

BABERGH DISTRICT COUNCIL

FROM: Director of Finance

REPORT NUMBER

K202

TO: Strategy Committee

DATE OF MEETING

10 February 2011

BUDGET 2011/12

1. PURPOSE OF REPORT

- 1.1 To outline the key aspects of the final proposals for the 2011/12 Budget following consideration of Paper K161 by the Committee on the 13 January 2011.
- 1.2 To report the views of the two Overview and Scrutiny Committees on the final draft budget and the Housing Panel in relation to the Housing Revenue Account Budget for Council Housing.

2. RECOMMENDATIONS TO COUNCIL

- 2.1 That the General Fund Budget, proposed charges for 2011/12 and capital programme, as summarised in Appendix A, be approved, it being noted that this is based on and subject to:
 - (a) the recommendations relating to the package of Budget proposals agreed by this Committee on the 13 January 2011 including no increase in Council Tax for 2011/12, and
 - (b) the additional matters referred to in this report.
- 2.2 That the Council Housing Budget and proposed charges for 2011/12 as also set out in Appendix A be approved. Further, that the weekly rents for Council dwellings and compulsory let garages be increased on average by 5% with effect from Monday, 18 April 2011.
- 2.3 That it be noted that the Prudential Indicators for capital finance, borrowing and treasury management set out in Appendix 3 of Paper K190 form part of the Budget approval, including the authorised limit for external debt shown in table 6 of that Appendix.
- 2.4 That the Minimum Revenue Provision (MRP) Statement included in Appendix B, which sets out the Council's policy on this, be approved.
- 2.5 That, where expenditure is included within the approved budget, the Director of Finance be authorised to:-

- Vary the timing of revenue and capital payments between financial years in accordance with Financial Regulations and Council resolutions.
- Vary the method of financing capital schemes, if he is satisfied that it is in the financial interest of the Council to do so.

These recommendations will be incorporated in the final Policy and Budget Framework that is to be approved by the Council on the 22 February 2011.

3. **FINANCIAL IMPLICATIONS**

- 3.1 The details set out in Appendix A reflect the key elements of the Council's Policy & Budget Framework for 2011/12 and determine the level of service provision, Council Tax, Council House rents and charges for the coming year. They are based on Paper K161 previously considered by Members and the further information provided in this report.

4. **RISK MANAGEMENT**

- 4.1 Paper K161 sets out the key risks. The more detailed assumptions underpinning the budget and the risks associated with these will be incorporated in the Budget Risk Assessment that is presented with the final Budget that goes to Council on the 22 February 2011.

5. **KEY INFORMATION**

General Fund Budget

- 5.1 Strategy Committee approved a package of Budget proposals on the 13 January 2011 (Paper K161) for both the General Fund and the Housing Revenue Account (HRA). The final level of Government grant for next year has just been announced. Although this indicates a slightly better settlement for 2011/12 than previously indicated of £33k, the indication for 2012/13 is for a further £31k reduction. Over the 2 years, therefore, Babergh still faces just over a 25% grant cut. The final detailed Policy & Budget Framework for 2011/12 will reflect the latest position on the grant settlement, Paper K161, and any other changes that arise. An update will be provided on any further information relating to the grant settlement and other issues at the meeting.

Budget Scrutiny

- 5.2 The proposals have been further scrutinised by both Overview and Scrutiny Committees (and the Housing Panel in relation to the HRA).
- 5.3 No major issues were raised by the Overview and Scrutiny (Stewardship) Committee although they re-affirmed their views on the

matters raised by the Joint Overview and Scrutiny Committees in December 2010 in relation to:

- Choose Suffolk – not making the reduction of £5k or 25% of the Budget for tourism and economic development
- Babergh Matters – reduce the cost or find alternative means of communicating with the public.

5.4 They fully recognised that the package of Budget proposals for 2011/12 including the savings and additional income that have been identified of £1.7m is the result of a lot of thought and hard work by the SFP Task Group and officers and that these should be supported. They also:

- Noted that more work will be needed over the coming months to establish a very clear strategic direction to determine future priorities and inform ongoing Budgets and service provision
- Expressed some concern on certain aspects of the future capital programme and borrowing requirements
- Raised a number of detailed matters with officers, which will be incorporated in the final published Budget as appropriate.

5.5 In relation to Choose Suffolk, an option is that, rather than reduce the budget by £5k, that the current budget is maintained but that actual payment of this is dependant upon the actions and outcomes achieved by Choose Suffolk that benefit the Babergh area. Retention of the £5k in the Budget can be accommodated.

5.6 With regards to the proposed HRA Budget, the Housing Panel met on the 28 January and proposed the following:

- That the rent increase of 5% should be supported
- That, in view of the higher level of HRA reserves than previously forecast and based on officer advice, a further £200k should be invested in the capital programme in 2011/12

5.7 In relation to the Overview and Scrutiny (Community Services) Committee, a number of questions were raised and views were expressed on certain aspects of both the General Fund and the HRA Budget. These included:

- Noting the latest position on public conveniences (Paper K195 refers) and the proposed saving of £50k. No significant concerns were raised in this respect
- Clarification by officers on a number of detailed points, specifically in relation to the HRA Budget and the 5% proposed rent increase, following which this recommendation was supported.

5.8 On the HRA Budget, the proposed additional capital investment includes:

- An addition of £30k to the central heating budget e.g. heat pumps to reduced energy consumption
- An addition of £170k to the 'contingent major repairs' budget for the potential investment in advanced solar energy and additional works to kitchens and bathrooms as a result of the stock condition survey in April 2011.

5.9 Business Ratepayers are considering key aspects of the 2011/12 Budget proposals and the Council's financial position and outlook at the Business Evening on the 8 February 2011. Any views will be reported to the Committee.

Integration and Merger with Mid Suffolk

5.10 The Revenue Budget includes a provision of £250k for the potential additional net costs (after senior management and service integration savings) relating to integration and merger in the current year and 2011/12, as provided for in the updated Business Case.

5.11 Actual net expenditure will depend on a number of factors, including the extent to which capitalisation directions are received from the Government towards redundancy and pension costs.

5.12 These initial costs will be more than met in future by the forecast annual savings from the integration and merger proposals. As indicated in the Business Case, payback is forecast in 2013/14.

Reserves

5.13 In terms of reserves and specifically the level of General Fund working balance and its use over the next few years, the possible position is indicated below. The Council's previous strategy has been to retain a minimum balance of £1.2m although the SFP Task Group, based on advice from the Director of Finance, are prepared to accept that a reduction to £1m over the next 3-4 years depending on the Council's financial position, would be acceptable (this is in line with Mid Suffolk). Further consideration will be given to this in future years' SFP processes.

	General £000	Earmarked £000
Actual Balance – 1 April 2010	1,685	1,259
Planned addition/use*:		
- 2010/11	-102	-1,175
- 2011/12	-30	-84
	1,553	0
Less: Potential provision for legal claims/costs	-300	-
Potential Balance 31/3/12	1,253	0

*Depends on actual integration and merger costs/savings and the level of New Homes Bonus in 2011/12 (and extent to which this is used to support additional expenditure).

- 5.14 Clearly, the position on reserves is highly dependant on the New Homes Bonus and the outcome of the pending legal case and any other expenditure that may be needed that is not reflected in current Budgets. If the position is more beneficial than indicated, more reserves could be set aside and/or made available in future years to meet cost and savings pressures that the Council's revenue budget will be facing or to support the capital programme (to reduce future and ongoing borrowing costs).

Medium Term Financial Strategy 2012/13 to 2014/15

- 5.15 Officers from both Babergh and Mid Suffolk have been working on the formulation of a Joint Medium Term Financial Strategy (MTFS) that sets out the overall challenges facing the Council, the likely levels of savings that will be needed over the three year period and the approach and plans that will need to be developed to tackle this.
- 5.16 The MTFS underpins both Councils strategic financial planning processes so that they can anticipate and react to key changes in the financial climate, both nationally and more locally. It is clearly important that an integrated approach is adopted and that plans are jointly formulated to achieve agreed outcomes.
- 5.17 The level of savings/income required for the three years from 2012/13 to 2014/15 has been modelled, including potential levels of Government Grant under different scenarios and varying assumptions on inflation, costs and income. However, the position for each year will depend on the actual Government Grant levels that the Councils receive over the 3 years and prevailing economic conditions. The Government has provided an indication that the 2012/13 grant reduction will be around 12% -13%

across both Councils (following the final grant settlement announcement) but cuts beyond that are uncertain.

5.18 As indicated above, changes in the economic situation in terms of inflation and interest rates will also affect the position as will any changes in any of the other assumptions that are detailed in the MTFs.

5.19 What is certain, however, is that the Councils jointly face the very difficult challenge of achieving further and a continuing high level of savings year on year, particularly in 2012/13. The amount that needs to be saved will depend on the severity of cuts in Government grants in 2013/14 and 2014/15.

5.20 Officers estimate that the potential level of savings could be as follows over the 3 years, based on the worst case scenario, although further work is needed in relation to these forecasts:

Year	Babergh £m	Mid Suffolk £m	Total £m
2012/13	1.4	1.5	2.9
2013/14	1.0	1.0	2.0
2014/15	1.1	1.5	2.6
	3.5	4.0	7.5

Note: For Babergh, this excludes ongoing staff PRP savings of £0.25m per annum, which are subject to future agreement with Unison.

5.21 The above clearly highlights that:

- Fundamental changes and further new ways of working will be needed to deliver the levels of savings and efficiencies indicated. These are likely to have further appreciable impacts on service delivery, reduced staff numbers and/or staff terms and conditions
- The Councils will face difficult decisions on these and on Council Tax levels and will have to consider ways of generating additional income as well as further savings and efficiencies on top of those from integration and merger
- An integrated approach will be needed, with a clearly agreed and understood strategic direction formulated by the two Councils, with clear priorities determined on the services and areas that the Councils should fund in future.

5.22 Further work will be undertaken by officers on the MTFs and future plans of the two Councils to address the above challenges. It is proposed that

this is then considered by the Joint Member Implementation Board, with a further report back to Strategy Committee in due course.

Capital Programme

- 5.23 The proposed 3-year General Fund and Council Housing Capital Programmes are also summarised in Appendix A. These have been thoroughly reviewed to ensure only essential/high priority schemes are included.
- 5.24 Prudential Indicators relating to these and the associated borrowing limits relating to capital finance matters, which all Councils are required to approve, are included in Paper K190 (also on today's agenda).

Council Housing Budget

- 5.25 As indicated earlier in the report, the Housing Panel considered this on the 28 January and supported the proposed Budget, Rents and Charges for 2011/12, including the addition of £200k to the 2011/12 capital budget. Their views are reflected in the final proposals in Appendix A.
- 5.26 In addition to the average rent increase of 5%, other key proposals for 2011/12 include:
- Average Supporting People Service Charges for those in sheltered accommodation reduced by between 20% and 50%. Service Charges for homeless accommodation remain unchanged
 - Increase in heating & lighting charges for those in sheltered and homeless accommodation of 5%

Minimum Revenue Provision

- 5.27 The Minimum Revenue Provision (MRP) Statement is detailed in Appendix B. This sets out the approach to making financial provision for debt repayment in relation to borrowing for the capital programme.

6. APPENDICES

A – Summary of the Budget, Charges and Capital Programme

B – Minimum Revenue Provision (MRP) Statement

7. BACKGROUND PAPERS REFERRED TO:

Revenue Support Grant settlement.

CONTACT: Barry Hunter,
Director of Finance

E-MAIL: barry.hunter@babergh.gov.uk

GENERAL FUND REVENUE BUDGET SUMMARY

Line	2010/11		2011/12
	Original £000's	Revised £000's	Budget £000's
1 Natural and Built Environment	2,183	2,093	2,018
2 Community Development	2,311	2,075	1,968
3 Contract and Asset Management	4,110	3,622	2,708
4 Revenues and Benefits	837	1,074	822
5 Corporate and Central Services	2,019	2,169	2,330
6 MSDC Integration / Merger	25	92	200
7 Net Service Cost	11,485	11,125	10,046
8 Reduced Staffing Costs / Vacancy Mgt.	(125)	0	(125)
9 Additional Savings & Income	(75)	0	(75)
10 Allowance for Cost Pressures / Lower Income	0	0	91
11 Total Net Service Costs	11,285	11,125	9,937
12 Capital charges / Asset Management & Investment Income	(918)	(876)	(888)
13 Revenue Financing of capital	0	1,120	0
14 Pension / Deficit Contributions	746	746	781
15 Transfers to / (from) Earmarked Reserves	(175)	(1,175)	(84)
16 Net Revenue Expenditure	10,938	10,940	9,746
17 Use of Reserves - General	(100)	(52)	(80)
18 MSDC Integration / Merger	0	(50)	(200)
19 Budget Requirement	10,838	10,838	9,466
20 Deficit / Surplus (-) on Collection fund	4	4	(20)
21 Government Support	(6,240)	(6,240)	(4,692)
22 Add'l Gov't Support for no CTax rise	0	0	(115)
23 Demand on Collection Fund	4,602	4,602	4,639
24 Council Tax Base	33,107	33,107	33,373
25 Council Tax for Band D Property	139.01	139.01	139.01
26 Council Tax	4,602	4,602	4,639

GENERAL FUND BUDGET SUMMARY - NET SERVICE COSTS

Line	2010/11		2011/12
NATURAL & BUILT ENVIRONMENT	Original £000's	Revised £000's	Budget £000's
Environmental Protection			
27 Environmental Health	548	558	561
28 Carbon Reduction	55	51	33
29 Pest & Dog Control	14	24	22
30 Housing Standards	39	63	52
31 Renovation Grants	124	91	103
32 Care & Repair	26	21	21
33 Licensing	48	30	31
34 Total Environmental Protection	854	838	823
Planning Policy & Control			
35 Planning Policy & Conservation	412	368	387
36 Development Control	811	810	754
37 Building Control	102	70	45
38 Total Planning Policy & Control	1,325	1,248	1,186
39 Capital Charges (Depreciation etc)	4	7	9
40 TOTAL NATURAL & BUILT ENVIRONMENT	2,183	2,093	2,018

GENERAL FUND BUDGET SUMMARY - NET SERVICE COSTS

Line	2010/11		2011/12
COMMUNITY DEVELOPMENT	Original £000's	Revised £000's	Budget £000's
Leisure & Community Safety			
41 Hadleigh Swimming Pool	128	99	88
42 Kingfisher Leisure Centre	219	219	191
43 Sport & Leisure Promotion	178	151	157
44 Be Active Leisure Inclusion	53	53	65
45 Community Safety	248	152	164
46 Children's Play Programme	22	19	18
47 Total Leisure & Community Safety	848	693	683
Community Grants, Arts & Tourism			
48 The Arts	51	32	23
49 Tourism	188	212	150
50 Community Achievement Awards & Young Pe	38	63	64
51 Grants and Contributions	414	389	356
52 Total Arts & Tourism	691	696	593
Housing & Economic Development			
53 Economic Development	132	145	154
54 Affordable Housing	117	169	147
55 Homelessness	78	41	45
56 Babergh Response	(22)	(43)	(62)
57 Other Housing Services	162	151	151
58 Total Housing & Economic Development	467	463	435
59 Capital Charges (Depreciation etc)	305	223	257
60 TOTAL COMMUNITY DEVELOPMENT	2,311	2,075	1,968

GENERAL FUND BUDGET SUMMARY - NET SERVICE COSTS

Line	2010/11		2011/12
CONTRACT & ASSET MANAGEMENT	Original £000's	Revised £000's	Budget £000's
Waste Collection			
61 Domestic Waste Collection	1,456	1,441	1,431
62 Trade & Green Waste Collection	(68)	(122)	(73)
63 Recycling Strategy & Consortium	(170)	(213)	(319)
64 Total Waste Collection	1,218	1,106	1,039
Countryside Management & Flood Defenses			
65 Street Cleansing & Abandoned Vehicles	613	564	550
66 Footpaths & Countryside Management	97	33	35
67 Amenity Areas	424	408	387
68 Parks & Open Spaces	306	282	277
69 Flood Defence & Land Drainage	13	4	4
70 Total Countryside Management & Flood Defenses	1,453	1,291	1,253
Asset Management & Other Services			
71 Car Parking	57	120	5
72 Public Conveniences	171	169	118
73 Industrial & Starter Units	(32)	(44)	(52)
74 East House	15	18	7
75 Belle Vue House	0	(8)	2
76 Asset Management	77	83	74
77 Other Services	73	35	50
78 Total Asset Management & Other Services	361	373	204
79 Concessionary Travel	772	668	12
80 Capital Charges (Depreciation etc)	306	184	200
81 TOTAL CONTRACT & ASSET MANAGEMENT	4,110	3,622	2,708

GENERAL FUND BUDGET SUMMARY - NET SERVICE COSTS

REVENUES & BENEFITS	2010/11		2011/12
	Original £000's	Revised £000's	Budget £000's
Revenues & Benefits			
82 Housing/Council Tax Benefits	413	562	(547)
83 Council Tax Collection	369	380	(81)
84 NNDR Collection	93	95	(64)
85 SRP	0	39	1,515
86 Total Revenues & Benefits	875	1,076	823
87 Capital Charges (Depreciation etc)	(38)	(2)	(1)
88 TOTAL REVENUES & BENEFITS	837	1,074	822

CORPORATE AND CENTRAL SERVICES	2010/11		2011/12
	Original £000's	Revised £000's	Budget £000's
Corporate Management & Democratic Services			
89 Corporate Management, Democratic Process	1,278	1,440	1,366
90 Performance Management & Improvement	122	127	115
91 Publicity and Information	118	114	115
92 Bank Charges, Audit Fees and Treasury Man	208	228	206
93 Electoral Registration	110	127	128
94 Conducting Elections	39	48	143
95 Local Land Charges	20	(33)	10
96 Other Unallocated Costs	1	45	111
97 Partnership Agreements	5	2	2
98 Other Services	10	4	10
99 Total Corporate Management & Democratic Services	1,911	2,102	2,206
Other Corporate Services			
100 Civil Protection & Emergency Planning	67	80	78
101 Corporate Subscriptions	63	39	49
102 Business Rates Growth	0	(36)	0
103 Total Other Corporate Services	130	83	127
104 Capital Charges (Depreciation etc)	(22)	(16)	(3)
105 TOTAL CORPORATE AND CENTRAL SERVICES	2,019	2,169	2,330

106 NET SERVICE COSTS	11,460	11,033	9,846
107 MSDC Integration Costs	25	92	200
108 NET SERVICE COSTS	11,485	11,125	10,046

GENERAL FUND RESERVES

General Reserves

	2009/10	2010/11		2011/12	See Note
	Actual	Original	Revised	Budget	
	£000	£000	£000	£000	
Opening balance - 1 April	2,359	1,463	1,685	1,583	
Addition				250	1
Use	-674	-100	-52	-80	2
			-50	-200	3
Closing balance - 31 March	1,685	1,363	1,583	1,553	

Notes

- (1) New Homes Bonus
- (2) General use of reserves
- (3) Use of reserves for initial net one-off/transitional costs for Mid Suffolk integration and merger - more could have to be used if capitalisation directions not received. There is also an outstanding legal case which could reduce reserves further.

Earmarked Reserves

	Capital Projects	Business Rates Growth	Shared Services	Legal Costs	Total	
	£000	£000	£000	£000	£000	
Opening Balance 1/04/2010	602	482	25	150	1,259	
Addition 2010/11		36			36	
Use 2010/11	-602	-518	-25	-66	-1,211	
Inter-Reserve Transfers 2010/11					0	
Estimated Balance 31/03/2011	0	0	0	84	84	
Addition 2011/12					0	
Use 2011/12				-84	-84	4
Estimated Balance 31/03/2012	0	0	0	0	0	

Note

- (4) Depends on progress/timing and outcome on legal case. May be additional financial requirements.

ESTABLISHMENT & MANPOWER BUDGET

HQ Staffing and Associated Costs

Line	2009/10	2010/11		2011/12
	Actual £	Original £000	Revised £000	Budget £000
1 Salaries & Wages (inc. NI & Pensions)	8,824	8,562	8,077	7,288
2 Other Employee Costs	413	424	361	320
3 Supplies and Services	1,252	1,214	1,299	1,212
4 Transport Expenses	271	262	256	225
5 Contract Costs	10	11	11	11
6 Capital Charges	521	594	610	426
7 Miscellaneous Income	(154)	(141)	(126)	(87)
8 Reduced Staffing Costs		(167)	0	(165)
9 Total HQ Costs	11,137	10,759	10,488	9,230

	2009/10	2010/11		2011/12
	Actual £	Original £000	Revised £000	Budget £000
10 Natural and Built Environment	2,399	2,361	2,249	2,269
11 Community Development	1,198	1,125	1,040	1,141
12 Contract & Asset Management	2,246	2,238	2,141	2,173
13 Customer Services	972	881	857	0
14 Corporate Services	3,397	3,450	3,326	3,171
15 Finance & Audit	925	871	875	641
16 Reduced Staffing Costs		(167)		(165)
17 Total HQ Costs	11,137	10,759	10,488	9,230

General Fund - 4 Year Capital Programme 2010/11-2013/14 - Summary

Line	PROJECTS	(1)	(2)	(3)	(4)	(5)	(6)
		2010/11 £	2010/11 Rev £	2011/12 £	2012/13 £	2013/14 £	Total 2011/14 £
1	ICT / Information Management	323,900	237,490	302,000	150,000	50,000	502,000
2	Contract & Asset Management	1,317,000	726,910	2,877,740	1,511,330	516,400	4,905,470
3	Community Development	548,800	655,970	179,510	128,500	128,500	436,510
4	Private Sector Housing	536,000	586,140	513,500	571,472	485,000	1,569,972
5	Natural & Built Environment	225,000	246,446	-	-	-	-
6	Mid Suffolk Merger Costs	-	186,000	212,000	60,000	444,000	716,000
7	TOTAL GENERAL FUND CAPITAL PROGRAMME	2,950,700	2,638,956	4,084,750	2,421,302	1,623,900	8,129,952

CAPITAL FINANCING		2010/11 £	2010/11 Rev £	2011/12 £	2012/13 £	2013/14 £	Total 2011/14 £
8	Borrowing- non supported	768,000	56,505	1,820,840	1,468,830	814,900	4,104,570
9	Capital Receipts	1,124,798	295,000	1,880,600	587,000	530,000	2,997,600
10	Earmarked Reserves	-	602,200	-	-	-	-
11	LABGI	-	518,000	-	-	-	-
12	Grants / External Contributions- other	1,057,902	1,167,251	383,310	365,472	279,000	1,027,782
13	TOTAL FINANCING	2,950,700	2,638,956	4,084,750	2,421,302	1,623,900	8,129,952

General Fund - 4 Year Capital Programme 2010/11-2013/14 - Detail

Line	PROJECTS	(1) 2010/11 £	(2) 2010/11 Rev £	(3) 2011/12 £	(4) 2012/13 £	(5) 2013/14 £	(6) Total 2011/14 £
	ICT / Information Management						
	Significant Major Projects						
14	LAMP Phase 2		61,190				
	Infrastructure						
15	Rationalisation of Servers			20,000			20,000
16	E-mail Archiving	10,000		10,000			10,000
17	Ongoing Govt Connect Costs	20,000	10,000	20,000			20,000
18	Committed schemes	70,100	65,100	78,000	70,000	50,000	198,000
	Applications						
19	Health & Safety Audits	10,000					
20	Shared Services Integration	80,000	10,000	25,000	25,000		50,000
	Service transformation						
21	Broadband Development			50,000			50,000
22	MapRite	10,000	10,000	10,000			10,000
23	Land Terrier			16,000			16,000
24	Shared Service Working	55,000	12,960	30,000	25,000		55,000
25	Committed Schemes	68,800	68,240	43,000	30,000		73,000
26	Total Expenditure	323,900	237,490	302,000	150,000	50,000	502,000
	Financing						
27	Borrowing- non supported	5,000					
28	Capital Receipts	312,100	109,000	302,000	150,000	50,000	502,000
29	Earmarked Reserves		118,940				
30	Grants/ External Contributions- other	6,800	9,550				
31	Total ICT / Information Management	323,900	237,490	302,000	150,000	50,000	502,000

General Fund - 4 Year Capital Programme 2010/11-2013/14 - Detail

Line	PROJECTS	(1) 2010/11 £	(2) 2010/11 Rev £	(3) 2011/12 £	(4) 2012/13 £	(5) 2013/14 £	(6) Total 2011/14 £
	Contract & Asset Management						
32	Street Parking Improvements	15,000	21,000	8,000	8,000	8,000	24,000
33	Planned Maintenance to H.Q.	40,000	36,350	35,000	35,000	35,000	105,000
34	Car Parks - Ticket Machines / Network Rail / Other Planned Maintenance	140,000	156,700	40,000	40,000	40,000	120,000
35	Planned maintenance - Corporate Buildings	25,000	18,500	43,200	40,000	40,000	123,200
36	Pin Mill - Regeneration (Haven Gateway)	156,000	266,800				
37	Calais Street Pavilion - Demolition & Improvements		28,300				
38	Planned Maintenance at Kingfisher Leisure Centre	89,000	39,350	35,500	111,300	112,000	258,800
39	Enhancement of Kingfisher Facilities (see note 1)	500,000	35,000	535,000			535,000
40	Hadleigh Pool Repairs			25,000	25,000	25,000	75,000
41	Hadleigh Community Facilities		8,010	2,031,040	167,030		2,198,070
42	Play Equipment	25,000	25,000	25,000	25,000	25,000	75,000
43	Waste Transfer Station (see note 1)		18,900		600,000		600,000
44	Refuse Fleet replacement (see note 1)	137,000			360,000	131,400	491,400
45	Bridge House Replacement Storage Facility	100,000					
46	Carbon Reduction (see note 2)	90,000	73,000	100,000	100,000	100,000	300,000
47	Total Expenditure	1,317,000	726,910	2,877,740	1,511,330	516,400	4,905,470
	Financing						
48	Borrowing- non supported	371,800	35,505	1,716,040	1,134,330	480,400	3,330,770
49	Capital Receipts	639,200		1,161,700	377,000	36,000	1,574,700
50	Earmarked Reserves		430,095				
51	LABGI		25,405				
52	Grants/ External Contributions- other	306,000	235,905				
53	Total Contract & Asset Management	1,317,000	726,910	2,877,740	1,511,330	516,400	4,905,470

Note 1 - Dependent on clear business case and generation of annual income or savings.

Note 2 - Invest to save - also results in annual savings.

General Fund - 4 Year Capital Programme 2010/11-2013/14 - Detail

Line	PROJECTS	(1) 2010/11 £	(2) 2010/11 Rev £	(3) 2011/12 £	(4) 2012/13 £	(5) 2013/14 £	(6) Total 2011/14 £
	Community Development						
54	East LSP grants (see note 3)	58,300	82,750	33,110			33,110
55	Community Grants	128,500	142,320	145,200	128,500	128,500	402,200
56	Hadleigh Swimming Pool Enhancement work	140,800	399,400				
57	University Campus Suffolk	187,000					
58	Children's Play Builder Scheme	2,500					
59	Children's' Play Programme - Big Lottery funded	31,700	31,500	1,200			1,200
60	Total Expenditure	548,800	655,970	179,510	128,500	128,500	436,510
	Financing						
61	Borrowing- non supported	320,200		19,800	128,500	128,500	276,800
62	Capital Receipts	136,100		125,400			125,400
63	Earmarked Reserves						
64	LABGI		424,620				
65	Grants/ External Contributions- other	92,500	231,350	34,310			34,310
66	Total Community Development	548,800	655,970	179,510	128,500	128,500	436,510

Note 3 - Babergh just acting as banker - External Money Received to pay for this.

General Fund - 4 Year Capital Programme 2010/11-2013/14 - Detail

Line	(1)	(2)	(3)	(4)	(5)	(6)
PROJECTS	2010/11 £	2010/11 Rev £	2011/12 £	2012/13 £	2013/14 £	Total 2011/14 £
Private Sector Housing						
67 Private Sector Renewal - Mandatory	343,000	334,670	273,000	335,000	335,000	943,000
68 Private Sector Renewal - Discretionary	107,000	65,470	97,500	100,000	100,000	297,500
69 Affordable Housing Grants (see note 4)	86,000	186,000	143,000	136,472	50,000	329,472
Total Expenditure	536,000	586,140	513,500	571,472	485,000	1,569,972
Financing						
71 Borrowing- non supported	71,000	21,000	85,000	206,000	206,000	497,000
72 Earmarked Reserves		53,165				
73 LABGI		67,975				
74 Capital Receipts	37,398		79,500			79,500
75 Grants/ External Contributions- other	427,602	444,000	349,000	365,472	279,000	993,472
Total Private Sector Housing	536,000	586,140	513,500	571,472	485,000	1,569,972

Note 4 - Includes use of S106 Monies.

General Fund - 4 Year Capital Programme 2010/11-2013/14 - Detail

Line	(1)	(2)	(3)	(4)	(5)	(6)
PROJECTS	2010/11 £	2010/11 Rev £	2011/12 £	2012/13 £	2013/14 £	Total 2011/14 £
Natural & Built Environment						
77 Green Waste Scheme Enhancement		135,000				
78 Air Quality Management	16,000	27,860				
79 Sudbury Town Centre Enhancement (HERS)		20,000				
80 Redevelopment of Sudbury Town Centre bus station	209,000	63,586				
Total Expenditure	225,000	246,446	0	0	0	0
Financing						
82 Grants/ External Contributions- other	225,000	246,446				
Total Natural & Built Environment	225,000	246,446	0	0	0	0

General Fund - 4 Year Capital Programme 2010/11-2013/14 - Detail

Line	PROJECTS	(1) 2010/11 £	(2) 2010/11 Rev £	(3) 2011/12 £	(4) 2012/13 £	(5) 2013/14 £	(6) Total 2011/14 £
	Mid Suffolk Intergration & Merger						
84	Capitalised Redundancy Costs (see note 5)		186,000	200,000			200,000
85	ICT Integration Costs			12,000	60,000	444,000	516,000
86	Total Expenditure	0	186,000	212,000	60,000	444,000	716,000
	Financing						
87	Borrowing- non supported						
88	Capital Receipts		186,000	212,000	60,000	444,000	716,000
89	Total Mid Suffolk Merger & Intergration	0	186,000	212,000	60,000	444,000	716,000

Note 5 - Based on business case approved in September 2010. Currently being revised to reflect timing of CE and Senior Management Structure.

90	TOTAL GENERAL FUND CAPITAL PROGRAMME	2,950,700	2,638,956	4,084,750	2,421,302	1,623,900	8,129,952
----	---	------------------	------------------	------------------	------------------	------------------	------------------

Fees and Charges Increase Summary 2010/11 to 2011/12

Charges & Fees	2010/11 Charge	2011/12 Charge	% Change
<u>Footpath Diversions</u>			
Administration charge for order covering one footpath	1,500.00	1,650.00	10%
<u>Car Parking</u>			
Excess Parking Charge	45.00	55.00	22%
Pin Mill Car Parking Charge between 0800 and 1700 (per hour)	0.30	0.50	68%
Pin Mill Residents Licence	109.00	163.50	50%

Charges & Fees	2010/11 Charge	2011/12 Charge	% Change
<u>Local Land Charges</u>			
- Official Certificate of Search (LLC1) & Replies to Part 1 (CON29) Enquiries.	137.00	140.00	2%
Enquiries made via the National Land & Information Service:			
- Part 1 CON29 Enquiries only (less Statutory fee for Certificate of Search) (Note 5)	112.00	115.00	3%
Enquiries made via Suffolk Searches:			
- Part 1 CON29 Enquiries only (less Statutory fee for Certificate of Search)	107.00	115.00	7%

Charges & Fees	2010/11 Charge	2011/12 Charge	% Change
<u>Council Tax / Business Rates</u>			
- Summons Costs	53.00	53.00	0%
- Liability order	11.00	11.00	0%

Charges & Fees	2010/11 Charge	2011/12 Charge	% Change
<u>Trade Waste</u>			
- 240 litre bin	469.20	507.60	8%
- 360 litre bin	520.80	568.80	9%
- 660 litre bin	656.40	730.80	11%
- 1100 litre bin	837.60	949.20	13%
<u>Recyclable Trade Waste</u>			
- 240 litre bin	434.40	429.60	-1%
- 360 litre bin	466.80	452.40	-3%
- 660 litre bin	559.20	517.20	-8%
- 1100 litre bin	676.80	594.00	-12%
Charge for the delivery of Garden Waste Bin	11.00	5.00	-55%
For those on benefit	5.50	2.50	-55%

Fees and Charges Increase Summary 2010/11 to 2011/12

Charges & Fees	2010/11 Charge	2011/12 Charge	% Change
Hire of Friars Meadow / East House Meadow			
- Caravans - per weekend (2 nights) (FM Only)	14.00	15.00	7%
- Caravans - per additional night (FM Only)	7.00	7.50	7%
- Small Circus - per operating day	110.00	120.00	9%
- Small Circus - per non operating day	55.00	60.00	9%
- Small Circus - deposit (for damage)	325.00	350.00	8%
- Large Circus/Fair - per operating day	275.00	300.00	9%
- Large Circus - per non operating day	125.00	135.00	8%
- Non-Charity Fund Raising Events			
- deposit (for damage)	375.00	350.00	-7%

Charges & Fees	2010/11 Charge	2011/12 Charge	% Change
Babergh Response (Note 1)			
- Private Sector (3000's per annum)	203.33	207.36	2%
- Private Sector (400's per annum)	173.38	176.83	2%
- External bodies (monitoring & maintenance per annum)	116.16	118.56	2%
- One-off Installation Charge (free for those on Housing Benefits)	25.92	26.50	2%

Charges & Fees	2010/11 Charge	2011/12 Charge	% Change
Environmental Protection Act			
General Enquiries/Register Info.	£53.50 minimum, plus hrly rate £31 for time in excess of 30 mins	£55.50 minimum, plus hrly rate £32 for time in excess of 30 mins	4%

Note 1 - Those who cannot afford to pay the full annual charge pay a reduced amount

COUNCIL HOUSING REVENUE BUDGET SUMMARY

Line	2010/11 Original £000's	Revised £000's	2011/12 Budget £000's
Income:			
1 Dwellings Rents	(12,732)	(12,790)	(13,391)
2 Garages and Other	(206)	(219)	(229)
3 Service and Facility Charges	(704)	(697)	(505)
4 Heating Charges and Other Income	(214)	(221)	(222)
5 Contributions towards expenditure	(141)	(133)	(133)
6 Total Income	(13,997)	(14,060)	(14,480)
Expenditure:			
7 Planned and Responsive Repairs	2,148	2,099	2,130
8 General Management	1,735	1,670	1,760
9 Special Services	1,604	1,570	1,568
10 Rent, Rates and Debt Provision	75	76	78
11 HRA Subsidy Payable to Government	4,960	5,049	5,390
12 Transfer to General Fund re HB Costs	75	45	46
13 Depreciation	2,986	3,342	3,479
14 Reduced Staffing Costs	(142)	0	(40)
15 Total Expenditure	13,441	13,851	14,411
16 Net Cost Of Services	(556)	(209)	(69)
17 Impairment & Asset Management Account	197	146	160
18 Premiums and Discounts, and Investment Income	257	257	212
19 Net Operating Expenditure	(102)	194	303
20 Appropriations:			
21 Revenue contribution to capital	616	616	928
22 Transfer to / (from) Major Repairs Reserve	(717)	(1,095)	(1,198)
23 Pensions Deficit	186	186	198
24 Deficit / Surplus (-)	(17)	(99)	231
HRA Reserve			
25 Balance at 1 April	1,001	1,213	1,312
26 Surplus / Deficit (-) for the year	17	99	(231)
27 Balance at 31 March	1,018	1,312	1,081

Council Housing - Capital Programme

	-----Planned Expenditure-----				Total Cost of Schemes £
	2010/11	2011/12	2012/13	2013/14	
COUNCIL HOUSING SCHEMES	£	£	£	£	£
Planned Maintenance Programmes					
1 Rewiring	154,800	200,500	112,220	112,220	579,740
2 Roofing	93,400	113,700	286,940	581,280	1,075,320
3 Doors and Windows	231,080	220,000	206,390	206,400	863,870
4 Central Heating	984,550	611,250	341,120	341,120	2,278,040
5 Kitchens/bathrooms	676,500	471,000	472,480	472,480	2,092,460
6 Garage doors	12,750	62,900	118,200	11,820	205,670
7 Fences/Gates	74,200	89,600	120,240	120,240	404,280
8 Paths/Walls	36,830	85,900	98,820	98,820	320,370
9 Common Areas	13,440	41,860	2,870	2,880	61,050
10 Disabled Adaptations	357,920	323,720	325,000	325,000	1,331,640
11 Electrical Works	10,000	10,000			20,000
12 Internal Plumbing	10,000	10,000			20,000
13 Dampness and Condensation	20,000	20,000	30,000	30,000	100,000
14 Decent Homes - Improvements	21,700				21,700
15 Stock Condition Survey	25,000	60,000			85,000
16 Contingent Major Repairs		348,000	181,620		529,620
17 Parking Areas				78,910	78,910
					-
18 Total Planned Maintenance	2,722,170	2,668,430	2,295,900	2,381,170	10,067,670

Council Housing - Capital Programme

COUNCIL HOUSING SCHEMES	-----Planned Expenditure-----				Total Cost of Schemes
	2010/11	2011/12	2012/13	2013/14	
Other Programmes	£	£	£	£	£
19 Conversions/Adaptations	88,000	35,570	36,000	36,000	195,570
20 Sheltered Units - General Imps.	92,040	15,900	40,000	40,000	187,940
21 Smoke Alarms (Babergh Standard)	24,800	59,350	47,300	47,300	178,750
22 Insulation Improvements (Babergh Standard)	147,800	100,000	68,000	68,000	383,800
23 Street parking improvements	29,000	12,000	10,000	10,000	61,000
24 Major Refurbishments	148,800	120,000	200,000	120,000	588,800
25 Parking areas/Estate imp./Estate maintenance	69,200	42,380	44,680	40,000	196,260
26 Structural Works	99,800	154,400	121,220	121,230	496,650
27 Sewage Treatment works			1,900	1,300	3,200
28 Software/Surveys	50,000	25,000	25,000	25,000	125,000
29 Additional ICT Projects	10,400		25,000	25,000	60,400
30 Asset Register	13,500				13,500
31 Regeneration Schemes	27,980	10,970			38,950
32 Asbestos	9,910	10,000	10,000	10,000	39,910
33 TOTAL COUNCIL HOUSING SCHEMES	3,533,400	3,254,000	2,925,000	2,925,000	12,637,400

Total Investment Programme - Proposed Financing

PROPOSED FINANCING	2010/11	2011/12	2012/13	2013/14	Total
	£	£	£	£	£
34 Borrowing - supported	550,000	-	-	-	550,000
35 Revenue	616,000	928,000	650,000	650,000	2,844,000
36 Grants/External Contributions	25,000	25,000	25,000	25,000	100,000
37 Major Repairs Allowance	2,342,400	2,301,000	2,250,000	2,250,000	9,143,400
38 TOTAL INVESTMENT	3,533,400	3,254,000	2,925,000	2,925,000	12,637,400

PROPOSED HOUSING REVENUE ACCOUNT CHARGES FOR 2011/12

<u>Service charges - incorporating Accommodation and Supporting People charges</u>	2010/11 Total Service Charge (48 weeks)	2011/12 Total Service Charge (48 weeks)	Average decrease
Sheltered Accommodation			
<u>Very Sheltered Accommodation - Level One</u>			
William Wood House	74.84	60.26	} 20%
Sydney Brown Court	73.60	58.76	
<u>Other Sheltered Accommodation - Level Two</u>			
Steeds Meadow	29.52	21.18	} 27%
Elizabeth Court	30.06	21.45	
Playford Court	26.82	20.46	
Clibbon House	-	-	
<u>- Levels Three and Four</u>			
Springlands	34.74	19.90	} 50%
Tenterpiece	34.89	16.34	
Parkers Way	28.78	15.19	
Hill House	43.36	16.89	
Grimwood Corner	29.25	14.80	
Newell Court	30.01	11.70	
Clover Court	51.10	16.48	
Gayford Court	29.84	13.24	
Tayler Close	28.06	14.80	
Samford Close	41.22	19.85	
Angel Street	25.23	22.87	
Ash Street	41.68	14.82	
Spring Street	32.41	15.73	
Inkerman Terrace	32.17	16.57	
Bradfield Avenue	24.44	15.74	
Service Charges			
Old School House, Hadleigh:			
- 1 person unit	26.55	26.55	no change
- 2 person unit	29.79	29.79	no change
<u>Light & Heat (Private Rooms and Communal Areas)</u>	2010/11 Total Light & Heat Charge	2011/12 Total Light & Heat Charge	Increase
- Level One Bedsits (Very Sheltered Accommodation)	13.25	13.91	5%
- Level One Non-Bedsits (Very Sheltered Accommodation)	26.52	27.85	5%
- Level Two Bedsits (Sheltered Accommodation)	9.39	9.86	5%
- Level Two Non-Bedsits (Sheltered Accommodation)	18.83	19.77	5%
- Level Three, where applicable, Bedsits (Sheltered Accommodation)	8.65	9.08	5%
- Level Three, where applicable, Non-Bedsits (Sheltered Accommodation)	17.34	18.21	5%
- Homeless Units Bedsits	n/a	n/a	
- Homeless Units Non-Bedsits	n/a	n/a	
Old School House			
- 1 person unit	11.02	11.57	5%
- 2 person unit	12.36	12.99	5%
<u>Furnishing Charges</u>	2010/11	2011/12	
<u>Homeless Units</u>			
- 1 Person Unit	5.17	5.17	no change
- 2 Person Unit	6.20	6.20	no change
<u>Garage Rents</u>			
Garages casually let to council tenants	6.26	6.57	5%
Garages casually let to private tenants	7.85	8.36	6.5%

MRP Statement 2011/12

1. The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 (SI 2008/414) place a duty on local Authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision (MRP) has been issued by the Secretary of State and local authorities are required to “have regard” to such guidance under Section 21 (1A) of the Local Government Act 2003.
2. The four MRP options available are:
 - Option 1: Regulatory Method
 - Option 2: CFR (Capital Financing Requirement) Method
 - Option 3: Asset Life Method
 - Option: 4 Depreciation Method
3. MRP in 2011/12: Options 1 and 2 may be used only for supported expenditure. Methods of making prudent provision for self financed expenditure include Options 3 and 4 (which may also be used for supported expenditure if the Council chooses).
4. The MRP Statement will be submitted to Council before the start of the 2011/12 financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement should be put to Council at that time.
5. The Council will apply Option 2 in respect of supported capital expenditure and Option 3 in respect of unsupported capital expenditure.
6. MRP in respect of leases brought on Balance Sheet under the IFRS based Code of Practice will match the annual principal repayment for the associated deferred liability.