restore and bring historic buildings back into use. It is proposed to re-establish an annual grant of £1,500 to the Trust in the 2011/12 budget.

6.17 *Yearbook and Diary*

6.17.1 The Executive are minded not to support the savings plan option to delete the budget for the Yearbook and Diary. This means that £1,500 would be added back to the proposed budget.

6.18 *Employee Benefits and Travel Allowances*

6.18.1 The Council is currently consulting with UNISON on changes to allowances for staff travel and is proposing to discontinue funding for a healthcare scheme. These will deliver a combined estimated budget saving of £20,000 in 2011/12, rising to £50,000 per year from 2012/13 onwards.

6.19 ***Employee Pay Award***

6.19.1 Through the Q3 Budget Monitoring process, and following advice from the Retained HR Manager, it is now the Council's management view that the pay award of 0% will be the basis of the outturn for the current financial year. On this basis, very recently the budget requirement for staff costs in 2011/12 has been reassessed and it is proposed that a further budget saving of £70,000 is incorporated.

6.20 ***Vacancy Factor***

6.20.1 Currently the detailed staff budgets make no allowance for vacancies. There is a strong case for building in some recognition that there will be periods where posts are vacant through staff turnover and the normal timeline for recruitment of replacement staff. In budget terms this is a reasonable item for financial planning, and managers would prioritise interim recruitment in the highest priority areas to ensure key frontline services are not adversely affected.

6.21 ***Collection Fund Deficit Share***

6.21.1 The Collection Fund year end forecast is updated each year as at 15 January. This forecast forms the basis of the amount of surplus or deficit that is to be paid to or from the precepting authorities in the following year. The updated forecast deficit for 2010/11 shows an improvement compared to earlier estimates with TDBC's deficit share reducing to £71,800, which means the budget can be reduced by £25,860.

6.22 ***Deane Helpline Trading Account***

6.22.1 Please refer to 8.3 below for further background and supporting information in respect of this item.

6.23 ***Support Services***

6.23.1 Finance officers have been working with managers to review the allocation of support services and other recharged costs, to bring the basis of allocation up to date (e.g. to reflect changes in organisation structure following the Core Council Review). The report to Corporate Scrutiny included an overall benefit to the General Fund of £88,000.

6.23.2 Regrettably, after the draft budget position was reported to Corporate Scrutiny, an error in the budget worksheets has been discovered where £150,000 of recharge income has been double-counted. There was an underlying 'historic' coding inaccuracy which has now been corrected, which should prevent this type of error from re-occurring in future.

6.23.3 Finance officers will continue to work with service managers to refine the methodology in future and to ensure there is a good understanding of the rationale behind the basis of allocating these costs.

6.24 **Revenue Contribution to Capital Outlay**

6.24.1 There is a separate Capital Programme Report included on the agenda for this meeting. This highlights the significant financial challenge to present a fully funded programme for 2011/12 as a result of a reduction in central government support (grant and supported borrowing) amounting to £1.08m.

6.25 The Savings Plans submitted as part of the budget round included a proposal to remove the £190,000 RCCO contribution for one year in 2011/12. It is proposed to allocate £80,000 revenue funding to support the identified priorities in the overall Proposed Capital Programme. It is also proposed to allocate a further £49,000 in order to fund two new schemes, to be met from general reserves, thus enabling the Council to allocate existing capital resources to fund housing capital priorities.

7 **Other Significant Budget Changes**

7.1 **Inflation**

7.1.1 The budget estimates for 2011/12 (before growth and savings) have been based on the following assumptions for inflation.

	Assumed Inflation	Non-contract inflation	Assumed Inflation
Council Tax Base	-0.02%	Electricity	10.0%
Pay Award/Increments	0%	Gas	10.0%
Members' Allowances	0%	NNDR	6.3%
Superannuation Rate (from 15% to 16.1%)	7.3%	Water	10.0%
		Insurance	3.0%
		Other	2.3%

7.1.2 These general inflationary increases add £327,000 to the budget requirement for 2011/12.

7.2 **Concessionary Travel**

7.2.1 The provision of concessionary travel services is transferring to upper tier and county authorities from April 2011/12. The TDBC formula grant has been adjusted to remove funding in our grant settlement totalling £1,789,550, based on the Net Revenue Expenditure Outturn in 2009/10.

7.3 **VAT**

7.3.1 The impact of the VAT increase from January 2011 was taken into account in the initial MTFP Budget Gap. This was estimated to reduce the non-VAT proportion of parking income retained by the Council by £100,000 per year.

7.4 ***Southwest One Contract***

7.4.1 The Council benefits from efficiency savings achieved by Southwest One. This results in cost savings for the Council of £97,000 in 2011/12.

7.5 ***Investments, Borrowing and Capital Financing Costs***

7.5.1 The Council manages its investment and borrowing activity in line with the Treasury Management Strategy, and controls this activity through the application of the approved Treasury Management Practices.

7.5.2 Movement in interest rates has a direct impact on the revenue budget for the Council. The trend of low interest rates is predicted to continue with a marginal increase in the latter part of 2011/12. The Council is taking advantage of low variable rate borrowing with a positive impact on the revenue budget. Although borrowing costs are lower, investment interest income is expected to remain low. Overall the level of interest costs and income estimates are broadly the same as for the current financial year therefore no change to the base budget is proposed.

7.5.3 Where the Council undertakes prudential borrowing, the repayment of the borrowing is a charge to the revenue account. This is known as Minimum Revenue Provision (MRP). The MRP budget is increasing by £28,000 in 2011/12, reflecting the current estimate of the Capital Financing Requirement.

8 **Other Items**

8.1 ***Special Expenses – Taunton Unparished Area***

8.1.1 The special expenses represent costs specifically arising in the unparished area of Taunton. The proposed budget for 2011/12 is £46,820, which represents a 0% increase in the special expenses per Band D equivalent of £2.92 per property per year in the unparished area.

- £15,000 for Youth Initiatives
- £31,820 for minor works and capital projects

8.1.2 The use of this budget is subject to a bid process during the year, and details of the allocation of funds will be included as part of the year end outturn reporting to Executive in June each year.

8.2 ***DLO Trading Account***

8.2.1 Members will be aware that the DLO is in the middle of an Internal Transformation project. Certain cost reductions and efficiencies have been taken into account within the Savings Plans. In addition, through the updating of the Client, DLO Management and Business Support functions, the direct costs and support services recharges budgets have been updated to reflect the latest position. Overall, the DLO is budgeting to make a surplus of £101,000, as summarised in the table below. This is an increase of £28,000 compared to the current financial

year reflecting the above changes.

8.2.2 There is also a proposed budget in 2011/12 Capital Programme for vehicle replacement, to be funded from DLO reserves.

8.2.3 The forecast reserves position at the end of 2011/12 is currently a healthy £419,000.

<i>DLO Trading Unit Estimates for 2011/12</i>	Costs £000	Income £000	Net £000
Highways	662	-682	-20
Grounds	2,665	-2,707	-42
Building	4,041	-4,057	-16
Cleansing	777	-778	-1
Nursery	82	-110	-28
Transport	123	-117	6
Grand Totals	8,350	-8,451	-101

<i>DLO Trading Account Reserves 2011/12</i>	2011/12 £000
Estimated Reserve Balance Brought Forward	569
Estimated Surplus for the Year	101
Capital Financing – Vehicle Replacement	-150
Budgeted Transfer to General Fund	-101
Estimated Balance Carried Forward	419

8.2.4 The Council has also set aside a separate DLO Transformation Reserve related to the internal transformation project that is currently underway. The balance on this reserve currently stands at £226,000, before taking into account costs incurred in 2010/11, which will be finalised at the end of the financial year.

8.3 ***Deane Helpline Trading Account***

8.3.1 The General Fund Base Budget includes a contribution from the Deane Helpline Trading Account to the General Fund of £80,000. This assumes that the Trading Account will deliver a surplus of at least that amount. There has been some uncertainty over the likelihood of achieving this level of contribution in arriving at the draft budget presented to Corporate Scrutiny on 27 January; therefore at that point it was proposed to reduce the contribution by £26,000, to £54,000 in 2011/12.

- 8.3.2 In setting the initial draft budget, it was proposed that charges for existing clients (both public and private sector) are increased by 4.6%, which is in line with the increases applied to service charges under the direction of the Government. This increases the weekly charges by 17 pence to £3.93. Charges for new clients are proposed to be set at £4.20.
- 8.3.3 Since the Corporate Scrutiny meeting, a further update on the financial position of the Deane Helpline has been completed. In light of updated information, there is now a significant risk of the service operating at a net cost (or deficit) of £75,000 in 2011/12, and there is a requirement to invest in the financial administration capacity within the service. It is therefore proposed to recognise this risk and 'investment-to-save' requirement by removing the remaining budgeted transfer of £54,000 from the Trading Account to the General Fund, and include a provision of £100,000 within the General Fund for the estimated deficit for next year. These factors have the effect of increasing the budget gap by £156,000.
- 8.3.4 The Core Council Review established essentially a two stage process for this service, firstly, to deal with some immediately pressing issues, and secondly to undertake a more detailed analysis of the financial and business transactional elements of this service to allow greater confidence in its financial position and to see if further income could be derived from its operation. In early 2010, the first stage was completed by recruiting to the vacant Control Centre Manager position and by addressing one particular external contract that was proving problematical and financially not viable.
- 8.3.5 Since this time more work has been underway on stage two of this process. The financial position of this trading account has now been made more transparent than it has ever been with better understanding of the true income position and a more realistic assessment of operating expenditure. In addition, the introduction of SAP technology has highlighted some areas where day to day financial controls can be improved. Unfortunately this work and the controls forced on the service by SAP, has unveiled the fact that the service is operating at an underlying trading deficit of £75,000 per year.
- 8.3.6 As stated above, the initial draft budget had forecast that this service would generate a surplus of £56,000k, and £54,000 of this sum was to be transferred to the general fund leaving a small residual 'trading reserve' balance. This surplus will no longer be delivered.
- 8.3.7 The application of more robust and effective management for the service has also increased expenditure forecasts in some areas. For example, it is clear that the service needs additional financial administrative support to maintain robust administration of financial controls to underpin the delivery of the service to its 2000 customers. The estimated cost of this additional administration is approximately £25,000.

8.3.8 With better information available on the real costs and income position for this service more work is required with members to look for a sustainable business model for this service. Even with these business challenges the service continues to operate its very high standard of service delivery to many vulnerable clients in the community and has received very high levels of external accreditation for its telecare services.

8.3.9 The summary trading account position is therefore as follows:

<i>Deane Helpline Trading Unit Estimates for 2011/12</i>	£000
Costs	980
Income	-880
Estimated deficit	100
Met by: Provision for Transfer from the General Fund	-100

9 Corporate Scrutiny Comments

9.1 The Corporate Scrutiny Board considered the Executive's draft budget proposals at their meeting on 27 January 2011. There were two specific recommendations from the Board:

- That the Executive reconsider the budget saving of £29,500 to remove the funding for the PCSO. Members were concerned about the potential reduction in support for Trading Standards activities on prevention of sale of alcohol to under-age people, and support for young people and families dealing with anti-social behaviour issues. No specific alternative budget savings were recommended.
- That the Executive reconsider the proposal to take over the maintenance of the pop up urinal in Taunton High Street which is budgeted to cost £4,000.

9.2 In addition to the above specific recommendations, concerns and comments were noted with regard to:

- Savings Plan Item T4-03 CCTV: Although the benefits of operating CCTV were recognised, it was suggested that increasing the saving to 10% of the current budget could be implemented.
- Savings Plan Item T3-10 Tree Maintenance: Concerns were raised about the potential impact of this budget reduction.
- Savings Plan Item T1-09 Sergeant of Mace: Concerns were raised about the potential impact of this budget reduction.

9.3 Corporate Scrutiny also agreed the recommendation to support the increase in Court Fees, which is subject of a separate report on the agenda for this Executive meeting (see also 6.7.4 above).

10 General Fund Proposed Budget Summary 2011/12

10.1 The following table compares the proposed budget with the original budget for the current year. The table has been completed based on a 0% Council Tax increase for 2011/12 as recommended earlier in this report.

	Original Estimate 2010/11 £	Forward Estimate 2011/12 £
Total Spending on Services	15,389,730	12,810,430
Capital Charges Credit	(1,930,000)	(1,930,000)
Interest payable on Loans	226,430	226,430
Minimum Revenue Provision	342,500	370,500
Interest Income	(69,000)	(69,000)
Less: Council Tax Freeze Grant	0	(136,000)
Transfer to Reserves – Previous Years commitments	90,820	300,700
Transfer from Reserve – RCCO 2011/12		(49,000)
Transfer from Reserves – Deane Helpline		(154,000)
AUTHORITY EXPENDITURE	14,050,480	11,370,060
Less: Revenue Support Grant	(1,105,826)	(1,412,330)
Less: Contribution from NNDR Pool	(7,615,394)	(4,569,120)
Surplus/Deficit on Collection Fund	130,210	71,800
Expenditure to be financed by District Council Tax	5,459,470	5,460,410
Divided by Council Tax Base	40,384.49	40,390.60
Council Tax @ Band D	£135.19	£135.19
Cost per week per Band D equivalent	£2.59	£2.59

10.2 The above figures do not include Parish Precepts or Special Expenses.

11 Medium Term Financial Plan Summary

11.1 The Council prepares its annual budget within the context of the Medium Term Financial Plan. This provides estimates of the budget requirement and budget gap into future years. The following table provides a summary of the current indicative MTFP.

	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m
Net Expenditure	11.578	12.237	14.092	14.876	15.609
<i>Financed By:</i>					
External Government Support	5.981	5.353	4.736	4.263	4.369
Council Tax Freeze Grant	0.136	0.136	0.136	0.136	0
Council Tax	5.461	5.598	5.738	5.881	6.028
Predicted Budget Gap	0	1.240	3.482	4.596	5.212

11.2 The above estimates include the following **assumptions** related to funding:

- Government Grant is reduced by the following rates: 2011/12 by 13.2%, 12/13 by 12.0%, 13/14 by 10% and 14/15 by 10%. A 2.5% increase is assumed for 2015/16.
- Council Tax Freeze Grant relating to 2011/12 will be receivable for four years.
- Council Tax increases by 2.5% each year from 2012/13.

11.3 The Council considers its reserves position as part of the overall financial framework that underpins the Budget Strategy. This framework includes an acceptable minimum reserves position of £1.25m, or £1.0m if funds are allocated to 'invest to save' initiatives. The Proposed Budget for 2011/12 will maintain reserves well above this minimum, but the MTFP shows that the Council is expected to face significant financial pressures in the medium term as shown in the following table.

General Reserves Forecast

	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m
Estimated Balance B/F	2.163	2.261	1.061	-2.421	-7.017
Transfers – Previous Years commitments	0.301	0.040	0	0	0
RCCO in 2011/12	-0.049	0	0	0	0
Deane Helpline 2011/12	-0.154				
Predicted Budget Gap	0	-1.240	-3.482	-4.596	-5.212
Estimated Balance C/F	2.261	1.061	-2.421	-7.017	-12.229

11.4 Beyond 2011/12, the MTFP includes anticipated inflationary pressures related to staffing pay awards, price inflation on services and major contracts, and possible further cuts in government funding (per 11.2 above). There is also a significant estimated reduction of parking income (£1.2m) in 2013/14 linked to Project Taunton town centre developments. The Project Taunton team are investigating ways of mitigating this potential impact on the Budget. The MTFP does not currently include any assumptions for future income generation from new or increased fees and charges, or savings in service budgets.

11.5 In line with the approved Budget Strategy, the Council is launching a

Budget Review Programme which will lead to the creation of a four year funding plan designed to address the financial challenges ahead.

12 Earmarked Reserves

- 12.1 In addition to the General Fund Reserve Taunton Deane Borough Council holds earmarked reserves, which are amounts set aside for specific reasons. These reserves are forecast to total £6m as at 31 March 2011 and are detailed in Appendix F.

13 Prudential Indicators 2009/10 to 2012/13

- 13.1 As part of the Prudential Code for Capital Finance there is a requirement for Full Council to approve the indicators as shown in Appendix E. The Prudential Indicators are important as they detail the expected borrowing requirement for both the General Fund and the Housing Revenue Account. They also set the operational boundaries for borrowing and investment levels and the interest rate exposure for the Council.

14 Finance Comments

- 14.1 This is a finance report and there are no additional comments.

15 Legal Comments

- 15.1 Managers have considered legal implications in arriving at the proposed budget for 2011/12.

16 Links to Corporate Aims

- 16.1 The budget for 2011/12 will have links to the Corporate Aims.

17 Environmental and Community Safety Implications

- 17.1 Managers have considered environmental and community safety implications in arriving at the proposed budget for 2011/12.

18 Equalities Impact

- 18.1 Equalities Impact Assessments have been undertaken on proposed budget savings items and other key changes within the proposed budget. Appendix G and Confidential Appendix I include copies of the assessments undertaken, and Members are requested to consider these assessments in confirming the recommended budget proposals for 2011/12.

19 Risk Management

- 19.1 The risks associated with the proposed budget have been considered by managers in formulating the recommended changes as incorporated in this report. In addition, the overall assumptions, risks

and uncertainties have been considered and are commented on within the S151 Officer's Robustness Statement which is included in Appendix I of this report.

20 Partnership Implications

- 20.1 Southwest One delivers Financial Services to the Council, including accountancy advice, which directly contributes to the production of the MTFP and budget estimates.
- 20.2 Where budget options impact on services delivered to or on behalf of the Council by strategic partners (e.g. Tone Leisure) these are clearly presented within the report.

21 Recommendations

- 21.1 The Executive is asked to recommend to Full Council the budget for General Fund services for 2011/12 as outlined above. In particular the Executive is requested to recommend to Full Council to:
 - a) Approve the transfer of any potential underspend in 2010/11 to the General Fund reserves.
 - b) To consider the equalities impact assessments provided in the report and appendices as part of the budget decision process.
 - c) Approve the General Fund Revenue Budget 2011/12, and recommend approval of the same to Full Council, being Authority expenditure of £11,370,060 and Special Expenses of £46,820 in accordance with the Local Government Act 1992.
 - d) Note the projected General Fund Reserve balance of £2.26m in 2011/12.
 - e) Note the forecast budget position within the Medium Term Financial Plan.
 - f) Recommend the Prudential Indicators for 2011/12, as set out in Appendix E, for approval by Full Council.

IMPORTANT – PLEASE NOTE:

In order for this item to be debated in the most efficient manner at the Executive Board, Members who have queries with any aspect of the report are requested to contact the appropriate officer(s) named above before the meeting.

Background Papers

Corporate Scrutiny 21 October 2010 – Budget Strategy 2011/12

Corporate Scrutiny 18 November 2010 – MTFP Update and Savings Plans 2011/12

Executive 1 December 2010 – Budget Update and Savings Delivery Plans

Executive 1 December 2010 – Fees and Charges

Corporate Scrutiny 27 January 2011 – General Fund Budget 2011/12

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Proposals for changes to planning application fees

- 1.1 The Government published a consultation on changes to planning application fees in November 2010. The consultation period ended on the 7th January.
- 1.2 Independent research commissioned by the government suggests that authorities are recovering around 90% of their costs and that whilst the national average fee for an application is £569 the average cost of processing an application is £619. The consensus among authorities in the South West is that the funding gap is considerably greater than this research suggests. In addition around 35% of resources are being allocated to dealing with applications which currently do not incur a fee (eg. Listed building, tree applications and resubmissions).
- 1.3 The government therefore proposes to decentralise responsibility for planning application fee setting to local planning authorities and to widen the scope of planning application fees so that authorities can charge for more of their services.
- 1.4 The consultation suggests three options:
 - **Option 1** Decentralising responsibility for setting planning application fees to local planning authorities (preferred option)
 - **Option 2** Decentralising responsibility for setting planning fees to local planning authorities, below a cap on maximum fee levels imposed by central government
 - **Option 3** Maintain the current system of centrally-set planning application fees, subject to a 10/15% increase in fee levels
- 1.5 If the preferred option is chosen transitional arrangements will allow local planning authorities to set their own fees from 1 April 2011, with the current fee regime ceasing to exist on 1 September 2011 (i.e. local fees will have to have been set by this date). In the case of the third option the rise would take effect on 1 April.
- 1.6 The principle behind the proposals is that the fee payable should reflect the overall cost of handling, administering and deciding the application, including related overheads. The exact scope for charging will not be able to be fully assessed until the regulations are published. Detailed analysis of Taunton Deane's costs will also be required in order to set the fee levels appropriately.
- 1.7 However, initial estimates suggest that implementation of the preferred option could result in an increase in income for Taunton Deane of approximately £200,000 per annum. As the consultation period has only just expired it would appear highly unlikely that regulations will be published in time for new fees to be set locally by 1 April. New fees for Taunton Deane would most likely come into effect from August 2011. The additional income for 2011/12 is therefore estimated as being £134,000. It is not possible to estimate the impact of option 2 as the

consultation does not suggest the likely cap figure. The estimated increase in income for 2011/12 resulting from Option 3 would be £70,000, and it is recommended to use this amount for budget setting purposes at this stage.

Contact Officer

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APPENDIX B

PROPOSED GENERAL FUND REVENUE BUDGET SUMMARY 2011/12

	Original Budget 2010/11 £	Current Budget 2010/11 £	Forward Estimate 2011/12 £
Service Portfolios			
Communications & Community Leadership	1,028,110	1,320,823	1,121,150
Corporate Resources	1,570,370	1,643,250	1,729,930
Economic Development & the Arts	1,085,750	954,570	836,870
Environmental Services	4,659,790	4,185,650	4,284,450
General Services	1,010,630	1,286,660	1,413,330
Housing Services	2,486,620	2,280,867	2,264,300
Planning Policy & Transportation	796,930	609,580	(1,365,540)
Sports, Parks & Leisure	2,751,530	2,699,900	2,541,960
Net Cost of Services	15,389,730	14,981,300	12,816,450
Other Operating Costs and Income			
Interest Payable and Debt Management Costs	226,430	226,430	226,430
Interest and Investment Income	(69,000)	(69,000)	(69,000)
Parish Precepts	421,940	421,940	442,380
Special Expenses	47,050	47,050	46,820
Total Other Operating Costs and Income	626,420	626,420	646,630
Transfers To/(From) Reserves			
Transfers To/(From) Earmarked Reserves	0	(74,550)	(149,500)
Capital Financing from GF Revenue (RCCO)	0	166,000	130,000
Repayment of Capital Borrowing (MRP)	342,500	342,500	370,500
Transfers to Capital Adjustment Account	(1,930,000)	(1,930,000)	(1,930,000)
Total Transfers To/(From) Reserves	(1,587,500)	(1,496,050)	(1,733,000)
NET EXPENDITURE BEFORE GRANTS AND TAXATION	14,428,650	14,111,670	11,898,080
Grants & Local Taxation			
Revenue Support Grant	(1,105,826)	(1,105,826)	(1,412,330)
Contribution from NNDR Pool	(7,615,394)	(7,615,394)	(4,569,120)
Area Based Grant	0	(28,820)	0
Council Tax Freeze Grant	0	0	(136,520)
Previous Year's Collection Fund Deficit/(Surplus)	130,210	130,210	71,800
Council Tax (Demand on Collection Fund)	(5,928,460)	(5,928,460)	(5,949,610)
Total Grants & Local Taxation	(14,519,470)	(14,548,290)	(11,995,780)
NET (SURPLUS)/DEFICIT FOR THE YEAR	(90,820)	(436,620)	(97,700)
Transfer to (from) General Fund Balance	90,820	436,620	97,700
Budget Gap	0	0	0

APPENDIX C

PROPOSED GENERAL FUND REVENUE BUDGET SUMMARY 2011/12 COST CENTRE SUMMARY BY PORTFOLIO

Cost Centre	Heading	Original Budget 2010/11 £	Current Budget 2010/11 £	Forward Estimate 2011/12 £
COMMUNICATIONS & COMMUNITY LEADERSHIP				
101570	Community Safety	350,220	315,880	234,360
101819	Housing Strategy	184,140	295,943	182,430
102100	LDF	170,060	166,220	231,720
102129	Shopmobility	76,120	76,280	73,040
102783	Public Relations	11,000	10,030	0
103518	Strategy	16,500	(880)	60
109257	Community Grants	220,070	220,070	235,070
109509	Climate Change	0	175,830	62,830
109643	Community Development	0	61,450	101,640
		1,028,110	1,320,823	1,121,150
CORPORATE RESOURCES				
101070	Council Tax Collection	708,780	708,780	618,860
101117	Council Tax Benefit Admin	171,990	171,990	167,330
101123	Council Tax Discount	0	0	0
101148	Council Tax Benefit	(55,000)	(55,000)	(55,000)
101149	NNDR Collection	121,340	121,340	93,790
101192	Register of Electors	141,030	139,440	139,740
101203	Conducting of Elections	21,530	21,530	21,530
101273	Local Land Charges	(5,960)	(7,420)	22,440
101825	Housing Advances	13,140	13,120	0
102019	Rent Allowances	357,420	357,420	350,000
102029	Rent Rebates	149,560	149,560	146,160
102155	TDBC Assets	(80,100)	(81,900)	(100,120)
102276	ICT	0	(3,050)	0
102281	Retained ICT	0	37,000	0
102310	Facilities Management	0	(10)	0
102312	Property Management	0	(1,480)	17,390
102329	Retained Property	0	0	0
102417	Wellington Office	30,390	30,070	2,090
102418	Deane House	0	(5,040)	0
102459	Flook House	0	(70)	0
102461	Procurement	0	(520)	0
102535	Design and Print	0	0	0
102567	Legal Services	0	1,280	0
102571	Democratic Services	0	29,040	0
102580	Customer Contact	0	(280)	0
102588	HR	0	(27,780)	0
102606	Retained HR	0	(30)	0
102627	Finance	0	(920)	0

Cost Centre	Heading	Original Budget 2010/11	Current Budget 2010/11	Forward Estimate 2011/12
		£	£	£
102649	Retained Finance	0	20,570	0
102679	Insurance	0	0	0
102686	Treasury Management	0	0	0
102693	CTAX	0	(1,540)	0
102716	NNDR	0	0	0
102754	Benefits	10	(1,710)	0
102755	Performance & Client	(4,560)	7,430	0
102769	Client	0	0	0
102797	Training and OD	0	0	0
102803	CEO	800	6,000	0
102807	Director BC	0	(17,260)	0
102819	Director KT	0	(17,850)	0
102832	Director SA	0	(53,210)	0
102834	Director JW	0	(38,010)	73,400
102839	PAs	0	(7,400)	0
109439	SW1 Transformation	0	149,160	232,320
		1,570,370	1,643,250	1,729,930

ECONOMIC DEVELOPMENT & THE ARTS

101159	Support to BID	0	0	0
101281	General Grants	84,330	84,330	69,270
102152	Market Undertakings	23,100	20,490	13,240
102157	Project Taunton (TDBC)	96,860	96,860	121,650
102188	Art Development & Support	71,690	35,010	20,000
102190	Theatre & Public Entertainment	152,000	152,000	152,000
102265	Tourism Policy Marke (STP)	0	0	7,030
102267	Visitor Centres	166,900	123,570	81,460
102270	Visitor Centre (TIC)	110,880	67,250	48,890
102407	Priory Depot	0	(920)	0
103532	Economic development	379,990	316,150	267,740
109491	Project Taunton Our Place	0	0	0
109948	Economic Development Specialist	0	59,830	55,590
		1,085,750	954,570	836,870

Cost Centre	Heading	Original Budget 2010/11	Current Budget 2010/11	Forward Estimate 2011/12
		£	£	£
ENVIRONMENTAL SERVICES				
101328	Cleansing	0	(20)	(10)
101431	Cemeteries	190,900	190,730	193,670
101451	Crematoria	(619,330)	(621,560)	(755,860)
101458	Food Safety	248,140	240,780	252,990
101464	Pollution Reduction	589,250	381,460	331,220
101478	Health & Safety	179,420	39,730	24,950
101495	Pest Control	72,690	33,690	30,730
101533	Dog Wardens	68,220	68,220	72,230
101542	Licensing	49,850	(39,580)	(40,600)
101563	Public Conveniences	328,400	324,100	305,730
101640	Flood Defences	229,720	210,220	194,810
101648	Street Cleaning	653,720	653,720	664,290
101689	Household Waste	1,279,730	1,206,530	1,287,690
101726	Recycling	1,389,080	1,087,280	1,332,870
109642	Business Support Theme 4	0	265,600	0
109644	Environmental Health Management	0	125,250	370,240
109669	Drainage Board	0	19,500	19,500
		4,659,790	4,185,650	4,284,450
GENERAL SERVICES				
101015	Democratic Representation and Management	729,250	727,350	868,790
101017	Corporate Management	54,800	526,750	306,870
101055	Non Distributed Costs	125,650	125,650	125,650
101232	Emergency Planning	62,340	61,130	60,000
101287	Precepts and Levies	53,290	22,980	(14,010)
102791	Internal Audit	0	0	10
109236	Appropriations	(14,700)	(184,700)	(4,740)
109237	Core Council Review	0	7,500	70,760
		1,010,630	1,286,660	1,413,330
HOUSING SERVICES				
101291	Building Maintenance	0	4,740	(10)
101468	Housing Standards	130,490	131,690	123,470
101822	Housing Advice	548,030	488,300	594,850
101838	Cont. to HRA re: Shared Items	301,150	301,150	283,390
101944	Admin of Ren & Imp Grants	1,047,670	767,907	814,160
101974	Control & Closing Orders	4,140	4,140	4,140
101978	Hostels (non HRA support)	0	0	0
101987	B&B Accommodation	371,400	277,100	277,100
101993	Leasehold Dwellings	0	38,000	38,000
102007	Homelessness Admin	17,630	47,880	35,460
109226	Housing Enabled	66,110	0	0
109227	Housing Enabling	0	76,930	93,740
109645	HIA	0	143,030	0
		2,486,620	2,280,867	2,264,300

Cost Centre	Heading	Original Budget 2010/11 £	Current Budget 2010/11 £	Forward Estimate 2011/12 £
PLANNING POLICY & TRANSPORTATION				
101371	Transport	0	0	0
101734	On Street Parking	210,650	209,310	236,680
101779	Off Street Parking	(2,959,670)	(2,967,950)	(3,111,710)
101785	Concessionary Fares	1,824,910	1,825,070	34,000
101809	Co-ordination	110,240	120,140	113,970
102045	Building Control - Fee Earning	0	0	(89,980)
102053	Building Control - Non Fee Earning	124,030	120,480	188,720
102058	Planning Advice	515,490	359,300	741,310
102059	Dealing with Applications	40,470	(68,020)	(193,160)
102083	Enforcement	78,730	68,550	125,330
102093	Regional Planning	536,320	277,970	238,290
102103	Conservation & Listed Buildings	272,990	283,660	296,160
102104	Sustainable Development	42,770	40,800	11,260
109979	Building Control - Services	0	0	43,590
109553	Business Support Theme 2	0	340,270	0
		796,930	609,580	(1,365,540)
SPORTS PARKS AND LEISURE				
101301	Nursery	0	0	0
101317	Grounds Maintenance	0	785	0
101338	Highways	0	(3,225)	4,020
101384	Vivary Park Trading Account	30,620	30,540	22,480
101818	Environmental Maintenance	46,700	36,700	44,950
102196	Sports Development	1,074,990	521,940	470,030
102212	Indoor Sports	477,950	466,240	419,480
102216	Outdoor Sports	160,770	160,770	113,870
102243	Golf Courses	18,250	18,160	13,660
102246	Community Open Spaces & Parks	937,750	941,490	928,460
102248	Countryside Recreation & Management	0	0	0
102256	Allotments	4,500	4,500	830
109639	Tone Leisure	0	522,000	528,180
		2,751,530	2,699,900	2,545,960
OTHER OPERATING COSTS & INCOME				
109229	Interest Payable	226,430	226,430	226,430
109230	Interest Receivable	(69,000)	(69,000)	(69,000)
101410	Pension Interest & Return on Assets	0	0	0
109228	Profit/Loss on Disposal of FA	0	0	0
109997	Housing Capital Receipts Pooling	0	0	0
109749	Parish Precepts	421,940	421,940	442,380
109998	Special Expenses	47,050	47,050	46,820
		626,420	626,420	646,630

Cost Centre	Heading	Original Budget 2010/11 £	Current Budget 2010/11 £	Forward Estimate 2011/12 £
TRANSFERS TO/FROM RESERVES				
109768	Transfer GF Depreciation to CAA	(1,049,900)	(1,049,900)	(1,049,900)
109769	Transfer GF REFCUS to CAA	(880,100)	(880,100)	(880,100)
109770	Transfer GF Capital Grants to CAA	0	0	0
109772	Transfer to Financial Instruments Adj Acc	0	0	0
109773	Transfer to Pension Reserve - Reverse IAS19	0	0	0
109774	Repayment of Capital Debt (MRP)	342,500	342,500	370,500
109775	Capital Financing from GF Revenue (RCCO)	0	166,000	130,000
109777	Transfer to Pension Reserve - Ers Conts	0	0	0
109779	Transfers To/From Earmarked Reserves	0	(74,550)	(149,500)
109999	Transfer GF Capital Receipts to CRR	0	0	0
		(1,587,500)	(1,496,050)	(1,733,000)
GOVERNMENT FUNDING & LOCAL TAXATION				
109234	Business Rates Grants	(7,615,394)	(7,615,394)	(4,569,120)
109235	Central Government Grants	(1,105,826)	(1,105,826)	(1,412,330)
110000	Area Based Grant	0	(28,820)	0
TBC	Council Tax Freeze Grant	0	0	(136,520)
109233	Demand on Collection Fund	(5,928,460)	(5,928,460)	(5,949,610)
110001	Collection Fund (Surplus)/Deficit Share	130,210	130,210	71,800
110002	Transfer To Collection Fund Adj Acc	0	0	0
		(14,519,470)	(14,548,290)	(11,995,780)
(SURPLUS)/DEFICIT FOR THE YEAR		(90,820)	(436,620)	(97,700)
Transfer to (from) General Fund Balance		90,820	436,620	97,700

APPENDIX D

ANALYSIS OF GENERAL FUND BUDGET REQUIREMENT 2011/12

	£'000
Budget Requirement 2010/11	14,519
Inflation	327
Other Cost Increases	
VAT Cost of increase to 20% - Impact on Income	100
Reduction in HB and Council Tax Admin Grant	91
Area Base Grant removed	29
Homelessness Prevention - One off in 11/12	61
Repayment of capital debt (MRP)	28
Waste Services Contract Inflation	245
Support Services Contract Inflation	106
RCCO - From 2011/12 Budget	80
RCCO - From Reserves	49
Reduced Contribution from Deane Helpline	80
Provision for projected Deane Helpline Deficit	100
Priority Areas Strategy and Action Plan initiatives	10
Support for promotion of rural businesses	8
Taunton High Street maintenance / improvements	4
Savings	
Savings Plans	-1,046
Fees & Charges	-474
Waste Services Sort It+ economies & price contingency	-287
Southwest One Efficiency	-97
RCCO for Crematorium Replacement ended 2010/11	-77
Reassessment of Staff Costs base budget (10/11 pay award etc)	-70
Staff vacancy factor	-61
Other Changes	
Remove Concessionary Travel budget	-1,746
Council Tax Freeze Grant	-136
Homelessness Grant	-61
Movement in Support Service Recharges to HRA/DLO	-88
Transfer to Reserves – Previous Years Commitments	210
Transfer from Reserves – RCCO	-49
Transfer from Reserves – Deane Helpline	154
Other minor changes	8
Budget Requirement 2011/12	11,859
Grants and Taxation Budget 2010/11	-14,519
Increase in Council Tax Base	-1
Increase in Parish Precepts	-21
Formula Grant Base Adjustment (mainly Concessionary Travel)	1,831
Formula Grant Cut at 13.2%	909
Collection Fund Deficit decrease	-58
Grants and Taxation Budget 2011/12	-11,859

APPENDIX E

PRUDENTIAL INDICATORS

PRUDENTIAL INDICATOR	2009/10	2010/11	2011/12	2012/13	2013/14
	£'000	£'000	£'000	£'000	£'000
	outturn	estimate	estimate	estimate	estimate
Capital Expenditure					
General Fund	£4,562	£6,689	£1,421	£1,910	£1,875
HRA	£5,142	£6,231	£4,300	£4,399	£4,020
TOTAL	£9,704	£12,920	£5,721	£6,309	£5,895
Ratio of financing costs to net revenue stream					
General Fund	0.14%	1.08%	1.32%	1.70%	1.75%
HRA	1.89%	1.81%	2.28%	2.17%	2.07%
Net borrowing projection					
brought forward 1 April	£9,900	£7,786	£11,710	£11,710	£12,753
Carried forward 31 March	£7,786	£11,710	£11,710	£12,753	£14,103
in year borrowing requirement	-£2,114	£3,924	£0	£1,043	£1,350
Capital Financing Requirement as at 31 March					
General Fund	£8,586	£12,260	£12,015	£12,796	£13,864
HRA	£14,451	£14,451	£14,451	£14,451	£14,451
TOTAL	£23,037	£26,711	£26,466	£27,247	£28,315
Incremental impact of capital investment decisions	£ p	£ p	£ p	£ p	£ p
Increase in council tax (band D)	1.54	2.90	-0.84	0.00	0.16
Authorised limit for external debt -					
TOTAL	£40m	£40m	£40m	£40m	£40m
Operational boundary for external debt -					
TOTAL	£30m	£30m	£30m	£30m	£30m
Upper limit for fixed interest rate exposure					
Net interest re fixed rate borrowing/ investments	100%	100%	100%	100%	100%
Upper limit for variable rate exposure					
Net interest re variable rate borrowing/ investments	50%	50%	50%	50%	50%
Maturity Structure of Fixed Rate Borrowing (Upper and lower limits)					
under 12 months	0% to 50%	0% to 50%	0% to 50%	0% to 50%	0% to 50%
12 months and within 24 months	0% to 50%	0% to 50%	0% to 50%	0% to 50%	0% to 50%
24 months and within 5 years	0% to 50%	0% to 50%	0% to 50%	0% to 50%	0% to 50%
5 years and within 10 years	0% to 50%	0% to 50%	0% to 50%	0% to 50%	0% to 50%
10 years and above	20% to 100%	20% to 100%	20% to 100%	20% to 100%	20% to 100%
Upper limit for total principal sums invested for over 364 days (per maturity date)					
	£2m or 20%	£2m or 20%	£2m or 20%	£2m or 20%	£2m or 20%

APPENDIX F

EARMARKED RESERVES FORECAST BALANCE AS AT MARCH 2011

Full Code	Description	Estimated Reserve Balance £
Earmarked Reserves for Capital Purposes		
902460 98104	Capital Financing Reserve - General Fund Projects	139,840
902480 98104	Capital Financing Reserve - HRA Projects	130,870
98104	Total Earmarked Reserves for Capital Purposes	270,710
Earmarked Reserves for Revenue Purposes		
902364 98504	Additional Resident's Parking	27,143
902366 98504	Asset Management - Leisure	623,890
902368 98504	Core Council Review	305,890
902380 98504	Bursary Account General Provisions	8,185
902384 98504	Land Charges/Planning	20,000
902386 98504	CCTV	18,790
902388 98504	Head of Paid Service Advice	51,975
902392 98504	Climate Change Planning Policy	54,165
902403 98504	Corporate Training	83,100
904210 98504	CCR DLO Transformation	142,000
902430 98504	DLO Trading Account Reserve	569,004
902436 98504	Elections	45,000
902438 98504	Energy Efficiency Reserve	45,147
902439 98504	Environmental Services Staffing	10,000
902464 98504	Growth Point Funding (Revenue)	179,206
902467 98504	Healthy Workplace	28,032
902472 98504	Home Improvement Agency	192,091
902477 98504	Housing Enabling	622,511
902483 98504	HRA Heating Reserve	390,000
902487 98504	Self Insurance Fund	750,000
902501 98504	LABGI	423,013
902507 98504	Leasehold Schemes HRA Advanced Payments	9,639
902509 98504	Leisure Suspense Account	67,993
902514 98504	Local Plan Enquiry General Provisions	296,463
902519 98504	Market Closure Sales / Firepool	37,179
902529 98504	Nursery Review	7,637
902530 98504	Planning compensation	5,000
902541 98504	Planning Appeals (N Curry)	80,268
902542 98504	Planning Delivery Grant - Revenue	300,000
902554 98504	Development Advice	35,340
902558 98504	Restorative Justice	31,000
902597 98504	S151 Advice	15,900
902606 98504	Taunton Deane Community Sports Network	12,016
902618 98504	Travel Plan	20,186
902623 98504	Unison	10,000
902630 98504	Vivary Park Trading Account	16,769
902637 98504	White Lining	16,769

902644 98504	Works of Art and Public Arts Project	11,310
904245 98504	Habitat Regulations Research	16,670
904246 98504	Ethical Standards Governance Review	8,000
904247 98504	Asset Management - General Services Non-HRA	95,000
904248 98504	Civil Contingencies Fund	6,000
904249 98504	Housing Options Deposit Guarantee Scheme	16,930
904250 98504	Housing Loans to Private Sector Mortgagees	38,000
904252 98504	Big Lottery Fund	10,190
904253 98504	Deprivation Fund (PCT Contribution)	40,000
	Other minor reserves individually under £5k	24,733
98504	Total Earmarked Reserves for Revenue Purposes	<u>5,818,135</u>
TOTAL ESTIMATED EARMARKED RESERVES AS AT 31/03/2011		<u>6,088,845</u>

The estimated balances on these reserves are based on information received to date and are likely to change during the year end process.

TAUNTON DEANE BOROUGH COUNCIL - DETAILS OF SAVINGS OPTIONS 2011/12

Theme Mgr	Ref	Portfolio	Service Area	Description	Value of Savings		1-Easy 3-Hard		Further Information
					£ 2011/12	£ 2012/13	Operational Difficulty	Public Acceptability	
SL	T1-01	Communications & Community Leadership	Strategy	LDF Inspection Reserve Stop transfer to reserve in 2011/12 for one year.	32,240	-32,240	1	1	The Reserve Balance is projected to be £328,000 in April 2011, which is considered sustainable.
RS	T1-02	Corporate Resources	Client & Contract Management	Performance & Client Operating Costs Remove Technical Support and Publicity budgets, and reduce Stationery budget.	8,390		1	1	Budgets reductions are sustainable for current service requirements
RS	T1-03	Corporate Resources	Client & Contract Management	Organisational Development (OD) Strategy Reduce OD salary budget from £22,000 to £5,000. Remaining budget used for external advice/expertise.	17,000		1	1	Future strategy updates undertaken by strategic directors, with external expertise bought in as required. Retained HR Officer monitors delivery of OD Strategy & Plan.
RS	T1-04	Corporate Resources	Client & Contract Management	HR Strategy Staffing Costs Remove agency payments budget	3,260		1	1	Budget no longer required.
TM	T1-05	General Services	Legal & Democratic	Cost of Democracy Remove budgets for flowers/shrubs £2650 and Uniforms £700	3,350		1	1	Savings against budgets for: Flowers/shrubs by £1650 (leaving a budget of £1000; Uniforms by £700; other office costs by £1,000.
TM	T1-06	General Services	Legal & Democratic	Cost of Democracy Cancel printed yearbook and diary for Members <i>[This saving is not being included in the Proposed Budget]</i>	1,500		1	1	Key Dates and Contact information to be made available more efficiently e.g. via Members Portal.
TM	T1-07	General Services	Legal & Democratic	Cost of Democracy Move to daytime board/committee meetings	5,400		2	3	Direct Legal and Democratic Service savings related to moving to daytime meetings.
TM	T1-08	General Services	Legal & Democratic	Democratic Services Cancellation of various newspapers	400		1	1	Cancellation of various newspapers within Legal & Democratic Services, and use alternative news channels.
TM	T1-09	Corporate Resources	Legal & Democratic	Mayoralty Costs Reduction in use of the Sergeant of Mace.	3,000		1	2	Reduction in use of the Sergeant of Mace for Mayoral duties.
Theme 1 Totals					74,540	-32,240			

TAUNTON DEANE BOROUGH COUNCIL - DETAILS OF SAVINGS OPTIONS 2011/12

Theme Mgr	Ref	Portfolio	Service Area	Description	Value of Savings		1-Easy 3-Hard		
					£ 2011/12	£ 2012/13	Operational Difficulty	Public Acceptability	Further Information
TB	T2-01	Economic Development & Arts	Economic Development & Regeneration	Economic Development Service Realignment of Economic Development budget to focus on agreed priorities	15,000		2	2	Focus on agreed priorities: 1. Building strong links with businesses in order to stimulate investment and growth; 2. Ensuring a skilled and entrepreneurial workforce, including addressing issues of unemployment within the Borough's more deprived communities; 3. Creating an attractive business environment and ensuring that the Borough has the necessary infrastructure that will enable investment.
TB	T2-02	Economic Development & Arts	Economic Development & Regeneration	Taunton Town Centre Company 10% reduction in contribution	5,000		1	2	Equivalent budget saving passed on to third party provider.
TB	T2-03	Economic Development & Arts	Economic Development & Regeneration	Tourism Reduce budget for tourism costs; retain £10k annual contribution to Somerset Tourism Partnership	10,000		1	2	TDBC will continue to commit to marketing Taunton Deane as part of Somerset to visitors and tourists, supporting and strengthening the Borough's tourism industry. Council has limited capacity to deliver tourism promotional work, so this reduction will not impact on service delivery.
TB	T2-04	Planning Policy & Transportation	Heritage & Landscape	Conservation Specialist conservation support to another Authority	8,000		2	1	This will involve TDBC providing Specialist Conservation support for one day per week via a Service Level Agreement.
TB	T2-05	Planning Policy & Transportation	Heritage & Landscape	Quantock Hills AONB Reduce contribution to service to £12,000	4,500		1	2	The reduction in funding would bring the contribution in line with that made to Blackdown Hills AONB.
TB	T2-06	Planning Policy & Transportation	Heritage & Landscape	Somerset Waterways Management Partnership Withdraw grant	3,000		1	2	Heritage and Landscape is not identified as a priority area for investment and whilst there are benefits from the work undertaken, its work is not directly supporting the Council's corporate priorities.
TB	T2-07	Planning Policy & Transportation	Heritage & Landscape	Somerset Landscape Scheme Withdraw funding	3,000		1	1	Contribution no longer required as scheme closed and is not directly linked to Council's corporate priorities
TB	T2-08	Planning Policy & Transportation	Heritage & Landscape	Somerset Hedge Group Withdraw funding	500		1	1	This funding is no longer seen as a priority for this Council as it is not directly linked to any of the Council's corporate priorities. Continue to provide officer support.
TB	T2-09	Planning Policy & Transportation	Heritage & Landscape	Tree Warden Scheme Withdraw funding	500		2	3	Supports Parish Councils to manage trees within their area. Whilst Landscape services have not been identified as a priority area for investment, this small grant represents good value for money.
Theme 2 Totals					49,500	0			

TAUNTON DEANE BOROUGH COUNCIL - DETAILS OF SAVINGS OPTIONS 2011/12

Theme Mgr					Value of Savings		1-Easy 3-Hard		
	Ref	Portfolio	Service Area	Description	£	£	Operational Difficulty	Public Acceptability	Further Information
					2011/12	2012/13			
CH	T3-01	Environmental Services	DLO Highways & Cleansing	Public Conveniences - West Somerset Railway (Bishops Lydeard) Income from WSR towards running cost of public toilet facility	5,250		1	1	The facility is positioned right next to the West Somerset Railway and would appear to only be used visitors to this attraction. Contributions to this service are expected to start in January 2011
CH	T3-02	Environmental Services	DLO Highways & Cleansing	Public Conveniences Reduce frequency of cleansing routine across whole stock, and reduce Cleaner team from 3 staff to 2.	25,000		2	3	One post currently filled on agency basis. The scale of saving is dependent on closure of some toilets (options below) so that work scheduling and staff deployment is optimised. This could lead to an increase in complaints.
CH	T3-03	Environmental Services	DLO Highways & Cleansing	Public Conveniences Close public toilets at Milverton Recreation Ground and Creedwell Orchard, and dispose of buildings.	2,500		1	3	Public concern over the closure of these facilities is likely, saving will only be fully realised if we are able to dispose of the buildings as the Authority will remain responsible for their upkeep otherwise.
CH	T3-04	Environmental Services	DLO Highways & Cleansing	Public Conveniences Reduce budget for building repairs	10,000		1	2	Considered sustainable based on current stock condition.
CH	T3-05	Environmental Services	DLO Parks & Grounds Maintenance	DLO Management Costs Efficiency introduced through Internal Transformation interim management restructure.	65,000		1	1	Interim structure results in vacant posts thus reducing DLO overheads (a proportion of this may benefit the HRA).
CH	T3-06	Environmental Services	DLO Parks & Grounds Maintenance	Highways - Grass Cutting Hand back highways grass cutting to Somerset County Council.		8,000	3	3	Full savings not available until 2012/13 due to notice period. Net savings from reduced costs (£20k) less income (£12k).
CH	T3-07	Sports, Parks & Leisure	DLO Parks & Grounds Maintenance	Car Parking Charges Introduce charging at Courtlands Road, Wellington	14,000		2	3	Free public parking is currently available. This option would incur some initial set up costs and ongoing operating costs (cash collection, enforcement).
CH	T3-08	Sports, Parks & Leisure	DLO Parks & Grounds Maintenance	Parks and Open Spaces - Bedding Plants Reduce bedding planted areas and replace with lower maintenance surface.	15,000	5,000	3	3	For the DLO this would require a reduction in agency staff for annual bedding planting, and would reduce income to the Nursery with fewer plants bought by TDBC Parks service. This will have an effect on our ability to be as successful in Britain in Bloom.
CH	T3-09	Sports, Parks & Leisure	DLO Parks & Grounds Maintenance	Parks and Open Spaces - Shrub beds Replace some shrub beds with a lower maintenance surface	5,000	5,000	2	2	For the DLO this would be achievable by reducing use of agency staff associated with shrub bed maintenance.
CH	T3-10	Sports, Parks & Leisure	DLO Parks & Grounds Maintenance	Tree Maintenance Reduce tree maintenance works, focussing on urgent works and health and safety interventions	20,000		2	2	For the DLO this is achievable by reducing the team of tree surgeons from 6 to 5, by not filling a vacancy following a retirement. There is a risk that reduced proactive maintenance may lead to greater demand for urgent works or interventions.

TAUNTON DEANE BOROUGH COUNCIL - DETAILS OF SAVINGS OPTIONS 2011/12

Theme Mgr	Ref	Portfolio	Service Area	Description	Value of Savings		1-Easy 3-Hard		
					£ 2011/12	£ 2012/13	Operational Difficulty	Public Acceptability	Further Information
Theme 3 Totals					161,750	18,000			
JB	T4-01	Communications & Community Leadership	Community Projects	Youth Initiatives Fund Remove one-off allocation from Youth Initiatives Fund	5,000		1	3	The budget in 2010/11 included £15k as a one-year approval. £10k falls out as it was a one-off use of reserves. This items removes the remaining one-year allocation from the Base Budget, leaving £15k as the budget for 11/12 funded by Special Expenses Rate.
JB	T4-02	Communications & Community Leadership	Community Safety	Contribution to Police Authority Removal of funding equivalent to one PCSO	29,500		1	2	Removal of TDBC contribution that effectively funds one PCSO out of the high number of PCSO's directly funded by the police. Not a core funding requirement for TDBC.
JB	T4-03	Communications & Community Leadership	Community Safety	Community Safety - CCTV <i>[Saving amount on top of T4-04 below]</i> Reduction in funding and /or coverage of CCTV by 10%	10,940		1	3	Reduce CCTV coverage by 10%. Current stock = 60 cameras. Reduction would be carefully targeted to lower risk areas.
JB	T4-04	Communications & Community Leadership	Community Safety	Community Safety - CCTV <i>[See also T4-03 above]</i> Reduction in coverage of CCTV	11,660		1	1	Reduce CCTV coverage in Multi Storey Car Park when closed at night.
JB	T4-05	Economic Development & Arts	Community Projects	Discretionary Arts Grants Reduction in annual Arts Grant budget	15,010		1	2	This is funding for project activities that organisations currently bid for and are awarded at the Council's discretion. This reduction would result in the budget standing at £20,000.
JB	T4-06	Environmental Services	Cemeteries & Crematoria	Crematorium and Cemeteries Service Workforce restructuring	37,000		1	1	Service restructure is progressing following Portfolio Holder agreement. New structure will be operational this year.
JB	T4-07	General Services	Various	Core Council Review - Theme 4 Savings on staff costs higher than previously estimated	50,280		1	1	Some of the CCR changes arose after the 2010/11 Budget was approved. These surplus savings can be taken from the Base Budget in 2011/12.
JB	T4-08	Sports, Parks & Leisure	Sports Development	Tone Leisure Reduction in annual Contribution to Tone Leisure	45,000		2	1	Approximately 10% reduction in contribution. Tone Leisure are actively reviewing opportunities to reduce costs/raise income to meet this target including increasing fees and charges by an average of 2.9% and reviewing their management structure.

TAUNTON DEANE BOROUGH COUNCIL - DETAILS OF SAVINGS OPTIONS 2011/12

Theme Mgr					Value of Savings		1-Easy 3-Hard		
	Ref	Portfolio	Service Area	Description	£	£	Operational Difficulty	Public Acceptability	Further Information
					2011/12	2012/13			
JB	T4-09	Planning Policy & Transportation	Community Projects	Concessionary Taxi Voucher Scheme <i>[Saving amount on top of T4-10 below]</i> Cancellation of the scheme with no investment in alternative to concessionary bus travel	30,000		1	3	Statutory Concessionary Travel responsibility transfers to SCC from April 2011. This discretionary Voucher Scheme (administered by SCC for TDBC), should it continue, will need to be re-cast for next year due to changes in legislation and this will result in significant work to change. In view of transfer of the statutory scheme, the removal of this discretionary scheme is considered appropriate at this time.
JB	T4-10	Planning Policy & Transportation	Community Projects	Concessionary Taxi Voucher Scheme <i>[See also T4-09 above]</i> Cancellation of the scheme and enhance alternative provision for vulnerable people.	42,000		1	2	Statutory Concessionary Travel responsibility transfers to SCC from April 2011. This discretionary Voucher Scheme (administered by SCC for TDBC), should it continue, will need to be re-cast for next year due to changes in legislation and this will result in significant work to change. In view of transfer of the statutory scheme, the removal of this discretionary scheme is considered appropriate at this time, with a contribution for an extension of the Slinky bus service for vulnerable people to provide a more comprehensive service to rural areas where "public transport" is not available.
Theme 4 Totals					276,390	0			
PJ	T5-01	Corporate Resources	Corporate Management	Use of Earmarked Reserves Use of HPDG Earmarked Reserves to fund Director support for Project Taunton and Growth agenda in 2011/12 (One-off item)	77,900	-77,900	1	1	This represents judicious one-off use of accumulated HPDG funds to reflect Directors' focus on Project Taunton and Growth priorities.
PJ	T5-02	Corporate Resources	Corporate Management	Corporate Management Costs Updated assessment of the HRA share of Corporate Management and DLO Transformation Costs	154,000	-22,000	1	1	The HRA share of corporate management costs has been reassessed to reflect updated estimates of current and planned leadership focus on the HRA, and the HRA's share of one-off DLO Transformation costs.
Theme 5 Totals					231,900	-99,900			
SA	TC-01	Corporate Resources	Other Operating Costs	Revenue Funding of Capital Projects Managed reduction of capital programme to remove requirement for revenue funding of recurring schemes	190,000	-190,000	2	2	Removal of revenue contribution for one year through a managed reduction in the capital programme and/or use of alternative capital resources.
Other Items Total					190,000	-190,000			
GRAND TOTALS					984,080	-304,140			

TAUNTON DEANE BOROUGH COUNCIL - DETAILS OF SAVINGS OPTIONS 2011/12

Theme Mgr	Ref	Portfolio	Service Area	Description	Value of Savings		1-Easy 3-Hard			
					£ 2011/12	£ 2012/13	Operational Difficulty	Public Acceptability	Further Information	
					Operational Difficulty					
					1	641,180	-132,140			
					2	327,900	-185,000			
					3	15,000	13,000			
						<u>984,080</u>	<u>-304,140</u>			
					Public Acceptability					
					1	523,730	-132,140			
					2	352,010	-185,000			
					3	108,340	13,000			
						<u>984,080</u>	<u>-304,140</u>			

APPENDIX H

EQUALITY AND FAIRNESS IMPLICATIONS – NON-CONFIDENTIAL SAVINGS PLANS

Taunton Deane Borough Council - Details of Savings Options 2011/2012 Equality and Fairness Implications

Ref	Service Area	Description	Equality Impact Assessment
T1-01	Strategy	LDF Inspection Reserve	After initial screening no Equality Impacts were identified for any specific group.
T1-02	Client and Contract Management	Performance and Client Operating Costs	No change in current service level. Resources will move within the team to meet priorities. No disproportionate impact on any group, impacts all equally.
T1-03	Client and Contract Management	Organisational Development Strategy	The OD strategy and Plan will be monitored by the retained HR Officer to ensure delivery meets the required Equality Legislation to remove inequalities for staff where they have been identified.
T1-04	Client and Contract Management	HR Strategy Staffing Costs	No changes in current service level as no agency staff have been employed. No disproportionate impact on any group.
T1-05	Legal and Democratic	Cost of Democracy	After initial screening no Equality Impacts were identified for any specific group.
T1-06	Legal and Democratic	Cost of Democracy	After initial screening no Equality Impacts were identified for any specific group.
T1-07	Legal and Democratic	Cost of Democracy	After initial screening no Equality Impacts were identified for any specific group.
T1-08	Legal and Democratic	Democratic Services	After initial screening no Equality Impacts were identified for any specific group.
T1-09	Legal and Democratic	Mayoralty Costs	After initial screening no Equality Impacts were identified for any specific group.
T2-01	Economic Development and Regeneration	Economic Development Service	See Full Equality Impact Assessment following this summary.
T2-02	Economic Development and Regeneration	Taunton Town Centre Company	See Full Equality Impact Assessment following this summary.
T2-03	Economic Development and Regeneration	Tourism	See Full Equality Impact Assessment following this summary.

T2-04	Heritage and Landscape	Conservation	Somerset County Council have cut this service entirely. The contribution from TDBC is no longer required. The responsibility for Impact Assessing this service cut lies with SCC..
T2-05	Heritage and Landscape	Quantock Hills AONB	No disproportionate impact on any group has been identified, impacts all groups equally.
T2-06	Heritage and Landscape	Somerset Waterways Management Partnership	No disproportionate impact on any group has been identified, impacts all groups equally.
T2-07	Heritage and Landscape	Somerset Landscape Scheme	No disproportionate impact on any group has been identified, impacts all groups equally.
T2-08	Heritage and Landscape	Somerset Hedge Group	No disproportionate impact on any group has been identified, impacts all groups equally.
T2-09	Heritage and Landscape	Tree Warden Scheme	No disproportionate impact on any group has been identified, impacts all groups equally.
T3-01	DLO Highways and Cleansing	Public Conveniences - West Somerset Railway	No cut in service provision therefore no disproportionate impact on any group
T3-02	DLO Highways and Cleansing	Public Conveniences (cleansing)	No EIA form has been completed for this saving as Executive are not minded to take this saving and therefore there will be no disproportionate impact on any group
T3-03	DLO Highways and Cleansing	Public Conveniences (closure)	No EIA form has been completed for this saving as Executive are not minded to take this saving and therefore there will be no disproportionate impact on any group
T3-04	DLO Highways and Cleansing	Public Conveniences (building repairs)	See Full Equality Impact Assessment following this summary.
T3-05	DLO Parks and Grounds Maintenance	DLO Management Costs	See Full Equality Impact Assessment following this summary.
T3-06	DLO Parks and Grounds Maintenance	Grass Cutting	No EIA form has been completed for this saving as Executive are not minded to take this saving and therefore there will be no disproportionate impact on any group
T3-07	DLO Parks and Grounds Maintenance	Car Parking Charges	No EIA form has been completed for this saving as Executive are not minded to take this saving and therefore there will be no disproportionate impact on any group
T3-08	DLO Parks and Grounds Maintenance	Parks and Open Spaces - Bedding Plants	No EIA form has been completed for this saving as Executive are not minded to take this saving and therefore there will be no disproportionate impact on any group

T3-09	DLO Parks and Grounds Maintenance	Parks and Open Spaces - Shrub beds	See Full Equality Impact Assessment following this summary.
T3-10	DLO Parks and Grounds Maintenance	Tree Maintenance	See Full Equality Impact Assessment following this summary.
T4-01	Community Development	Youth Initiatives Fund	See Full Equality Impact Assessment following this summary.
T4-02	Community Development	Contribution to Police Authority	Reduction should not have a disproportionate effect on any particular group; the Police Authority will continue to prioritise responses and deploy PCSOs where necessary, including disadvantaged groups such as youth.
T4-03	Community Development	CCTV - 10% reduction	No EIA form has been completed for this saving as Executive are not minded to take this saving and therefore there will be no disproportionate impact on any group
T4-04	Community Development	CCTV - Multi Storey Car Park	No disproportionate impact. The CCTV will be switched off as car park closes at 9pm and therefore will not be in use by any member of the public at this time. To mitigate any impacts the CCTV can be immediately switched on if any issues arise
T4-05	Community Development	Discretionary Arts Grants	No disproportionate impact on any group has been identified, impacts all groups equally. The remaining funding is open to all groups equally.
T4-06	Cemetry and Crematoria	Crematorium and Cemeteries Service	This restructure will not result in a change to the current service level. Resources will move within the team to meet priorities. No disproportionate impact on any group, impacts all equally.
T4-07	General	Core Council Review - Theme 4	No disproportionate impact on any group has been identified. This saving is an accounting issue and does not change any of the services that are being delivered.
T4-08	Community Development	Tone Leisure	See Full Equality Impact Assessment following this summary.
T4-09	Car Parking	Concessionary Taxi Voucher Scheme (cancel scheme no alternative)	See Full Equality Impact Assessment following this summary.
T4-10	Car Parking	Concessionary Taxi Voucher Scheme (cancel scheme with alternative)	See Full Equality Impact Assessment following this summary.
T5-01	Corporate Management	Use of earmarked reserves	No change in current service level. Funding will be found from the HPDG earmarked reserve other than Council Tax.

T5-02	Corporate Management	Corporate Management Costs	No change in current service level. This change is an accounting entry only.
TC-01	Corporate Management	Revenue Funding of Capital Projects	This change is an accounting entry only to remove the RCCO. See separate EIA forms for other capital projects.
Other 1	Cost Increase	Inflation (including contract inflation)	Any budgets that have inflation added to them do not disproportionately disadvantage any group. Inflation affects everybody equally. Any savings that need to be made to cover this additional funding are considered separately from this item.
Other 2	Reduction in HB and CTB Admin Grant	Reduction in HB and CTB Admin Grant	HB and CTB payments are not affected by this. Any savings that need to be made to cover this additional funding are considered separately from this item.
Other 3	Area Based Grant	Area Based Grant	Any savings that need to be made to cover this additional funding are considered separately from this item.
Other 4		Repayment of capital debt (MRP)	This is an accounting entry. Any savings that need to be made to cover this additional funding are considered separately from this item.
Other 5		Reduced contribution from Dean Helpline	Any savings that need to be made to cover this additional funding are considered separately from this item.
Other 6	Fees and Charges	Cemeteries and Crematorium	No particular group will be disadvantaged. All groups including all religious faiths and beliefs are equally affected.
	Fees and Charges	Waste Services	No particular group will be disadvantaged. All groups including all religious faiths and beliefs are equally affected.
	Fees and Charges	Housing and Deane Helpline	Housing increases are inflationary and do not disproportionately disadvantage any group. Please see following EIA for Deane Helpline increase
	Fees and Charges	Planning Advice	See Full Equality Impact Assessment following this summary.
	Fees and Charges	Licensing Fees	No particular group will be disadvantaged. All groups including all religious faiths and beliefs are equally affected.
	Fees and Charges	Car Parking Fees	No one particular group is adversely affected by these increases therefore no EIA form has been completed as all people are affected equally.

	Fees and Charges	Summonses and liability orders for non-payment of Council Tax and Business Rates	Although there is no monitoring at present, it is likely that people with disabilities and those in ethnic minorities are likely to be over-represented in low-income groups. Therefore, they are more likely to receive Council Tax Benefit. People getting full Council Tax Benefit will not be summonsed because the benefit they receive covers their liability. The Revenues & Benefits Service has robust procedures to identify those who may be “vulnerable” and their circumstances will be individually case managed
Other 7		Priority Area Strategy Community Engagement Process	See Full Equality Impact Assessment following this summary.
Other 8		Funding for Priority Area Strategy – Project Delivery	See Full Equality Impact Assessment following this summary.

Impact Assessment form and action table

What are you completing this impact assessment for? E.g. policy, service area	Economic Development Funding Reductions 2011/12
Section One – Aims and objectives of the policy /service	
To achieve the strategic objectives in the current Economic Development Strategy, the Economic Development Service will focus its resources upon delivering three themes: Theme 1 ‘Stimulating Business Investment and Growth’, Theme 2 ‘Ensuring a Skilled and Entrepreneurial Workforce’ and Theme 3 ‘Creating an attractive business environment’. The services we are proposing to cut in 2011/12 are Tourism Development (reduced funding), Town Centre Management (reduced funding), Shop front grants in Wiveliscombe and Wellington (stop altogether), Support for rural business investment (reduced funding), and the deletion of 1 x part time vacant Lead post from the staffing structure.	
Section two – Groups that the policy or service is targeted at	
Ultimately the affected services are for the benefit of everyone who works locally, owns and runs a local business, visits the borough, and otherwise depends on the health of Taunton’s economy.	
Section three – Groups that the policy or service is delivered by	
TDBC’s Economic Development Unit and Partner Organisations.	
Section four – Evidence and Data used for assessment	
Conversations with Service Leads of affected services.	
Section Five - Conclusions drawn about the impact of service/policy/function on different groups highlighting negative impact or unequal outcomes	
<p>Tourism Development (reduced funding) – the TIC will no longer have the resources to provide any printed material for visitors and local residents and will have to rely upon the website or other partners for any print. Therefore we are discriminating against those who don’t have access to a computer or partner’s resources.</p> <p>The Ec Dev Unit will be working with other partners in the hope that some promotional material can still be made available to customers and visitors. TDBC has a policy that all key documents and legal information will be offered and provided if necessary in an alternative format. TIC material may not be classed as a key document and therefore we would not be contravening our policy if we did not provide the information in alternative formats. There have been three requests for translated documents during the last financial year, therefore as demand is low for written translated information we will continue to help people with additional needs verbally.</p> <p>Town Centre Management (reduced funding) – no negative impact on any particular group.</p> <p>Shop front grants in Wiveliscombe and Wellington (stop altogether) – no negative impact as grants focus on aesthetics rather than accessibility.</p> <p>Support for rural business investment (reduced funding) – no negative impact on any particular group.</p>	
Section six – Examples of best practise	

Signed: Person/Manager completed by		Signed: Group Manager/Director	
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T2-01, T2-02, T2-03

Impact Assessment form and action table

What are you completing this impact assessment for? E.g. policy, service area	Public toilet maintenance budget reduction. (Client budget)
Section One – Aims and objectives of the policy /service	
<p>TDBC provide public toilets across the Borough, the vast majority of these facilities have been adapted under the disability discrimination act to ensure the access is not inhibited to a wide range of users. The alteration proposed in this case is a £10k reduction to the buildings maintenance budget for the public toilets. This section of the budget is mainly used in cases of vandalism.</p>	
Section two – Groups that the policy or service is targeted at	
<p>All members of the community have access to these facilities, although specially adapted facilities are available for the disabled. These disabled facilities are designed to be larger than the average toilets with additional hand rails supports and alarms in place. All members of the public may be equally effected by the reduction in this budget, however it is considered unlikely that this will be realised unless a significant deterioration in the buildings occur or a rise in vandalism. It is impossible to predict vandalism on these facilities.</p>	
Section three – Groups that the policy or service is delivered by	
<p>The maintenance service is mainly delivered by the in house contractor (Deane DLO).</p>	
Section four – Evidence and Data used for assessment	
<p>The proposed reduction in the budget was left unspent in last year's budget. This does not represent a reduction in service provision from last year as this element was unused.</p>	
Section Five - Conclusions drawn about the impact of service/policy/function on different groups highlighting negative impact or unequal outcomes	
<p>It is hoped that little or no detrimental effect to end users will be identified as a result of these changes subject to changes highlighted in section two. Risk that if vandalism were to increase significantly these facilities may become less desirable for members of the public. This may have a higher impact on those with disabilities and have an immediate need for public toilet facilities.</p>	
Section six – Examples of best practise	
<p>Alternative public toilet delivery models have been considered. Any significant expenditure caused by the items noted in section two would now require a capital bid application should they occur.</p>	

Signed: Person/Manager completed by	Chris Hall	Signed: Group Manager/Director	Brian Gibbs
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Impact Assessment Issues and Actions table						
Service area	Public Toilets			Date		
Identified issue drawn from your conclusions	Groups affected	Actions needed – how will your service or policy be amended	Who is responsible	By when	Is a monitoring system required	Expected outcomes from carrying out actions
Knowing our Communities, engagement and satisfaction						
Few anticipated issues under current circumstances	All	No actions required as money was unspent in previous years	Chris Hall	N/A	Consideration will need to be given to a capital bid should the situation change	No detrimental effects are anticipated with the exception of items noted in section two
Responsive services and customer care						
Few anticipated issues under current circumstances	All	No actions required as money was unspent in previous years	Chris Hall	N/A	Consideration will need to be given to a capital bid should the situation change	No detrimental effects are anticipated with the exception of items noted in section two
Place shaping, leadership and partnerships						
A modern and diverse workforce						

Impact Assessment form and action table

What are you completing this impact assessment for? E.g. policy, service area	DLO Management restructure
Section One – Aims and objectives of the policy /service	
The DLO are the contracting arm of TDBC, we provide a wide range of service to various areas of the Council and to external clients. The management restructure will allow us to produce efficiency savings for the Authority whilst not cutting direct services.	
Section two – Groups that the policy or service is targeted at	
The work of the DLO has the potential to come into contact with all groups within the community, however the changes proposed offer a more streamlined approach to management and have little noticeable effect on the groups receiving those services.	
Section three – Groups that the policy or service is delivered by	
The DLO has previously had three equal managers responsible for the three key areas of service delivery, Parks, Highways and Cleansing, and Building Maintenance. These changes fall inline with other themes of the Council by having a single identifiable manager (Theme Manager) responsible for all delivery.	
Section four – Evidence and Data used for assessment	
As these roles relate to management of the service rather than direct delivery, and as we have been able to plan for some of these changes through succession planning making a resilient alternative structure, there is little evidence to suggest that a detrimental effect will be realised by service users.	
Section Five - Conclusions drawn about the impact of service/policy/function on different groups highlighting negative impact or unequal outcomes	
It is anticipated that little or no detrimental effect to end users will be identified as a result of these changes.	
Section six – Examples of best practise	
It makes good commercial sense to reduce the cost associated with none delivery or revenue generating elements of the DLO, an alternative structure has been put in place demonstrating continuity of services as well as ongoing support for the larger transformation Project.	

Signed: Person/Manager completed by	Chris Hall	Signed: Group Manager/Director	Brian Gibbs
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Impact Assessment Issues and Actions table						
Service area				Date		
Identified issue drawn from your conclusions	Groups affected	Actions needed – how will your service or policy be amended	Who is responsible	By when	Is a monitoring system required	Expected outcomes from carrying out actions
Knowing our Communities, engagement and satisfaction						
Responsive services and customer care						
Place shaping, leadership and partnerships						
A modern and diverse workforce						

Impact Assessment form and action table

What are you completing this impact assessment for? E.g. policy, service area	Shrub bed maintenance reduction. (Client budget)
Section One – Aims and objectives of the policy /service	
TDBC maintain the shrub beds in various public areas of the Borough, this proposal would see a small reduction in the maintenance budget and a move for some shrub beds to be grassed over.	
Section two – Groups that the policy or service is targeted at	
All members of the public.	
Section three – Groups that the policy or service is delivered by	
Maintenance service is delivered by the in house contractor (Deane DLO).	
Section four – Evidence and Data used for assessment	
Various consultations with the public and Council Equality Forums have indicated that the appearance of the Borough is important to those that live and work within The Deane.	
Section Five - Conclusions drawn about the impact of service/policy/function on different groups highlighting negative impact or unequal outcomes	
The appearance of the Borough in these specific areas will change. All members of the community have equal opportunity to notice these alterations. No equality group will be disproportionately disadvantaged by these changes.	
Section six – Examples of best practise	
This alteration does not have any specific examples of best practice but does achieve the cost saving objective whilst not disadvantaging any group.	

Signed: Person/Manager completed by	Chris Hall	Signed: Group Manager/Director	Brian Gibbs
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Impact Assessment Issues and Actions table						
Service area				Date		
Identified issue drawn from your conclusions	Groups affected	Actions needed – how will your service or policy be amended	Who is responsible	By when	Is a monitoring system required	Expected outcomes from carrying out actions
Knowing our Communities, engagement and satisfaction						
Responsive services and customer care						
Place shaping, leadership and partnerships						
A modern and diverse workforce						

Impact Assessment form and action table

What are you completing this impact assessment for? E.g. policy, service area	Tree maintenance budget reduction. (Client budget)
Section One – Aims and objectives of the policy /service	
TDBC is responsible for the maintenance of all trees on public open spaces and other land owned by the Authority. The alteration reduces the maintenance budget for this service.	
Section two – Groups that the policy or service is targeted at	
.All members of the public are affected by this change.	
Section three – Groups that the policy or service is delivered by	
Service is delivered by the in house contractor (Deane DLO).	
Section four – Evidence and Data used for assessment	
Various consultations with the public and Council Equality Forums have indicated that the appearance of the Borough is important to those that live and work within The Deane, including flora and fauna.	
Section Five - Conclusions drawn about the impact of service/policy/function on different groups highlighting negative impact or unequal outcomes	
It is anticipated that only tree appearance will differ as budget and work is prioritised to ensure health and safety compliance.	
All members of the community have equal opportunity to be effected by these alterations although there are not considered to be any risk related issues as a result of these changes. The in house contractor (Deane DLO) will work with the client to manage the reduction by prioritising work	
Section six – Examples of best practise	
As the Authority are responsible for the safety of these trees this area of spend will be prioritised.	

Signed: Person/Manager completed by	Chris Hall	Signed: Group Manager/Director	Brian Gibbs
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Impact Assessment Issues and Actions table						
Service area				Date		
Identified issue drawn from your conclusions	Groups affected	Actions needed – how will your service or policy be amended	Who is responsible	By when	Is a monitoring system required	Expected outcomes from carrying out actions
Knowing our Communities, engagement and satisfaction						
Few anticipated issues other than appearance under current circumstances	All	Work with contractor to best deliver service	Brian Gibbs	N/A	Existing system for monitoring tree safety will remain	
Responsive services and customer care						
Few anticipated issues under current circumstances	All	Work with contractor to best deliver service	Brian Gibbs	N/A	Existing system for monitoring tree safety will remain	
Place shaping, leadership and partnerships						
A modern and diverse workforce						

Impact Assessment form and action table

What are you completing this impact assessment for? E.g. policy, service area	Youth Initiatives Fund
Section One – Aims and objectives of the policy /service	
To provide a fund to underpin work with young people within the Borough.	
Section two – Groups that the policy or service is targeted at	
There is particular emphasis on those young people at risk of offending or from deprived wards.	
Section three – Groups that the policy or service is delivered by	
The fund is administered by the community development team, the community leadership portfolio holder makes decisions on the spend with advice from representatives of the Youth Liaison Panel and the Taunton Unparished Fund. The projects are then delivered within the community by various groups from Local Action Teams to Youth Clubs.	
Section four – Evidence and Data used for assessment	
Evidence for funding is gained from an application process, with guidance notes. Assessment is based on details given in the application allied to our knowledge of areas of deprivation.	
Section Five - Conclusions drawn about the impact of service/policy/function on different groups highlighting negative impact or unequal outcomes	
<p>The fund is open to all, providing that it has a youth focus. Corporately, there is a need to be aware of the focus on young people and that there are not similar funds for different characteristics within the equalities spectrum. There is a possibility that those with language difficulties or from minority groups are unaware of the funding or could feel unable to apply for it. We have tried to mitigate that by being personally available to help with individual applications if required. In addition, by advertising through all councillors and not in the widest media, we could have excluded groups that councillors are not in contact with. Ironically, since councillors' focus is necessarily on those of voting age, this could include some young people's groups.</p> <p>Reduction of this funding could inhibit community groups from delivering projects, especially those in rural and deprived areas where statistically youth offending is higher due to a lack of youth diversionary projects. The reduction of this funding could therefore affect young people, all local residents and those from vulnerable groups who may have an increased fear of crime.</p> <p>Young people may also be at risk of the knock on effects of reduction to this funding. Less engaging and educational activities for young people could affect morale of young people and</p>	

potentially affect social awareness and educational attainment.

To mitigate these potential impacts the Community Development Service will continue to work closely with local community groups supporting them in obtaining funding through other sources and will continue to signpost to Grantfinder. We will also continue to work closely with partner agencies and the voluntary sector to support projects wherever possible.

Section six – Examples of best practise

Best practice in this case comes from a project in North Taunton where the Councillor concerned is aware of the needs of the group in advance, has made other people aware of their aspirations and has successfully involved other funding streams to get more from this project. This has involved liaison with the youth group, with the Academy, with other projects across different equalities characteristics and with other Councillors.

Signed: Person/Manager completed by	Scott Weetch Community Development Lead 6/1/11	Signed: Group Manager/Director	
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Impact Assessment Issues and Actions table						
Service area				Date		
Identified issue drawn from your conclusions	Groups affected	Actions needed – how will your service or policy be amended	Who is responsible	By when	Is a monitoring system required	Expected outcomes from carrying out actions
Knowing our Communities, engagement and satisfaction						
Responsive services and customer care						
Place shaping, leadership and partnerships						
A modern and diverse workforce						

Impact Assessment form and action table

What are you completing this impact assessment for? E.g. policy, service area	Tone Leisure Grant
Section One – Aims and objectives of the policy /service	
The delivery of leisure facilities for the borough with the aim of improving community activity, health and wellbeing. Tone Leisure also focus on specific issues such as reducing crime and on improving health for the young, elderly and inactive.	
Section two – Groups that the policy or service is targeted at	
The public in general, but with specific schemes being focused on the young, elderly and inactive.	
Section three – Groups that the policy or service is delivered by	
Leisure facilities are delivered by the Tone Leisure charitable trust, which is part funded by the Council.	
Section four – Evidence and Data used for assessment	
Information supplied by Tone Leisure	
Section Five - Conclusions drawn about the impact of service/policy/function on different groups highlighting negative impact or unequal outcomes	
The reduction in grant is anticipated to have no impact upon the recipients of the leisure services as Tone Leisure intend to make the savings through a range of initiatives, including restructures, which do not affect front line service delivery.	
Section six – Examples of best practise	

Signed: Person/Manager completed by	Richard Sealy Performance & Client Manager 27 Jan 2011	Signed: Group Manager/Director	
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Impact Assessment Issues and Actions table						
Service area				Date		
Identified issue drawn from your conclusions	Groups affected	Actions needed – how will your service or policy be amended	Who is responsible	By when	Is a monitoring system required	Expected outcomes from carrying out actions
Knowing our Communities, engagement and satisfaction						
Responsive services and customer care						
Place shaping, leadership and partnerships						
A modern and diverse workforce						

Impact Assessment Form

What are you completing this impact assessment for? E.g. policy, service area	Concessionary Travel Vouchers		
Section One – Aims and objectives of the policy /service			
To provide a concessionary funding stream for access to public transport (buses and taxis) as an alternative to the national Bus Pass and for additional groups.			
Section two – Groups that the policy or service is targeted at			
The concession is available to			
<ul style="list-style-type: none"> • Anyone over the age of 60 on Pension Credit • Anyone over the age of 5 years suffering from a long term disability 			
Section three – Groups that the policy or service is delivered by			
The service is administered by the Parking & Civil Contingencies Manager but delivered by admin staff employed by Transporting Somerset (SCC). Voucher books are issued by post.			
Section four – Evidence and Data used for assessment			
Details of all voucher applicants are held on a central database. The database (Nov 2010) holds 1785 records. This includes around 600 individuals in residential homes. Fewer than 100 voucher holders are under pensionable age. Around 50% have disabilities. Two thirds are female, one third male. Two thirds also hold Companion Vouchers.			
Postcode analysis shows			
	TA1	39.9%	
	TA2	25.7%	
	TA3	7.6%	
	TA4	6.2%	
	TA21	20.4%	
Section Five - Conclusions drawn about the impact of service/policy/function on different groups highlighting negative impact or unequal outcomes			
The service is non-statutory and provided at the discretion of the Council. Nearly all voucher holders qualify for the national Bus Pass scheme. Withdrawal of funding will affect the groups to which it is available.			
The voucher option appears to be taken up largely by those for whom regular public transport is not convenient or those needing assistance to make journeys. Withdrawal of funding will have a negative effect on those who can not take up the Bus Pass option.			
The number of voucher holders is a small percentage of those eligible for the statutory national Bus Pass scheme.			
The impact of the negative effect could be dampened by additional funding for Slinky Bus services should that option be pursued.			
Section six – Examples of best practise			
Not relevant for this exercise.			

Signed: Person/Manager completed by	John Lewis Parking & Civil Contingencies Manager 11.01.11	Signed: Group Manager/Director	
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Impact Assessment form and action table

What are you completing this impact assessment for? E.g. policy, service area	Price increases for Deane Helpline
Section One – Aims and objectives of the policy /service	
<p>To increase Lifeline charges in line with other providers in the area for new Service Users from 1st November 2010.</p> <p>Details of new prices attached. To protect the customer base, legacy Service Users (those with contracts taken up prior to 1st November 2010) will remain on the current rate (subject to normal annual increases) for the foreseeable future.</p> <p>Yearly increases have not maintained the revenue stream at the same position as our competitors. Private customers are charged £3.76 per week for monitoring, lease of equipment, emergency response attendance, key holding and any contact calls.</p> <p>To begin charging for additional services currently provided without charge.</p> <p>Telecare sensors are at present provided at no cost with no extra charge for the additional monitoring. There are currently no installation charges levied for new contracts and no charge for multiple Service Users at the same address despite the increased incidence of calls and emergency attendances.</p>	
Section two – Groups that the policy or service is targeted at	
<p>All users of the Deane Helpline service, this includes vulnerable adults, the elderly, the disabled whether physically or mentally. Those that have recently undergone medical treatment reducing their ability to be independent, those with learning difficulties and anyone that has a need for reassurance to allow them to live independently.</p>	
Section three – Groups that the policy or service is delivered by	
<p>The group comprises the Control Centre Operators, Lifeline Officers, Emergency Response Officers, Admin Team and Management Team all of varying ages. We are not aware of any disabilities among the current staff group. All are White British. No information is held on staff's religion, belief or sexual orientation, these are also not specifically relevant to the changes in this review.</p>	
Section four – Evidence and Data used for assessment	
<p>The proposed changes to prices are based on prevailing market conditions. Several local and national Carelines were queried for their pricing structure.</p>	
<p>Section Five - Conclusions drawn about the impact of service/policy/function on different groups highlighting negative impact or unequal outcomes. The impact will only be visible after the change has taken effect. This would be identified by lower numbers customers and consultation with customers. The numbers of customers will be reviewed in twelve months to assess any negative impact due to the price increase. Although our service is available to anyone that wishes to use it we recognise that existing Service Users would view the new pricing structure as a significant increase and potentially having those that currently rely on the service cancelling their contracts despite their need for it. Due to the nature of this service all users fall into equality groups and are therefore vulnerable so negative impacts will be assessed in 12 months time to ensure users are not disadvantaged</p>	
Section six – Examples of best practise	

Other 6

A case study of the changes will be provided to the Telecare Standards Authority.

Signed: Person/Manager completed by	Richard Burge	Signed: Group Manager/Director	
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Other 6

Impact Assessment Issues and Actions table						
Service area					Date	
Identified issue drawn from your conclusions	Groups affected	Actions needed – how will your service or policy be amended	Who is responsible	By when	Is a monitoring system required	Expected outcomes from carrying out actions
Knowing our Communities, engagement and satisfaction						
Potential negative impact from price increase only identifiable after the change	Unknown	Review numbers of new customers after twelve months to reassess any negative impact	Richard Burge	12 Months from date of change	No	Unknown
Responsive services and customer care						
Place shaping, leadership and partnerships						
A modern and diverse workforce						

Impact Assessment form and action table

What are you completing this impact assessment for? E.g. policy, service area	INCREASE IN PLANNING ADVICE CHARGES 2011
Section One – Aims and objectives of the policy /service	
THEME 2 Growth & Development - Development Management	
To provide a proactive planning service from pre-application to delivery and monitoring	
<ul style="list-style-type: none"> • Responsible for overseeing building development in Taunton Deane • Co-ordinating the way our surroundings develop • Preventing developments which are not appropriate • Investigate breaches of planning regulations 	
Section two – Groups that the policy or service is targeted at	
All Groups have the potential to be affected; however the perspective is that the only significant increases in charges are for major developments whereby the pre application charge is an insignificant part of total development costs.	
Section three – Groups that the policy or service is delivered by	
The Development Management staff and Business support staff will administer and provided the pre applications advice – as per current procedures.	
Section four – Evidence and Data used for assessment	
Approximately 35 major planning applications are received per year (2% of all application). Pre-applications advice, which is encouraged with such application, will attract the higher fee. As previously stated the pre application charge is an insignificant part of total development costs.	
Section Five - Conclusions drawn about the impact of service/policy/function on different groups highlighting negative impact or unequal outcomes	
The impact of this increase in planning advice charges will be minimal to all groups.	
Section six – Examples of best practise	
Officers work across the Council and community with specific groups e.g. Gypsy Forum	

Signed: Person/Manager completed by		Signed: Group Manager/Director	
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Other 6

Impact Assessment Issues and Actions table - INCREASE IN PLANNING ADVICE CHARGES 2011						
Service area	Growth & Development - Development Management			Date	31 January 2011	
Identified issue drawn from your conclusions	Groups affected	Actions needed – how will your service or policy be amended	Who is responsible	By when	Is a monitoring system required	Expected outcomes from carrying out actions
Knowing our Communities, engagement and satisfaction						
Minimum impact to all groups	All Groups	Monitor pre-applications for any possible changes in types of enquires	Development Management Lead	6 months from implementation of new fees and review	No	
Responsive services and customer care						
Respond proactively to customers enquires relating to Pre-Apps	All Groups	Staff to feedback any concerns or issues raised	Development Management Lead	6 months from implementation of new fees and review	No	
Place shaping, leadership and partnerships						
			Development Management Lead	6 months from implementation of new fees and review	No	
A modern and diverse workforce						
Staff aware of issues which may occur specific to pre-applications enquires		Staff available to give advice on what is information required when requesting pre-app advice	Development Management Lead	6 months from implementation of new fees and review	No	

Impact Assessment form and action table

What are you completing this impact assessment for? E.g. policy, service area	Priority Area Strategy Community Engagement Process
Section One – Aims and objectives of the policy /service	
The community engagement process is intended to ensure that people living in the North Taunton and Taunton East areas from all age groups, abilities, ethnic, cultural groups and genders have the opportunity to contribute their views to the process of developing a strategy to effectively tackle deprivation in these two wards.	
Section two – Groups that the policy or service is targeted at	
All people living in North Taunton and Taunton East. It will not be possible to speak to every individual in the two areas, but it is our intention to ensure that a cross section from each area will have the opportunity to take part in a one to one interview.	
Section three – Groups that the policy or service is delivered by	
The Engagement process will be undertaken by members of the Strategy, Community Development and housing departments of TDBC, Priorswood Resource Centre, Link Partnership Trust, Acorns and Hillside Children’s Centres, Youth Service staff, leaders of community groups. We intend to engage community groups in delivering the questionnaire in order to encourage participation by groups who may not feel comfortable being interviewed by ‘officials’. The interviewers will come from a variety of backgrounds, but there is potential for certain groups to feel that they cannot access the service for language, cultural or other reasons.	
Section four – Evidence and Data used for assessment	
Questionnaires have been designed to be used for one-to-one interviews. These will complement the statistical data already collected by staff within the Strategy team. Data collected will be analysed using SNAP and manual analysis, to ensure that qualitative material is taken fully into account. It is expected that these will be discussed with the individuals to minimise any impact caused by a lack of literacy or language skills	
Section Five - Conclusions drawn about the impact of service/policy/function on different groups highlighting negative impact or unequal outcomes	
The process is intended to reduce negative impacts or unequal outcomes, by giving local people a voice to describe directly what their lives are like. Throughout the process, we will review which groups the responses are coming from, so that we can take action to redress any under-representation.	
This process could exclude some minority ethnic groups or those less able to participate in community activities, unless we take positive action to seek out members of those groups and invite them to participate	
Section six – Examples of best practise	
<p>The questionnaire will be written in plain English</p> <p>Data collected will include demographic information, to facilitate monitoring</p> <p>By briefing local organisations, we expect that some people who may not feel comfortable talking to a ‘professional’ may be encouraged to participate.</p> <p>We will feed responses through to the Word Processing department as they are received. This will enable us to seek regular updates through the SNAP software, so that under-</p>	

representation can be addressed.

We will seek advice from representatives of minority communities and those with particular needs, to find the best ways to approach people and include them in the study.

We expect to encourage people to participate by including all respondents in a prize draw – confidentiality will be maintained by keeping prize draw entries separate from completed forms.

Signed: Person/Manager completed by	Penny Comley-Ross	Signed: Group Manager/Director	
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Other 7

Impact Assessment Issues and Actions table						
Service area	Priority Areas Strategy – Engagement Process			Date	14.1.11	
Identified issue drawn from your conclusions	Groups affected	Actions needed – how will your service or policy be amended	Who is responsible	By when	Is a monitoring system required	Expected outcomes from carrying out actions
Knowing our Communities, engagement and satisfaction						
Responses may not be representative of local population	Minority groups	Approach Acorns (Priorswood) Take action via PCSO's and others to include Polish groups . Contact representative from Chinese community. Review responses fortnightly throughout the process.	PCR/JH, ML	Fortnightly	No	Reshaping of interview schedule to meet requirements
Responsive services and customer care						
Literacy may be a barrier for some community members	Disadvantaged groups, children	Interviewer will need to adapt questions to the needs of the interviewee. Interviewers will be briefed on best way to engage community members	JH (briefing), All Interviewers	Before Interviewers start to carry out 1- to 1's	No	Individuals will be able to express their views
Language may be a barrier	Ethnic minority groups	Translators will be identified	JH – contact Monica Stennert, Ivana (via Andy Murphy) SBDA (Rosie)			Minority ethnic groups will have the opportunity to participate in the consultation process
Customers may not be willing to be interviewed by a particular		Participants to have the option to choose a different interviewer				Participants will be able to express themselves

Other 7

Impact Assessment Issues and Actions table						
Service area	Priority Areas Strategy – Engagement Process			Date	14.1.11	
Identified issue drawn from your conclusions	Groups affected	Actions needed – how will your service or policy be amended	Who is responsible	By when	Is a monitoring system required	Expected outcomes from carrying out actions
gender Hard to reach groups will need to be specifically targeted Launch events occur on Tuesdays - Chinese community may be unwilling to participate	Young fathers? Chinese community	Interviewing partners will be asked to target under-represented groups Representatives from the Chinese community will be consulted	JH	At briefing session		freely A wider range of special interest groups will have been contacted and invited to participate Chinese community members will have the opportunity to participate in the consultation
Place shaping, leadership and partnerships						
Minority groups may not participate in local groups, so could be under-represented		Seek advice from TDBC specialist staff/ local PCSO with specialist knowledge Review information on completed application forms	JH, PCR PCR	25.1.11	No. Records of planning meetings will indicate when this has been done. SNAP will provide information as needed	Minority groups will be identified and approached to see if they want to participate.
A modern and diverse workforce						
TDBC community development	Various	Recruitment of widest possible range of interviewers	JH	21.1.11	Yes. Records to be kept of those volunteering to	

Other 7

Impact Assessment Issues and Actions table						
Service area	Priority Areas Strategy – Engagement Process			Date	14.1.11	
Identified issue drawn from your conclusions	Groups affected	Actions needed – how will your service or policy be amended	Who is responsible	By when	Is a monitoring system required	Expected outcomes from carrying out actions
staff is not representative of all communities to be consulted					undertake interviews	

Impact Assessment form and action table

What are you completing this impact assessment for? E.g. policy, service area	Funding for Priority Area Strategy – Project Delivery
Section One – Aims and objectives of the policy /service	
The strategy aims to help tackle deprivation within our most disadvantaged communities (both urban and rural)	
Section two – Groups that the policy or service is targeted at	
Those experiencing disadvantage in North Taunton, Taunton East and the rural areas (geographic focus yet to be agreed)	
Section three – Groups that the policy or service is delivered by	
The PAS is being coordinated by the Taunton Deane Partnership. Various agencies / community groups will be delivering specific action.	
Section four – Evidence and Data used for assessment	
Indices of Multiple Deprivation (2008) that is being supplemented by more recent data analysis and customer insight	
Section Five - Conclusions drawn about the impact of service/policy/function on different groups highlighting negative impact or unequal outcomes	
Conclusions drawn about the impact of the service/policy/function on different groups highlighting negative impact or unequal outcomes	
Consultation of the PAS is being informed by a separate EqIA (see attached for North Taunton / Taunton East – note, this is still being refined). It is hoped that a broad cross section of the community will respond to on-going consultations during 2011, to ensure that subsequent projects maximise positive impacts	
Section six – Examples of best practise	
A ‘best practice’ report has previously been circulated to members of community scrutiny / Taunton Deane Partnership. This will be used to inform project development	

Signed: Person/Manager completed by	Mark Leeman	Signed: Group Manager/Director	
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Impact Assessment issues and Action Table

Project development to be informed by community engagement process (see separate EqIA)

Who is responsible: Penny Comley-Ross / Mark Leeman

Project choice and delivery to be informed by EqIA

Who is responsible: Mark Leeman

ROBUSTNESS OF BUDGET ESTIMATES AND THE ADEQUACY OF THE COUNCIL'S RESERVES

STATEMENT BY S151 OFFICER (CHIEF FINANCE OFFICER) – Shirlene Adam, Strategic Director

1. Introduction

- 1.1 The purpose of this appendix is to outline and meet the statutory requirements contained in the Local Government Finance Act 2003 which requires the Council's Section 151 Officer to report to Members on:
- The robustness of budget estimates; and
 - The adequacy of proposed reserves
- 1.2 The conclusion of my review is set out at the end of this appendix. The remainder of this appendix provides detailed evidence of my assessments.

2. ROBUSTNESS OF BUDGET ESTIMATES

- 2.1 The proposed budget for 2011/12 (and the forecast position for future years) is the financial interpretation of the Council's strategic priorities and, as such, has implications for every citizen of Taunton Deane together with all other stakeholders.
- 2.2 The proposed budget reflects the Council's agreed Corporate Strategy, and the Profile of Services (for priorities) remains unchanged for 2011/12.
- 2.3 In commenting on the robustness of the budget and level of reserves and balances, the following factors have been taken into consideration and are considered in the remainder of this appendix:

Section 3	Government funding following the CSR
Section 4	Capital programme funding
Section 5	Inflation and other key assumptions
Section 6	Delivery of savings
Section 7	Risks and opportunities with partnerships
Section 8	Financial standing of the Council (level of borrowing, debt outstanding)
Section 9	Track record in budget management
Section 10	Virement and control procedures
Section 11	Risk management procedures
Section 12	Key risk issues in 2011/12 budget

3. Government Funding Following the Comprehensive Spending Review (CSR)

- 3.1 The Government grant provisional settlement, published in December 2010, set out draft grant position for 2011/12 and 2013/14. The headline grant cut for Taunton Deane was 13.7% for 2011/12 and 10.6% for 2012/13.
- 3.2 The final grant settlement position was announced on 31 January 2011, and provides an “actual” grant cut of 13.2% for 2011/12 and a further 12.0% for 2012/13.
- 3.3 This level of reduction in grant funding is unprecedented and requires the Council to make some big decisions on what services it will be able to deliver, and how they will be delivered. This has been recognised by all Councillors, and is encompassed in the Budget Strategy (agreed at Full Council in October 2010).
- 3.2 The Executive’s proposed budget takes advantage of the new Government “incentive” scheme – introduced to encourage local authorities to freeze council tax for 2011/12. The Government will provide additional grant funding equivalent to a 2.5% tax rise. Although this has nil impact on the budget for 2011/12, clearly a lower council tax position will have implications on future year increases.

4. Capital Programme Funding

- 4.1 Traditionally, the Council has relied on significant sums of Government Grant and Supported Borrowing to fund its capital programme. Neither is available to Taunton Deane this year. This has meant some restructuring of the programme to try and ensure priority areas are protected. The Council will be working with partners to try and minimise the impact of the changes.
- 4.2 The Executive’s proposed budget for the capital programme is set out in Agenda Item 7 at this meeting.
- 4.3 To support the spending plans, Councils are required to publish and monitor a set of Prudential Indicators (see Appendix E of this report). The Prudential Regime came into force in 2004, which allows local authorities to self-regulate their approach to funding capital spend through borrowing, based on the principles of affordability, sustainability, and prudence. The Executive’s proposed capital programme follows the principles of the Prudential Code, and does not require any new prudential borrowing.

5. Inflation and Other Key Budget Assumptions

- 5.1 I have reviewed the budget proposals and confirm the following key assumptions:-

Area of Budget	How is this addressed within the TDBC budget process?
Inflation assumptions	<p>General – inflation has <u>not</u> been applied to budgets unless there is direct justification i.e. as a contract condition.</p> <p>Salaries – 0% for 2011/12 and 2012/13, then 2% thereafter.</p> <p>Utilities - based upon known or estimated contract increases</p> <p>Pension Contributions – 16.1%</p> <p>Major Contracts – as per the legal documents supporting the contracts.</p>
Income Levels	<p>Income projections are based on <u>realistic</u> assumptions, current usage levels and the most recent Government guidance on fee levels. They also take into account historic trends and current year variations against budget.</p>
Economic assumptions	<p>Investment interest assumptions are based on independent economic forecasts and include the impact of Treasury Management decisions made in 2010/11.</p>
Salaries Budgets	<p>As one of the largest areas of spend, the salaries budgets have been reviewed in detail. They have been built up by costing each individual post. These have been discussed in detail and agreed with individual Service Managers.</p>
Growth in service requirements	<p>The MTFP identifies service growth areas e.g. refuse collection. This is then firmed up by detailed discussions with Managers during the budget process. Growth assumptions for future years in the Council Tax base have been revised slightly upwards based on best information on likely local growth.</p>
Efficiency Initiatives	<p>Where initiatives are sufficiently well developed, they are included in savings plans. In addition, the Council has benefited from a further savings of £97k in 2011/12 from the Southwest One services contract. The Procurement project with Southwest One is not yet delivering savings at a level to assist the revenue budget position.</p>

Area of Budget	How is this addressed within the TDBC budget process?
Significant Budget areas which are subject to change during the year	The high risk/high value budgets of the Council are rigorously examined and only prudent increases built into them. In addition when forecasting, the performance in both previous and current years is taken into account.
Choices available to Members	All Members have been presented with options for closing the budget gap through the Savings Plan process. They have been considered by Corporate Scrutiny on 18 November 2010 and the Executive on 1 December 2010. Corporate Scrutiny on 27 January 2011 also considered the Executive's updated proposed budget as set out in this paper.
Changes in Legislation	Legislative changes are analysed by officers and their effect built into the MTFP and budget.
Sustainability	The proposed budget takes into account the future financial pressures faced by the Council. Effective financial planning for the medium term is in place, although there is some risk around the future grant levels. I am comfortable that best estimates have been used. The 4 Year Budget Review Programme will need to fundamentally challenge existing priorities and levels of service if the Council is to have a sustainable financial position moving forward.
Sensitivity Analysis	The financial planning model allows the Authority to predict the likely outcomes of changes to key data i.e. inflation, council tax, government grant etc. This is helpful in sharing "what if..." scenarios internally and with partners and members.
The impact of the Capital Programme on the Revenue Budget	The MTFP identifies changes to the base budget as a result of the capital programme.

6. Delivery of Savings

- 6.1 All Managers are responsible for ensuring the savings ideas presented to Members are realistic and deliverable in terms of the level of savings and the timing.
- 6.2 All savings proposals have been reviewed for robustness – and will continue to be monitored during 2011/12 to ensure the benefits are realised. Should there be any risk to the delivery of the identified savings, this will be reported to Members via the budget monitoring regime.

7. Partnership Risks & Opportunities

- 7.1 The Council has several key partnership arrangements in place to support our ambitions and deliver key services. These are supported by contractual arrangements. There are performance management arrangements in place on each partnership to ensure the Council's interests are protected, and that the expected benefits are fully realised. Risk registers are kept for each key partnership and are regularly reviewed by lead officers.
- 7.2 All Council spending will be subject to review (as part of the Budget Review Programme) – including that within partnerships and contracts.

8. Financial Standing of the Council

- 8.1 The Council fully complies with the Prudential Code.
- 8.2 The Council is operating within the agreed parameters of the Financial Strategy.
- 8.3 The Council has an up to date Treasury Management Policy and Strategy in place and is operating within the agreed parameters. The Council currently has £17m of outstanding debt (which is within our maximum borrowing level of £30m). The Council currently has £15.5m of investments placed in the markets in accordance with our policies.
- 8.4 The Council's Treasury Management Practices are prudent and robust, ensuring the Council is not exposed to unnecessary risk in terms of its investment policies. This does mean lower interest rates, but the first priority must be to protect the capital invested.
- 8.5 The adequacy of the Council's reserves is discussed later in the appendix.

9. Track Record in Budget Management

- 9.1 The Council has an excellent track record in budget management. The most recent years have resulted in the following outturn positions:-

Year	Variance £	Variance of Approved Budget %
2005/06	(£45,000)	(0.39%)
2006/07	£242,000	1.9%
2007/08	£49,000	0.37%
2008/09	£46,000	0.09%
2009/10	£10,000	0.06%

- 9.2 In the context of a gross expenditure budget of £58m, the above results are pleasing and reflect continuous improvement in budget management. Members are provided with regular in-year updates on

key budget variances (Corporate Scrutiny and Executive). There is always room for improvement and we hope to further improve our systems during 2011/12.

10. Virement & Control Procedures

- 10.1 The Financial Regulations contain formal rules governing financial processes and approvals (virements are simply transfers of budget between departments).
- 10.2 The Council updated its Financial Regulations during 2008 to ensure they will still fit for purpose. The Financial Regulations are being complied with throughout the organisation.

11. Risk Management

- 11.1 I am satisfied that the Council has adequate insurance arrangements in place, and that the cover is structured appropriately to protect the Council.
- 11.2 The Council operates a self-insurance fund and this is operating effectively.
- 11.3 The Council has a Risk Management Policy in place which defines how risk is managed at different levels in the organisation. It defines roles, responsibilities, processes and procedures to ensure we are managing risk effectively. This matter is reviewed by the Corporate Governance Committee.
- 11.4 Equalities Impact Assessments have been undertaken on all savings plan issues proposed in this budget and other key budget changes where required. Copies of the detailed assessments are included within the budget reports for the General Fund and Housing Revenue Account revenue and capital budgets.

12. Key Risk Issues In 2011/12 Budget

- 12.1 There are some areas of the proposed budget for 2011/12 that I do not have full confidence in at this moment in time. They are detailed below for Members attention. The figures in the proposed budget for 2011/12 are based on our best estimates. These will require intensive monitoring throughout the year, and swift corrective action taken should they vary from budget. The issues I need to bring to Members attention are:-
 - **Housing & Council Tax Benefit Subsidy** - The funding regime for housing benefit and council tax benefit subsidy has remained constant for 2011/12. However, the administration grant we receive to support this function has been reduced by £91k. This service is delivered by our partners Southwest One. Subsidy budgets are always very difficult to estimate due to the fluctuating volume of claims received and the different levels of subsidy payable of types

of claimant error. The challenge in 2011/12 will be greater than normal due to the expected growth in claims arising from the current economic slump. The total benefit subsidy budget is in excess of £30m – and therefore small fluctuations in this budget can have a big impact on the budget of the Council. Systems are in place to ensure this is monitored on a monthly basis. In addition, assumptions on the level of subsidy payable on Local Authority overpayments are at a prudent level.

- **Interest Rates** – Interest rates have been at a very low level for a long time. The Executive’s proposed budget has been based on cautious and prudent assumptions on interest rate movements taken from forecasts issued by our Treasury Management advisors, Arlingclose.
- **Impact of Economic Changes** – the Council’s budgets reflect our best estimates of the impact of current economic conditions. This is an issue we need to continually monitor through the budget monitoring process.
- **Procurement Savings** - The funding of the Southwest One transformation projects has been initially financed by prudential borrowing. The strategy is that this debt will be repaid once the procurement strategy of the council, in partnership with Southwest One, begins to deliver savings. Recent updates from Southwest One indicate potentially lower levels of savings than originally forecast. We have requested a full review of this forecast by our Partners and will brief Members on this as soon as we have the detail. There is some risk on the level of savings to be delivered, and the timing of their delivery.
- **Waste Collection Contract** – the Annual Business Plan for the Somerset Waste Partnership has been shared with Community Scrutiny and the Executive. The final business plan has to be approved by the Somerset Waste Board on 11 February 2011. The Executive’s proposed budget assumed that this will be approved. If it isn’t, we may need to review this budget to reflect the potential increase in inflationary costs.
- **Planning Fee Income** – The Executive’s draft budget includes an additional income from planning fee increases of £70k for 2011/12. This is based on the advice of the Growth and Development Manager following his review of the recent consultation paper on this topic. This is a prudent estimate. The consultation paper will be “finalised” by the Government at some point over the next couple of months. Until this is done, this amount could be “at risk” in the budget.
- **Car Park Fee Income** – the latest projections for car park income in the current year (2010/11) show a downward trend. It is still unclear whether this is a fundamental shift in behaviour, or a downturn due to the “difficult” weather conditions experienced during December.

This will be closely monitored during the year to ensure the budget estimates remain robust.

- **Trading Account – Deane Helpline.** The Executive's proposed budget recognises the new information on the expected financial position of the Deane Helpline. Although this information has emerged very late in the budget process, it must be recognised and dealt with in the 2011/12 budget plans. As recognised by the Core Council Review in 2010, this service is in need of review. The first phase of this work has revealed the ongoing trading deficit position and now the Council must progress this and decide what it wants to do about this moving forward. The service delivered to the public is excellent, and this will continue in 2011/12, but the underlying financial position is not sustainable in the longer term. This must be reviewed with Members as a matter of urgency. The 2011/12 budget recognises that the trading deficit of £75kpa will continue, and there is a need for more financial administration skills (estimated cost of £25k pa). The budget position will be updated during the year to reflect the conclusions of the next part of the review.

13 ADEQUACY OF RESERVES

- 13.1 With the existing statutory and regulatory framework, it is my responsibility as s151 Officer to advise the Council about the adequacy of the Council's reserves position.
- 13.2 All reserves are reviewed at least annually and my opinion updated during the budget setting process each year. The annual review considers not only the adequacy but the necessity of the reserves. Reserves are not held without a clear purpose. There have been two reports on this during 2010/11 – returning a total of £129k from Earmarked Reserves to the General Fund Reserve.
- 13.3 My opinion is given in the knowledge that known risks (strategic, operational and financial) are managed and mitigated appropriately in line with the Councils policies and strategies.
- 13.4 The headlines of my findings on each key reserve are set out in section 14 – 16 below.
- 13.5 My opinion is set out in section 17 below.

14. General Fund Reserve

- 14.1 The predicted General Fund Reserve position is set out in section 11 of the main report. No monies are required from reserves to support the 2009/10 core budget. A sum of £49,000 is required to fund the new capital schemes, by way of a transfer from the Council's General Fund Reserve to support one-off capital spend. An additional sum of £156,000 is required to fund the trading deficit position on Deane

Helpline. This is a one-off solution, pending further review of this service.

- 14.2 The predicted balance on this reserve, having set the 2011/12 budget is £2.2m.
- 14.4 CIPFA make it clear that the level of reserves for each Authority cannot be decided by the application of a standard formula and each authority must assess their own reserve levels based on the specific risks and pressures which they face. This has been done and is clearly set out in the Councils Financial Strategy.
- 14.5 The Financial Strategy states that General Fund Reserves should be maintained at a minimum of £1.25m (or £1m if being replenished via invest to save initiatives).
- 14.6 The level of reserves may appear high in comparison with earlier years, and the parameters of the Financial Strategy. When taken in the context of the medium term financial plan forecasts though, it is clear that reserves need to be at this level to support the Council through the difficult choices it will need to make in the 4 Year Budget Review Programme.

15. Housing Revenue Account Reserve

- 15.1 The housing Revenue Account balance is forecast to be £1.47m at 31 March 2011. The move to self-financing is now fairly certain, and we await the detailed guidance to support this significant change. We expect this to be available in the next few weeks, and further reports will be forthcoming to Members. The draft medium term financial plan for the HRA predicts as follows (but will be subject to review in light of the guidance):

	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
Total Income	15,835	23,777	24,767	25,808
Expenditure	14,576	25,266	24,588	24,922
(Surplus)/Deficit	175	1,489	(179)	(886)
Working Balance b/f	1,467	1,292	(197)	(18)
Working Balance c/f	1,292	(197)	(18)	869

- 15.2 The Council aims to preserve this reserve at no lower than £150 per dwelling (which would be the equivalent of £0.9m).

16. Earmarked Reserves

- 16.1 At 31 March 2011, the Council expects to have £6m in earmarked reserves. The main reserves include the self-insurance fund, asset maintenance, and DLO trading account balance.

17. CONCLUSION

- 17.1 All Councils are facing financial challenges. The difficult economic conditions are forcing more of our community into circumstances where they require more support, and we simply don't have the resources to do this anymore.
- 17.2 The medium term financial plan shows we have some serious funding gaps to close in future years. The Council is prepared for this challenge – and has approved the Budget Strategy (October 2010) to support this. The 4 Year Budget Review Programme is about to be launched and will help the Council be in a position – by next summer – where it can be really clear about what it can afford to do in future years (and equally clear about what it cannot afford to do).
- 17.3 Equally important through these difficult times, is the level of reserves held by the Council. The Council will need to invest to make savings, and will potentially need to, in future years, support ongoing spend from reserves whilst savings are being implemented.
- 17.4 Based on all the information above, I am pleased to report that I believe the Council's reserves to be adequate, and the Executive's draft budget proposals for 2011/12 to be robust.

Shirlene Adam
Strategic Director