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**BASSETLAW**

DISTRICT COUNCIL  
NORTH NOTTINGHAMSHIRE

# **BUDGET BOOK 2010/11**

**BASSETLAW DISTRICT COUNCIL**

**COUNCIL**

**4 MARCH 2010**

**REPORT OF THE DIRECTOR OF RESOURCES**

**BUDGET HEADLINES 2010/11**

Cabinet Member: Finance & Property  
Contact: Mike Hill  
Ext: 3174

**1. Purpose Of The Report**

- 1.1 This report brings together the various budget recommendations made by Cabinet on 11<sup>th</sup> February 2010 to assist the Council in determining its call upon the Collection Fund and hence the level of the Council Tax for 2010/11.

**2. Background**

**General Fund Revenue Budget**

- 2.1. The overall grant settlement saw an increase of £138,200. RSG amounts to £1,434,300 with the NNDR element being £9,877,400.
- 2.2. The General Fund net budget for 2010/11, as agreed by Cabinet is £18,001,000 after funding Participatory Budgeting, Service Improvement Bids, Parish Precepts, and the use of balances (£0). This provides for a Council Tax increase of 0%.

**Participatory Budgeting & Service Improvement Bids**

- 2.3. The Budget continues the policy of reinvesting in priority services, and includes £227,000 for Participatory Budgeting, and a further £175,000 for Service Improvement Bids.

**Parishes**

- 2.4. The Parish Precepts for 2009/10 total £790,300 (rounded to nearest £100), an average Band D increase of 5.62%.
- 2.5. The District Council has no special expenses. This is confirmed in the Council Tax Resolution.

### **General Fund Reserves and Balances**

- 2.6. The Council is required to operate a General Fund and a separate Collection Fund. Within the General Fund, the Council will hold £1M as a minimum working balance.

### **Council Tax Base**

- 2.7. The Council Tax base (Band D equivalent) has increased from 35,782.81 to 35,991.63.

### **Bassetlaw District Council Tax For 2010/11**

- 2.8. The District Council Tax position may be summarised as follows:

	<b>£'000</b>	<b>Council Tax Band D Equiv. £</b>
General Fund Total Expenditure	18,001	500.14
Transfer from Reserves	0	0
	<hr/> 18,001	<hr/> 500.14
<b><u>LESS</u></b>		
Parish Precepts	-790	-21.95
Area Based Grant	-399	-11.08
Revenue Support Grant	-1,434	-39.85
National Non-Domestic Rates distribution	-9,878	-274.44
To be met from Collection Fund	<hr/> 5,500	<hr/> 152.82
<b><u>LESS</u></b> reductions due to better than expected local tax collection	<hr/> 0	<hr/> 0
	<hr/> 5,500	<hr/> 152.82

### **Housing Revenue Account**

- 2.9. The Housing Revenue Account estimates for 2010/11 include an average weekly rent increase of £1.62 per week on a 52-week collection basis as from 5<sup>th</sup> April 2010 in respect of all dwellings. This provides for an average rent increase of 2.74%. Within the HRA, the Council will hold £0.75M as a minimum working balance.

### **Capital Budget**

- 2.10. The CIPFA Prudential Code governs the Authority's Capital Expenditure. This is limited to the amount the Authority can afford after allowing for grants, the availability of capital receipts, revenue contributions and leasing.
- 2.11. The recommended Capital Budget for 2010/11 (including the previous years approvals) totals £31,883,000 of which £16,188,000 is for Housing, and the remaining £15,695,000 is for the General Fund.

### **Total Council Tax for 2010/11**

- 2.12. In addition to the District Council Tax, the Council is required to raise monies in respect of precepts issued by the Nottinghamshire County Council, Nottinghamshire Police Authority, Nottinghamshire Fire & Rescue Service, Parish Councils, and Charter Trustees.
- 2.13. The position may be summarised as follows:

	<b>Band D Council Tax £</b>	<b>Band D Percentage Increase %</b>
Bassetlaw District Council	152.82	0
Nottinghamshire County Council	1,193.18	0
Nottinghamshire Police Authority	160.11	4.77
Combined Fire Authority (i.e. Nottinghamshire Fire & Rescue Service)	69.69	2.89
Parish Councils and Charter Trustees	21.96	5.62
<b>TOTAL</b>	<b>1,597.76</b>	<b>0.65</b>

### **Precept Requirements for 2010/11**

- 2.14 The position may be summarised as follows:

	<b>Band D Council Tax £</b>
Bassetlaw District Council	5,500,241
Nottinghamshire County Council	42,944,493
Nottinghamshire Police Authority	5,762,620
Combined Fire Authority (i.e. Nottinghamshire Fire & Rescue Service)	2,508,419
Parish Councils and Charter Trustees	790,255
<b>TOTAL</b>	<b>57,506,028</b>

**3. Recommendations from the budget reports presented to Cabinet on 11<sup>th</sup> February 2010**

The Council is recommended to approve for 2010/11: -

Budget 2010/11 and Future Years to 2012/13

- a) The General Fund net budget of £17,210,700 (excluding parishes and precepts).
- b) A Council Tax Band D increase of 0% that retains the amount of £152.82 for Bassetlaw District Council.
- c) No use of reserves to fund the budget.
- d) The Participatory budget totalling £227,000.
- e) The Service Improvement Bids totalling £175,000.
- f) The declaration of a nil surplus on the Collection Fund.

Housing Revenue Account Budget 2010/11 and Future Years to 2012/13

- g) The HRA budget of £30,001,200 (gross expenditure) and £29,958,400 (gross income).
- h) An average rent increase of 2.74% to £60.81 per week on a 52-week collection basis as from the 5<sup>th</sup> April 2010 in respect of all dwellings.
- i) That the average rent be applied at an individual property level as calculated using the Government Rent Restructuring model.
- j) The use of reserves of £42,800 to fund the budget.

General Fund Capital Programme 2010/11 to 2014/15

- k) The new additions to the Capital Programme totalling £9,034,000.

Housing Capital Programme 2010/11 to 2014/15

- l) The Housing Capital Programme totalling £55,513,000.

Treasury Management Policy and Strategy

- m) The updated Treasury Management Policy.
- n) The updated Treasury Management Practices.
- o) The Prudential Indicators and limits.
- p) The Minimum Revenue Provision Statement.
- q) The Treasury Management Strategy.
- r) The Borrowing and Investment Strategies.

Capital Investment Strategy 2010/11 to 2014/15

- s) The approval of the Capital Investment Strategy.

Property Asset Management Plan 2010/11 to 2014/15

- t) The approval of the Property Asset Management Plan.

Robustness of Estimates and Adequacy of Reserves

- u) The Council notes the report.

**BASSETLAW DISTRICT COUNCIL**

**CABINET**

**11 FEBRUARY 2010**

**REPORT OF DIRECTOR OF RESOURCES**

**BUDGET 2010/11 AND FUTURE YEARS TO 2012/13**

Cabinet Member: Finance & Property  
Contact: Neil Taylor  
Ext: 3221

**1. Public Interest Test**

- 1.1 The author of this report, Neil Taylor, has determined that the report is not confidential.

**2. Purpose of the Report**

- 2.1 To provide details for the General Fund Budget proposals for 2010/11 and future years to 2012/13, and make recommendations for the budget setting meeting at Full Council on the 4<sup>th</sup> March, 2010.

**3. Background and Discussion**

- 3.1 The budget report is a key milestone in the development of the Council, and the services it provides for local people. This budget centres on five main factors:
- The savings made during the 2010/11 Star Chamber process;
  - The consolidation of the further budget pressures that have been experienced since the start of the economic downturn in 2008;
  - The extension of the Council's democratic renewal with the outcomes of the Participatory Budgeting exercise conducted with Research For Today;
  - Investment in responding to the findings of the Place Shaping Survey concluded in the spring of 2009; and
  - Members aspirations for Council Tax.
- 3.2 During September 2009 an evidence based approach to savings was undertaken in a corporate "Star Chamber" process which looked at service activity, value for money, service improvements and actual spending patterns in 2006/07, 2007/08 and 2008/09. These were compared to the 2009/10 budget provisions for all service areas. At the conclusion of the exercise the following savings were identified, and these have been incorporated into the budget proposals for 2010/11 with a full year effect:

<b>2010/11 Budget Star Chamber Outcomes:</b>			
	<b>Base Budget £</b>	<b>Savings Identified £</b>	<b>%</b>
Community Engagement	1,667,300	62,600	3.8%
Community Prosperity	8,758,800	93,600	1.1%
Environment & Housing	7,036,400	167,000	2.4%
Finance & Property	3,021,500	93,900	3.1%
Concessionary Fares	1,403,800	150,000	10.7%
Human Resources	418,700	5,500	1.3%
Revenues & Customer Services	2,110,500	90,000	4.3%
Support Services	2,793,900	92,800	3.3%
Corporate Management	813,300	3,000	0.4%
	<b>£28,024,200</b>	<b>£758,400</b>	<b>2.7%</b>

Note: The base budget is the approved initial budget for 2009/10, adjusted for third party payments, depreciation, and central support costs.

- 3.3 From this exercise only two vacant part-time posts in Finance and Property, and Community Engagement and Performance are affected. All the other savings are non-staff related and are ongoing into future years with the exception of £89,100 in Environment & Housing, which relates to the vacant Head of Service post that will remain vacant for 2010/11 only.
- 3.4 Members should note the savings exclude any projected savings that will be made from the new Leisure Trust arrangements. These will come into force in early 2010, when Barnsley Premier Leisure take over the existing management of the Leisure Centres at Bircotes, Retford and Worksop, and the Kilton Forest Golf Course. A separate report will be brought forward on the financial implications when the process is completed.
- 3.5 In the last three financial years Bassetlaw has demonstrated that it can successfully move resources within its budget to respond to Members' priorities:

<b>Savings Achieved £'000</b>	<b>Service Investments Made £'000</b>
2008/09 Budget 790 (4.8% of the base budget)	2008/09 Budget Service Improvements 49 August 2008 Service Improvements 628
2009/10 Budget 765 (4.4% of the base budget)	2009/10 Budget Service Improvements 227 2009/10 Participative Budgeting & Devolved Budgets 150
2010/11 Budget 758 ( 2.7% of the base budget)	2010/11 Budget Service Improvements 175 2010/11 Participative Budgeting & Devolved Budgets 227
<b>Total £2,313</b>	<b>Total £1,456</b>

3.6 The discipline that the annual budget reviews bring enables the Council to plan ahead, and stay ahead, of the savings programme required to keep marginal income in balance with marginal expenditure. The following areas were identified for further work during 2010 at the last round of Star Chambers for the 2011/12 budget:

- Administration arrangements (opportunities for further centralisation which may bring more efficiencies);
- A programme to achieve 48 hour processing for new benefit claims, which will improve standards and reduce the wasted effort that is currently experienced (75% of all new claims cannot be completed when they are first submitted by claimants due to a lack of information);
- Community Engagement and Performance – full service review;
- Enforcement arrangements;
- Internal audit;
- Visiting Officers; plus
- Some preparatory work on shared services for fraud investigation and NNDR.

Savings in the Planning service following the 2008 business process re-engineering review are also in-hand, and there will be a further report scheduled for Revenues & Benefits in March 2010.

3.7 Stakeholders will also be interested to know that Bassetlaw externally reviewed its Refuse Collection service in 2009. The work here showed that the service was strong and efficient. Therefore, there are no plans to change these arrangements, apart from one discrete service which could be changed to improve recycling activity.

#### **Current Year's Budget Pressures**

3.8 For the 2009/10 budget the Council reduced its income for its planning, car parking and land charge activities to reflect the forecasts for lower activity and service demand as the economic downturn took hold. During 2009 further leeching of income has occurred and the current years projections are for an overspend in 2009/10 of £0.33m at the 31<sup>st</sup> March 2010. Members cannot allow the base budget to be understated at the start of the financial year and further down-turns in income are reflected in the figures for 2010/11 before you this evening. The reductions are:

	<b>2009/10 £'000</b>	<b>2010/11 £'000</b>
Planning	183	0
Car Parking	100	94
Land Charges	72	0
<b>Total:</b>	<b>355</b>	<b>94</b>

3.9 In the last couple of years, through the Service Review process, the Council has seen a reduction in its establishment, with the numbers of posts being held vacant now being reduced to a minimum. Consequently, the previous target for vacancy savings of 5% is now unachievable, and therefore, this has been reduced to a more reasonable target of 2.5% within this budget round.

3.10 Given the savings programmes that Members have championed, Bassetlaw has been able to deal with these matters in a relatively straightforward manner. The Council has a strong financial base from which to move forward, as it is being proactive in its ongoing successful value for money programme.



## Participatory Budgeting

- 3.11 The 2009/10 budget saw Members' first initiatives with participatory budgeting for Bassetlaw. Firstly, by providing each Councillor with £1,000 to spend in their ward as they saw fit, subject to some corporate guidelines. Secondly, parishes were given the opportunity to apply for financial support from the District Council to improve their areas (£50,000 was approved for this purpose), again within a district-wide framework. For 2010/11 a further £50,000 is being made available to parishes within the capital programme, targeted on play areas. Thirdly, an additional £100,000 was spent on street sweeping following a consultation exercise in Bassetlaw News. This has also been built into the budget for 2010/11 onwards.
- 3.12 The initiative for participatory budgeting was further developed to support the Budget Allocation process for 2010/11. Independent consultants 'Research for Today' carried out Bassetlaw's research during December 2009. The research team delivered a structured consultation exercise, which sought residents' views on where to invest or reduce spending on a range of Council services.
- 3.13 An assessment of resident satisfaction was also measured through this consultation process and was a lot more positive than previous exercises.
- 3.14 The research process consisted of three phases of field work:
- Face to Face interviews with 260 residents. These were proportional to the ward population and representative of Bassetlaw demographics;
  - Local focus groups with residents (Retford & Worksop); and
  - A web-based survey.
- 3.15 At each stage of the research residents were asked to consider a list of 23 attributes or services that Bassetlaw currently delivers. The full list is attached at Appendix 6. Residents were then asked to 'spend' four sets of points relative to what they wanted to see change – either services were invested in or budgets reduced.
- 3.16 The research findings were gathered and analysed using the SIMALTO modelling tool. The outputs provide a clear indication of resident preferences for service investment. It also enables Bassetlaw to see how much any council tax increases would be necessary to deliver the changes residents indicate they wish to see implemented.
- 3.17 A summary of resident preferences for service improvements is set out below. This reflects those six areas of service that if invested in are most likely to improve resident satisfaction with the Council. All of these can be included, with no other decreases, as the base budget for 2010/11 is sufficiently robust. The improvements voted for, and included in the Council's spending plans are:

Improve response to fly tipping (60% removal within 24 hours of contact with the Council)	The capital programme includes £75,000 for a new two way radio system to assist with speed of response to reports of fly-tipping. There is also a £246,000 provision in the capital programme to modernise the vehicle fleet, part of which relates to extending the fleet with a new tipper vehicle and a pick-up truck.
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Recycling initiatives – e.g. trial roll out of free composting bins	<ul style="list-style-type: none"> <li>• This will form part of the wider capital programme and £200,000 has been earmarked for recycling initiatives, which will include the roll out of free composters to residents across the District.</li> </ul>
Enhance preventative approach to homelessness	<ul style="list-style-type: none"> <li>• This will form part of a wider capital programme to improve affordable housing in Bassetlaw. The Retford Town Hall Yard is an example of this, and the good partnership working that brought it about.</li> <li>• Another initiative will be the review of the reception area at Queen's Buildings for homelessness arrangements.</li> </ul>
Improve maintenance of Children Play Equipment	<ul style="list-style-type: none"> <li>• The Capital programme has a £75,000 allocation for play equipment refurbishment each year from 2010/11 to 2013/14.</li> <li>• The Capital programme has a £260,000 allocation for two new play sites in 2010/11.</li> <li>• An additional £15,000 per annum has been allocated to provide maintenance of existing play sites in the revenue budget for 2010/11 onwards.</li> <li>• A £50,000 capital pot has been allocated for parish schemes (para. 3.11)</li> </ul>
Enhanced approach to security	<ul style="list-style-type: none"> <li>• The Town Centre Partnership will be reviewing local CCTV provision during 2010/11 and there is a capital budget to support this project.</li> <li>• Officers will bring a comprehensive report on car parking improvements, including security, to Cabinet during 2010.</li> <li>• The 2010/11 revenue budget includes a provision of £75,000 per annum ongoing for a new Park Rangers initiative to improve local safety for residents.</li> </ul>
Enhance job creation schemes	An additional one-off provision of £20,000 has been included in the 2010/11 budget for preparatory works on new schemes like the Harworth Technology Hub.

- 3.18 This overview of resident preferences informs the basis for Bassetlaw decision making on what services to invest in and improve. It also links closely with the revised Corporate Plan for Bassetlaw 2010-2013 and supporting service plans 2010/11.

### **General Fund Revenue Reserves & Balances**

- 3.19 The Local Government Finance Act 1992 requires authorities to have regard to the level of reserves when calculating their budget requirements. Professional guidance is set out to assist in this deliberation (guidance note on Local Authority reserves and balances – LAAP Bulletin 77 – November 2008). The Council is maintaining its minimum working balance of £1m in 2009/10. As Members know, last year the Council streamlined its reserves and balances, and at 1<sup>st</sup> April 2009, there were five main areas of resource:

	<b>£'000</b>
Minimum Revenue Balance	1,000
General Reserve	1,384
Job Evaluation Reserve	815
Economic Development Reserve	184
Insurance Reserve	52
<b>Total</b>	<b><u>£3,435</u></b>

- 3.20 Taking into account the carry-forwards, one-off service improvement bids, and anticipated withdrawals from balances during 2009/10, this balance will reduce by £1.346M to £2.089M at 31<sup>st</sup> March 2010 (Appendix 5).

### **The Formula Grant Settlement 2010/11**

- 3.21 Formula Grant from Central Government currently funds 66% of Bassetlaw's net budget, whereas only 34% comes from local council taxes. 2010/11 sees the end of the current Three Year Grant Settlement. Ministers have confirmed that the overall figures first announced in January 2008 will stand and Bassetlaw will receive a grant of £11.312m in 2010/11. As Members know the 2009 Comprehensive Spending Review was postponed until after the next election, but, the Government has taken a number of measures in the Chancellors' Pre-Budget Report announced on the 9<sup>th</sup> December, 2009 to redress the nation's fiscal balance:

- national insurance will increase by 0.5%;
- public sector pay increases will be limited to 1% in the next two years;
- efficiency savings targets have been increased to £4.4 billion; and
- public sector expenditure will grow by 0.8% between 2011/12 and 2014/15.

- 3.22 If the Government is to save any of the money it pays to local government itself then the method will be through either a frozen level or a reduction in Formula Grant i.e. grant income can be reduced as costs will not rise, savings will be made, and other income can be generated to compensate. Until Ministers make further announcements then an assumption of a nil increase in grant would be prudent, although some commentators are predicting real reductions in grant levels. This will remain speculation until Ministers provide clear guidance.

- 3.23 The grant settlement continues to operate a damping mechanism, which is designed to guarantee that every authority gets at least the grant 'floor' increase for that class of authority. For Shire Districts the 'floor' is set at a 0.5% increase over the 2009/10 grant payment. Scaling back the grant increase above the 'floor' for other authorities in that class, including Bassetlaw, pays for the cost of guaranteeing this increase. In our case, the Council's grant entitlement has been reduced by £113k due to the damping mechanism. This is equivalent to a council tax increase of 2.1% and the damping therefore continues to inhibit the Council's ability to promote local services whilst keeping Council Tax increases to a minimum.

### Other Grants

- 3.24 The Council receives a variety of grants from government, which can be classed as:

**Formula Grant.** Comprises revenue support grant and redistributed business rates. These are both distributed by formula through the Local Government Finance Settlement. There are no restrictions on what the grant can be spent on, and details of the amounts are provided above.

**Specific Grants.** These grants are outside the main settlement and are also known as ring-fenced grants. These usually fund particular services or initiatives that are a national priority, for example Supporting People. As time progresses, these will become less important as ringfencing is removed, or they become absorbed into the Area Based Grant. The specific grant allocations for Bassetlaw are:

	2010/11	2011/12	2012/13
	£	£	£
Free Swimming	90,800	0	0
Parenting Practitioner	50,000	0	0
Housing Benefits – Rent Allowances	12,144,600	12,144,600	12,144,600
Housing Benefits – Rent Rebates	12,830,800	13,109,700	13,109,700
Council Tax Benefits	8,982,100	8,982,100	8,982,100
Total	34,098,300	34,236,400	34,236,400

Note: Free swimming funding and parenting practitioner ends in 2010/11.

**General Grants.** These grants are unfenced and sometimes known as targeted grants. They are distributed outside of the annual settlement. It has been announced that Bassetlaw will receive the following grants:

	2010/11	2011/12	2012/13
	£	£	£
Concessionary Fares	297,000	297,000	297,000
Homelessness	45,000	45,000	45,000
Housing & Council Tax Benefit Subsidy Admin	913,800	867,400	867,400
Business Rates Cost of Collection	166,000	166,000	166,000
Planning Delivery	83,000	83,000	83,000
Housing Delivery	95,300	95,300	95,300
Places for Change	55,000	0	0
Total	1,655,100	1,553,700	1,553,700

Note: 2011/12 and 2012/13 are estimates.

**Area Based Grants.** From 2008/09 local authorities also receive a non-ringfenced general grant known as the Area Based Grant (ABG). ABG is made up of grant streams that were previously provided to local authorities as specific grants. ABG will allow the Council, working with its partners, to decide where best to invest their resources in the most effective and efficient way. The budget assumes that resources will be directed as per the specific grant streams moved into ABG.

	2010/11	2011/12	2012/13
	£	£	£
Cohesion	75,000	75,000	75,000
Stronger Safer Communities	295,000	295,000	295,000
Climate Change	22,500	22,500	22,500
Environmental Damage	300	300	300
Regulation			
Economic Assessment Duty	6,000	6,000	6,000
Total	<u>398,800</u>	<u>398,800</u>	<u>398,800</u>

Note: 2011/12 and 2012/13 are estimates.

The largest element of the Area Based Grant is the Stronger Safer Communities grant, which is currently passported to Community Prosperity to provide funding for the Manton Community Alliance. This funding was originally a seven-year 'pathfinder' project that runs for the period 1<sup>st</sup> January 2005 to 31<sup>st</sup> December 2011. It should be noted that the 2012/13 budget does arbitrarily make the assumption that this funding will continue, but the figures are only an estimate and may not be awarded to the Council in that year. Therefore, over the next few months, Members will face the difficult decision regarding any future provision of the Manton Community Alliance, and whether this non-ringfenced grant (if paid in 2012/13), should continue to support that service, or be targeted elsewhere.

### Capping

- 3.25 2009/10 saw the lowest national average council tax increase for a more than fifteen years, at 3% and Ministers have said they expect the figure for 2010/11 to be lower again, as the public start to see the benefits of the efficiency drive first heralded by the Gershon Review in 2004. The Parliamentary Under-Secretary of State, Mrs Barbara Foilett MP is quoted from her letter to the Council dated 9<sup>th</sup> December 2009 as saying: "The Government remains prepared to take capping action against excessive increases by authorities and to require them to rebill households for a lower council tax if necessary".

### Icelandic Investments

- 3.26 The current stance of the DCLG to this issue is twofold.

Firstly, Ministers will not extend the current Regulation that defers all impairment charges past 2009/10, despite sound advice from the Local Government Association.

Secondly, the Department will not allow any capitalisation applications for impairment losses in 2010/11.

- 3.27 In practice, what this means is that affected councils have been forced to make capitalisation requests during 2009/10. Bassetlaw's has been completed and sent to the DCLG for a total of £2.66m. Members should note that this does not reflect the Council's opinion on likely losses, it is merely adopting a methodology recommended by the DCLG for calculating the figure to be used in a capitalisation application.

#### **Collection Fund surplus / deficit**

- 3.28 The Council is statutory obliged on 15<sup>th</sup> January each year to prepare an estimate of its Collection Fund transactions for Council Tax. This estimate enables Bassetlaw and the three major precepting authorities to take account of any surpluses or deficits on the Fund when they set their own authority budgets.
- 3.29 Collections to 31<sup>st</sup> March 2009 were in line with the budgeted rate and resulted in a surplus of £13,700 carried forward. A review of collection levels in 2009/10 and the current economic climate concluded that it would be prudent to assume a nil surplus in-year for 2010/11. For similar reasons, the council taxbase report to Council recommended that the estimated collection rate remain at 98.5%. The Collection Fund estimates are provided at Appendix 3.

#### **Risk Assessment**

- 3.30 In considering the 2010/11 budget, it is important to consider areas of risk contained within the proposals. The following is a commentary on significant areas:
- Investment income interest rate assumptions have been set at 1.5%. This is directly comparable to Butlers' forecasted 3-month returns for 2010/11 of 1.5%. With the Bank of England's base rate remaining static at 0.5% this is believed to be prudent given the current market forecasts of small base rate increases.
  - Fees and charges – the proposed budget for 2009/10 has been set on a prudent basis in accordance with the Corporate Charging Policy and the fees & charges approved at the December Cabinet meeting.
  - The Council's level of employer superannuation contributions were last reviewed in 2007 and it was agreed that Bassetlaw would phase in the increase to the target rate of 21.5% in four equal steps (rounded to the nearest 0.1% per annum) as follows: 2010/11 is payable at 21.1%; 2011/12 is payable at 21.3%; and 2012/13 is payable at 21.5%.
  - A1 Housing continues to review its service level agreements with the Council. There are two minor changes in relation to the Finance SLA's, and these have been accommodated within existing budgets. Reductions in legal, ICT and Customer Services have all been reported to Cabinet and dealt with as part of the base budget movements. There are no changes to any other support service outlined in this budget.
  - Bassetlaw has in place sound financial management arrangements as evidenced by the Use of Resources "The Harder Test", where overall the Council has been assessed as being at a Level 2 for 2008/09 i.e. "*performs adequately*". The trends in all three areas are encouraging i.e. Managing Finances, Governing the Business, and Managing Resources. The Council also meets all the value for money criteria and "has made proper arrangements to secure economy,

efficiency and effectiveness". If all the current activity is embedded during the next few months then Members can expect further improvements in these external assessments.

- Capital funding costs will be set out in more detail in the separate report on the Capital Programme. In summary, the borrowing used to fund the capital programme is accounted for in the 2010/11 revenue budget, as set out in the Appendix to this report. As far as the General Fund is concerned Members still have options on the remaining uncommitted element of the Tesco capital receipt. A concern though is the ongoing increase in demand for Disabled Facilities Grants, which in the last three years have been:

	Grants Paid £	Grant Received £
2007/08	847,000	336,000
2008/09	977,000	353,000
2009/10 (projected)	1,300,000	345,000

As the Council receives less than it pays out, Bassetlaw will either need to undertake unsupported borrowing or curb other elements of the capital programme to compensate. This is a major issue of concern, given the amounts involved, as the Authority has little control over the amounts paid, as all the grants are demand-led. Moreover, any unsupported borrowing has an impact on the revenue budget in terms of the Minimum Revenue Provision (MRP) charge.

- Nottinghamshire County Council administers concessionary travel on behalf of all the districts in the County. Central government is currently consulting on the future funding provision of this service, and early indications are that it will move to be an Upper Tier i.e. County Council function from April 2011. As part of the 2008/09 scheme arrangements, the partnership signed a three-year agreement covering the period April 2008 to March 2011, and for 2010/11 the budget is £1.3m. The County Council provides estimates of cost, and these have been built into the 2010/11 budget, the impact on any grant changes is unknown.
- Job evaluation is ongoing and the pay modelling process will be completed in the next quarter. The Council has established a specific reserve of £815,000 in relation to this process, and this is expected to be adequate to deal with any backdating or protection issues. Once this exercise is completed the next version of the corporate Medium Term Financial Plan will be compiled and reported to Members in Summer 2010. This is important, as the outcome of the Job Evaluation scheme will affect Bassetlaw's underlying base budget position.

## Council Taxes

- 3.31 The guiding principle underpinning this budget is to adhere to an un-capped level of council tax increase for 2010/11. Resources to keep the annual tax increase down have been successfully found from efficiency improvements and good housekeeping via the Star Chamber process, for the third successive financial year.

3.32 The report to Council on 8<sup>th</sup> December 2009 proposed a council tax base for collection purposes of 35,991.63 for 2010/11 (a movement of 208.82 Band D properties from the 35,782.81 for 2009/10).

3.33 The average band D council tax for 2009/10 for Bassetlaw District Council services is £152.82. For 2010/11, three options have been considered:

- a 0% increase would mean the council tax remains at £152.82;
- a 2.2% increase (in line with the Consumer Prices Index - Jan 2010) would mean a new council tax of £156.18. This represents an annual increase of £3.36, and a weekly increase of £0.06;
- a 2.5% increase (a continuation of the policy that has been adhered to since 2004/05) would mean a new council tax of £156.64. This represents an annual increase of £3.82, and a weekly increase of £0.07.

For each additional 1% it would cost a further £1.53 per annum.

3.34 The majority of properties (approximately 40%) in the council's area are in Band A with a 2009/10 council tax of £101.88. A maximum increase of 2.5% for 2010/11 would mean a new council tax of £104.43. This represents an annual increase of £2.55, and a weekly increase of £0.05. For each additional 1% it would cost a further £1.02 per annum.

3.35 Parish, Police, Fire and County precepts are still to be set by the precepting authorities and will be included in the Council Tax Resolution in the 4<sup>th</sup> March 2010 report.

### **Service Improvements**

3.36 Given the focus on the participatory budgeting exercise referred to in para 3.11 above the service improvements for 2010/11 have been centred on this. To address this a budget of £0.127m has been set aside for this purpose in 2010/11.

3.37 Members should also note that the £0.1m for the additional street sweeping capacity in 2009/10 has generated some positive feedback for Bassetlaw. This commitment has been retained in the three-year budget.

3.38 The other major priority area for investment is the Members' aim to improve the Council's levels of customer satisfaction. As part of the Consilium contract re-tender process, Tribal Consulting have been assisting Bassetlaw to prepare for the exercise in 2012. Their recommendations have been useful in terms of further investment in Bassetlaw's website following the Access To Services inspection in the first part of 2009 (£25,000), and a further £75,000 for Customer Contact development i.e. a new approach to handling front-facing Council enquiries via telephone, the One Stop Shop and a back office function to strengthen the Customer Relationship Management system. A key factor will be any decision to go for a re-tender of the existing ICT platform. Savings will be available to fund these initiatives if the current system is retained. A further report on these developments will provide more detail for Cabinet in due course.

3.39 Spending officers were provided with some wide-ranging opportunities to make investment bids, after a period of relative service austerity for Bassetlaw, at the final accounts stage of both 2007/08 and 2008/09, plus during the 2008/09 and 2009/10



budgets. As a consequence there have been a lower level of service specific bids this year. Nevertheless, a provision of £75,000 has been made in the 2010/11 budget, and bids against this are detailed in Appendix 4.

#### **4. Implications**

a) For service users.

The savings outlined in the report will enable Members to keep to their objective of maintaining the 2010/11 council tax increase below inflation. These savings do not impact on services and are outlined in para 3.2.

b) Strategic & Policy.

The participatory budget exercise has been the centre piece of the 2010/11 budget. The exercise will provide a solid platform to develop local services that people want for the next two or three financial years.

c) Financial - Ref: 10/148

All of the financial implications are contained within the body of this report. If there are any further changes they will be itemised in the Budget Setting Report to full Council on the 4<sup>th</sup> March, 2010.

d) Legal – Ref: 16/02/10

None arising directly from this report.

e) Human Resources.

The Star Chamber savings only affect two 0.5 fte vacant posts.

f) Community Safety, Equalities, Environmental.

The outcomes from the SIMALTO exercise have been subject to the initial Equality Impact Assessment, which has concluded that there is no need to progress to a partial EIA, and there is no evidence of any potential adverse impact. This shows that all new budget allocations reflect the specific needs of the taxpayer as and when appropriate.

g) This is Key Decision number 219.

#### **5. Options, Risks and Reasons for Recommendations**

- 5.1 The Council is required to set a balanced budget, but may otherwise vary its spending and taxation proposals having regard to capping if its council tax increase is seen as excessive by the Secretary of State. For the 2010/11 Revenue Budget, the following decisions are required by Members:-

- i) Determining the level of Service Improvement Bids;
- ii) Revise the planned use of any reserves to support the revenue Budget;
- iii) Change the planned level of increase in Council Tax for 2010/11;
- iv) Revise the General Fund Capital Programme and its associated funding strategy.

## **6. Conclusions**

- 6.1 This budget, like all budgets has its own characteristics, which over the years builds into a pattern of discernable organisational progress. 2010/11 has been defined by the volume of Star Chamber savings identified from good housekeeping, ongoing programme reviews, a fresh approach brought by new staff, and further service investment. The impact of the recession has continued to affect Bassetlaw, and the budget has been reduced by a further £94,000 in respect of car parking charges income (this loss of income is equivalent to a council tax increase of 1.7%).
- 6.2 Members have provided a strong indication that they liked the approach piloted in 2009/10 to Participatory Budgeting and this has been the focus for the 2010/11 budget's round of service investments.
- 6.3 Notwithstanding the desire to achieve ongoing financial stability, Members need to be clear that Bassetlaw's underlying income trends include just a £138,200 marginal increase in Government Revenue Support Grant. For each percentage point increase in council tax the marginal yield is £55,000.
- 6.4 However, the point to be made is this is not about the contemporary budget, but the future. Bassetlaw has made significant strides in terms of securing improved value for money for the taxpayer in recent years. The future is an unknown from 2011/12 onwards, as Ministers have given no indications about future Three-Year Settlements.
- 6.5 To remain financially stable Bassetlaw needs to continue to make savings each year to stave off the inequalities between marginal expenditure increases – e.g. increments and pay awards, and marginal income increases from grants and council tax. The latter are not large and as Bassetlaw secures the easier savings over time, sizeable efficiencies could prove harder to achieve. Future budget savings exercises need to continue year on year, and Bassetlaw is at least a year ahead of the process with a number of areas subject for review as para 3.6 shows.
- 6.6 Bassetlaw is no different from other district councils, some of whom are now finding life quite acute financially. Bassetlaw's current financial standing has been strengthened over the past five years, but this needs ongoing maintenance and changes to its budget profile to retain this position. This is particularly so as the downturn in development fee income, also reflects the relatively low level of growth in the local council tax base.

## **7. Recommendations**

Cabinet is recommended to agree the following recommendations to Full Council on 4<sup>th</sup> March 2010:

- 7.1 That Cabinet considers the budget for 2010/11 and future years, together with the associated comments from PISC on 9<sup>th</sup> February 2010, and to recommend their approval.
- 7.2 That Cabinet recommends a council tax increase of 0% for 2010/11, and in line with best practice, also recommends indicative increases of 0% for both 2011/12 and 2012/13.
- 7.3 That Cabinet approves the officer recommendation that no reserves be used to fund the 2010/11 budget as detailed in Appendix 1 of this report.
- 7.4 That Cabinet approves the Participatory Budget of £0.227m as summarised in paras. 3.36 and 3.37 of this report.
- 7.5 That Cabinet approves the Service Improvements of £0.175m as summarised in paras 3.38 and 3.39 and detailed in Appendix 4 of this report.
- 7.6 That Cabinet approves the declaration of a nil surplus on the Collection Fund for 2010/11 as summarised in para 3.29 and detailed in Appendix 3 of this report.
- 7.7 That Cabinet delegates authority to the Cabinet Finance Member for addressing any issues coming out of the Business Ratepayers meeting in February 2010.
- 7.8 That Cabinet notes the position regarding the Manton Community Alliance budgets (para 3.24).

### **Background Papers**

### **Location**

Star Chamber Savings 2010/11  
Previous Years' Budget Reports  
Medium Term Financial Plan 2010/11 – 2014/15  
Local Government Finance Settlement Data

Director of Resources

**COUNCIL BUDGET 2010/11 AND FUTURE YEARS**

Approved Budget 2009/10		Budget 2010/11	Budget 2011/12	Budget 2012/13
£		£	£	£
<b>SERVICE BUDGETS</b>				
1,788,300	Community Engagement & Performance	1,394,400	1,388,800	1,394,500
4,449,700	Community Prosperity	4,273,500	4,396,800	4,417,600
406,500	Corporate Management	805,100	832,300	850,000
7,041,200	Environment & Housing	6,430,500	6,397,000	6,522,700
1,981,600	Finance & Property	1,945,500	1,962,800	1,965,800
1,373,400	Revenues & Customer Services	1,267,600	1,293,700	1,280,800
76,300	Support Services	43,800	39,500	41,500
<b>17,117,000</b>	<b>Total Net Cost of Services</b>	<b>16,160,400</b>	<b>16,310,900</b>	<b>16,472,900</b>
<b>OTHER BUDGETS</b>				
(1,955,500)	Asset Rents	(1,322,500)	(1,314,200)	(1,390,400)
100,000	Provisions - Corporate Contingency	175,000	175,000	175,000
50,000	Provisions - Bad Debts	50,000	50,000	50,000
0	Provisions - National Insurance	0	120,000	120,000
150,000	Participative Budgeting	227,000	190,000	190,000
1,313,200	Net interest and borrowing costs	1,293,300	1,475,600	1,473,600
226,900	Service Improvement bids	175,000	0	0
416,700	Concurrent functions & drainage board levies	452,500	462,200	472,300
748,200	Parish Precepts	790,300	810,100	830,400
<b>1,049,500</b>	<b>Total Other Budgets</b>	<b>1,840,600</b>	<b>1,968,700</b>	<b>1,920,900</b>
0	<b>Savings Target</b>	0	<b>(258,800)</b>	<b>(352,700)</b>
0	<b>Transfer to/(from) Earmarked Reserves</b>	0	0	0
(368,500)	<b>Transfer to/(from) General Reserve</b>	0	0	0
<b>17,798,000</b>	<b>Total Council Net Budget</b>	<b>18,001,000</b>	<b>18,020,800</b>	<b>18,041,100</b>
<b>FUNDED BY</b>				
(2,095,400)	Revenue Support Grant	(1,434,300)	(1,434,300)	(1,434,300)
(9,078,100)	Business Rates	(9,877,400)	(9,877,400)	(9,877,400)
(408,000)	Area Based Grant	(398,800)	(398,800)	(398,800)
0	Collection Fund Deficit/(Surplus)	0	0	0
(5,468,300)	Council Tax - BDC	(5,500,200)	(5,500,200)	(5,500,200)
(748,200)	Council Tax - Parishes	(790,300)	(810,100)	(830,400)
<b>(17,798,000)</b>	<b>Total Funding</b>	<b>(18,001,000)</b>	<b>(18,020,800)</b>	<b>(18,041,100)</b>
<b>35,782.81</b>	<b>Tax Base</b>	<b>35,991.63</b>	<b>35,991.63</b>	<b>35,991.63</b>
<b>152.82</b>	<b>Council Tax</b>	<b>152.82</b>	<b>152.82</b>	<b>152.82</b>
<b>General Fund Balances:</b>				
<b>Balance @ 1 April</b>		<b>1,060,000</b>	<b>1,060,000</b>	<b>1,060,000</b>
<b>Movement in year</b>		0	0	0
<b>Balance @ 31 March</b>		<b>1,060,000</b>	<b>1,060,000</b>	<b>1,060,000</b>

**GENERAL FUND**

**SUMMARY**

<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
			<b>£</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>			
14,562,800	Employees	13,275,000	13,447,600	13,639,600
2,334,800	Premises	1,779,000	1,834,600	1,892,200
1,791,500	Transport	1,499,400	1,488,300	1,486,900
6,391,100	Supplies and Services	7,704,700	6,827,500	6,917,000
4,168,600	Third Party Payments	3,583,400	3,541,000	3,541,800
31,783,500	Transfer Payments	35,696,100	34,499,500	34,415,100
11,485,900	Internal Services Recharged	11,626,600	11,886,700	11,906,600
6,865,200	Capital Financing Costs	5,459,800	6,751,700	7,199,600
<b>79,383,400</b>	<b>TOTAL EXPENDITURE</b>	<b>80,624,000</b>	<b>80,276,900</b>	<b>80,998,800</b>
	<b><u>INCOME</u></b>			
(21,174,500)	Internal Services Recharges	(18,778,600)	(19,104,400)	(19,677,800)
(31,824,300)	Grants	(36,824,300)	(35,865,500)	(35,864,800)
(8,486,600)	Customer & Client Receipts	(6,982,500)	(7,225,100)	(7,347,500)
(100,000)	Interest	(37,600)	(61,100)	(67,600)
<b>(61,585,400)</b>	<b>TOTAL INCOME</b>	<b>(62,623,000)</b>	<b>(62,256,100)</b>	<b>(62,957,700)</b>
<b>17,798,000</b>	<b>NET BUDGET</b>	<b>18,001,000</b>	<b>18,020,800</b>	<b>18,041,100</b>

<b>DIRECTORATE OF CORPORATE SERVICES</b>
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<b>COMMUNITY ENGAGEMENT AND PERFORMANCE</b>
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BUDGET 2009/10 £	DIVISION	BUDGET 2010/11 £	FORECAST	
			2011/12 £	2012/13 £
198,200	Community Safety	180,100	183,400	185,500
19,300	Miscellaneous	20,700	20,700	20,700
832,500	Democratic Representation & Support	681,300	674,900	676,800
282,000	Elections	285,700	287,800	289,100
93,500	Community Strategy & Engagement	104,900	98,400	98,400
83,200	Public Relations	109,300	111,100	111,600
279,600	Service, Corporate Management & Support	12,400	12,500	12,400
<b>1,788,300</b>	<b>TOTAL</b>	<b>1,394,400</b>	<b>1,388,800</b>	<b>1,394,500</b>

**DIRECTORATE OF CORPORATE SERVICES**

**COMMUNITY ENGAGEMENT AND PERFORMANCE**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b>EXPENDITURE</b>			
793,300	Employees	854,200	871,100	883,400
24,000	Premises	33,300	33,300	33,300
49,300	Transport	58,500	58,300	58,300
638,300	Supplies and Services	606,900	588,500	588,700
166,900	Third Party Payments	164,500	126,500	126,500
0	Transfer Payments	0	0	0
908,000	Internal Services Recharged	695,600	706,400	711,800
13,900	Capital Financing Costs	21,200	11,900	11,900
<b>2,593,700</b>	<b>TOTAL EXPENDITURE</b>	<b>2,434,200</b>	<b>2,396,000</b>	<b>2,413,900</b>
	<b>INCOME</b>			
(670,900)	Internal Services Recharges	(905,500)	(921,300)	(931,900)
(52,000)	Grants	(50,700)	(700)	(700)
(82,500)	Customer & Client Receipts	(83,600)	(85,200)	(86,800)
<b>(805,400)</b>	<b>TOTAL INCOME</b>	<b>(1,039,800)</b>	<b>(1,007,200)</b>	<b>(1,019,400)</b>
<b>1,788,300</b>	<b>NET BUDGET</b>	<b>1,394,400</b>	<b>1,388,800</b>	<b>1,394,500</b>

**Head of Service:** Sarah Pearson

**BRIEF DESCRIPTION OF SERVICE**

The Community Engagement and Performance Service combines Policy, Scrutiny, Performance, Complaints, Public Relations, Democratic Services, Elections, Administrative and Member Support and Community Safety the Service ensures the Council is in optimum health – doing what it should be, in the way it should be done, to the best of its ability.

Our purpose

The role of Community Engagement and Performance is to

- Support other council services
- Deliver our own services

We are directly responsible for responding to new local, regional and central government policy, managing council performance, scrutinising council policies, overseeing all complaints on behalf of the council, developing the Council's approach to partnership working and risk management and delivering an effective internal and external communications function.

We are responsible for organising and playing the leading role in all Parish, District, County, Parliamentary and European elections and for the electoral registration function. We also manage Committee Services, Chairman's duties and provide administrative support to all elected members.

We are the base for the Council's priority of Community Safety and operate a shared Community Safety Partnership with Newark and Sherwood District Council. Community Engagement and Performance Service is here to: Lead and support, deliver and scrutinise, improve and inform.

BUDGET 2009/10	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
23.22	Expenditure per Resident	21.60	21.26	21.42
(7.21)	Income per Resident	(9.23)	(8.94)	(9.05)

**DIRECTORATE OF CORPORATE SERVICES**

**COMMUNITY SAFETY**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b><u>EXPENDITURE</u></b>			
128,400	Employees	124,400	128,100	130,800
0	Premises	0	0	0
4,100	Transport	8,500	8,400	8,400
36,900	Supplies and Services	24,900	12,900	12,900
89,400	Third Party Payments	74,900	36,900	36,900
0	Transfer Payments	0	0	0
43,500	Internal Services Recharged	52,100	52,900	53,400
0	Capital Financing Costs	0	0	0
<b>302,300</b>	<b>TOTAL EXPENDITURE</b>	<b>284,800</b>	<b>239,200</b>	<b>242,400</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0	0	0
(50,000)	Grants	(50,000)	0	0
(54,100)	Customer & Client Receipts	(54,700)	(55,800)	(56,900)
<b>(104,100)</b>	<b>TOTAL INCOME</b>	<b>(104,700)</b>	<b>(55,800)</b>	<b>(56,900)</b>
<b>198,200</b>	<b>NET BUDGET</b>	<b>180,100</b>	<b>183,400</b>	<b>185,500</b>

**Responsible Budget Holder:** Gill Blenkinsop

**BRIEF DESCRIPTION OF SERVICE**

**Community Safety**

Working with our partners to reduce crime and fear of crime. We currently operate a shared service with Newark and Sherwood District Council.

BUDGET 2009/10	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
2.71	Expenditure per Resident	2.53	2.12	2.15
(0.93)	Income per Resident	(0.93)	(0.50)	(0.50)



**DIRECTORATE OF CORPORATE SERVICES**

**MISCELLANEOUS**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
			£	£
	<b>EXPENDITURE</b>			
0	Employees	0	0	0
4,100	Premises	8,800	8,800	8,800
0	Transport	0	0	0
16,500	Supplies and Services	11,900	11,900	11,900
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
0	Internal Services Recharged	0	0	0
0	Capital Financing Costs	0	0	0
<b>20,600</b>	<b>TOTAL EXPENDITURE</b>	<b>20,700</b>	<b>20,700</b>	<b>20,700</b>
	<b>INCOME</b>			
0	Internal Services Recharges	0	0	0
(1,300)	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
<b>(1,300)</b>	<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>19,300</b>	<b>NET BUDGET</b>	<b>20,700</b>	<b>20,700</b>	<b>20,700</b>

**Responsible Budget Holder:** Sarah Pearson

**BRIEF DESCRIPTION OF SERVICE**

**Miscellaneous**

- Cross-cutting Services outside the exclusive remit of the Head of Community Engagement & Performance.

BUDGET 2009/10	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
			£	£
0.18	Expenditure per Resident	0.18	0.18	0.18
(0.01)	Income per Resident	0.00	0.00	0.00

**DIRECTORATE OF CORPORATE SERVICES**

**DEMOCRATIC REPRESENTATION & SUPPORT**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b><u>EXPENDITURE</u></b>			
194,000	Employees	173,800	177,200	179,800
800	Premises	400	400	400
38,000	Transport	42,800	42,700	42,700
400,200	Supplies and Services	401,000	401,100	401,300
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
410,600	Internal Services Recharged	244,200	247,400	249,000
13,900	Capital Financing Costs	21,200	11,900	11,900
<b>1,057,500</b>	<b>TOTAL EXPENDITURE</b>	<b>883,400</b>	<b>880,700</b>	<b>885,100</b>
	<b><u>INCOME</u></b>			
(224,300)	Internal Services Recharges	(201,400)	(205,100)	(207,600)
(700)	Grants	(700)	(700)	(700)
0	Customer & Client Receipts	0	0	0
<b>(225,000)</b>	<b>TOTAL INCOME</b>	<b>(202,100)</b>	<b>(205,800)</b>	<b>(208,300)</b>
<b>832,500</b>	<b>NET BUDGET</b>	<b>681,300</b>	<b>674,900</b>	<b>676,800</b>

**Responsible Budget Holder:**     Sarah Pearson

**BRIEF DESCRIPTION OF SERVICE**

**Democratic Services**

- services council, cabinet and other statutory and non statutory meetings.

BUDGET 2009/10	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
9.47	Expenditure per Resident	7.84	7.81	7.85
(2.01)	Income per Resident	(1.79)	(1.83)	(1.85)

**DIRECTORATE OF CORPORATE SERVICES**

**ELECTIONS**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
			£	£
	<b>EXPENDITURE</b>			
0	Employees	62,500	62,500	62,500
19,100	Premises	24,100	24,100	24,100
0	Transport	0	0	0
95,300	Supplies and Services	80,000	80,000	80,000
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
168,800	Internal Services Recharged	120,300	122,400	123,700
0	Capital Financing Costs	0	0	0
<b>283,200</b>	<b>TOTAL EXPENDITURE</b>	<b>286,900</b>	<b>289,000</b>	<b>290,300</b>
	<b>INCOME</b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
(1,200)	Customer & Client Receipts	(1,200)	(1,200)	(1,200)
<b>(1,200)</b>	<b>TOTAL INCOME</b>	<b>(1,200)</b>	<b>(1,200)</b>	<b>(1,200)</b>
<b>282,000</b>	<b>NET BUDGET</b>	<b>285,700</b>	<b>287,800</b>	<b>289,100</b>

**Responsible Budget Holder:** Stephen Phillips

**BRIEF DESCRIPTION OF SERVICE**

**Elections**

- promotes electoral awareness both in terms of electoral registration and democratic participation in elections

BUDGET 2009/10	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
			£	£
2.54	Expenditure per Resident	2.55	2.56	2.58
(0.01)	Income per Resident	(0.01)	(0.01)	(0.01)

**DIRECTORATE OF CORPORATE SERVICES**

**COMMUNITY STRATEGY & ENGAGEMENT**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b>EXPENDITURE</b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
16,700	Supplies and Services	16,700	10,200	10,200
66,100	Third Party Payments	84,600	84,600	84,600
0	Transfer Payments	0	0	0
10,700	Internal Services Recharged	3,600	3,600	3,600
0	Capital Financing Costs	0	0	0
<b>93,500</b>	<b>TOTAL EXPENDITURE</b>	<b>104,900</b>	<b>98,400</b>	<b>98,400</b>
	<b>INCOME</b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
<b>0</b>	<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>93,500</b>	<b>NET BUDGET</b>	<b>104,900</b>	<b>98,400</b>	<b>98,400</b>

**Responsible Budget Holder:** Gill Blenkinsop

**BRIEF DESCRIPTION OF SERVICE**

**Policy/Partnership**

- enables the council to respond to national, regional and local issues, and supports the Local Strategic Partnership which sets an overall vision to improve the District and delivers actions to achieve this in its Community Strategy

BUDGET 2009/10	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
0.84	Expenditure per Resident	0.93	0.87	0.87
0.00	Income per Resident	0.00	0.00	0.00

**DIRECTORATE OF CORPORATE SERVICES**

**PUBLIC RELATIONS**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
			£	£
	<b>EXPENDITURE</b>			
92,700	Employees	111,000	114,400	115,800
0	Premises	0	0	0
900	Transport	900	900	900
53,100	Supplies and Services	53,100	53,100	53,100
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
85,400	Internal Services Recharged	106,000	108,400	109,300
0	Capital Financing Costs	0	0	0
<b>232,100</b>	<b>TOTAL EXPENDITURE</b>	<b>271,000</b>	<b>276,800</b>	<b>279,100</b>
	<b>INCOME</b>			
(132,500)	Internal Services Recharges	(145,000)	(148,700)	(150,200)
0	Grants	0	0	0
(16,400)	Customer & Client Receipts	(16,700)	(17,000)	(17,300)
<b>(148,900)</b>	<b>TOTAL INCOME</b>	<b>(161,700)</b>	<b>(165,700)</b>	<b>(167,500)</b>
<b>83,200</b>	<b>NET BUDGET</b>	<b>109,300</b>	<b>111,100</b>	<b>111,600</b>

**Responsible Budget Holder:** Gill Blenkinsop

**BRIEF DESCRIPTION OF SERVICE**

**Public Relations**

- informs the people of Bassetlaw about the council, the services we provide and how to contact us

BUDGET 2009/10	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
			£	£
2.08	Expenditure per Resident	2.40	2.46	2.48
(1.33)	Income per Resident	(1.43)	(1.47)	(1.49)

**DIRECTORATE OF CORPORATE SERVICES**

**SERVICE, CORPORATE MANAGEMENT & SUPPORT**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b>EXPENDITURE</b>			
378,200	Employees	382,500	388,900	394,500
0	Premises	0	0	0
6,300	Transport	6,300	6,300	6,300
19,600	Supplies and Services	19,300	19,300	19,300
11,400	Third Party Payments	5,000	5,000	5,000
0	Transfer Payments	0	0	0
189,000	Internal Services Recharged	169,400	171,700	172,800
0	Capital Financing Costs	0	0	0
<b>604,500</b>	<b>TOTAL EXPENDITURE</b>	<b>582,500</b>	<b>591,200</b>	<b>597,900</b>
	<b>INCOME</b>			
(314,100)	Internal Services Recharges	(559,100)	(567,500)	(574,100)
0	Grants	0	0	0
(10,800)	Customer & Client Receipts	(11,000)	(11,200)	(11,400)
<b>(324,900)</b>	<b>TOTAL INCOME</b>	<b>(570,100)</b>	<b>(578,700)</b>	<b>(585,500)</b>
<b>279,600</b>	<b>NET BUDGET</b>	<b>12,400</b>	<b>12,500</b>	<b>12,400</b>

**Responsible Budget Holder:**     **Sarah Pearson**

**BRIEF DESCRIPTION OF SERVICE**

**Risk Management**

- Ensuring the Council's approach to risk management is robust

**Performance**

- drives continuous improvement of our services

**Complaints**

- proactively manages all complaints on behalf of the Council

BUDGET 2009/10	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
5.41	Expenditure per Resident	5.17	5.25	5.31
(2.91)	Income per Resident	(5.06)	(5.13)	(5.20)

## DIRECTORATE OF COMMUNITY SERVICES

## COMMUNITY PROSPERITY

BUDGET 2009/10	DIVISION	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
44,900	Leisure -Service Management & Support	0	0	0
26,700	Leisure - Miscellaneous	18,100	18,300	18,300
78,800	Culture & Heritage	74,900	75,900	76,400
366,500	Recreation & Sport	350,900	356,400	359,300
25,800	Tourism	26,800	26,800	26,800
102,900	Markets & Fairs	123,500	176,400	188,000
(472,600)	Parking Services	(314,500)	(317,100)	(327,200)
55,700	Street Lighting	76,500	77,000	75,000
0	Golf Course	0	0	0
1,568,700	Leisure Centres	0	0	0
170,200	Museums & Galleries	167,400	169,700	176,200
660,800	Local Plan	596,500	563,500	570,900
520,400	Planning	451,500	446,600	444,800
(51,400)	Planning - Service Management & Support	22,500	22,500	22,500
204,900	Economic Development	278,400	184,100	173,300
104,300	Community Development	57,800	114,100	110,000
256,000	CCTV Schemes	275,500	296,000	294,300
800	Economic Regenerations SMS	0	0	0
(189,500)	Regenerations SMS	0	0	0
337,000	Manton Community Alliance	295,000	295,000	295,000
28,500	Environmental Projects	12,000	12,000	11,900
340,400	Building Control / Dangerous Structures	469,600	471,500	470,200
183,200	Shop Mobility / Access	97,200	101,300	102,600
86,700	Tourist Information Centres	72,000	72,800	73,500
0	Leisure Trust Management	1,121,900	1,234,000	1,255,800
<b>4,449,700</b>	<b>TOTAL</b>	<b>4,273,500</b>	<b>4,396,800</b>	<b>4,417,600</b>

**DIRECTORATE OF COMMUNITY SERVICES**

**COMMUNITY PROSPERITY**

<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
			<b>£</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>			
3,924,500	Employees	2,859,600	2,788,500	2,789,100
888,700	Premises	488,400	518,700	542,400
120,900	Transport	117,100	114,200	114,100
902,300	Supplies and Services	1,546,700	1,541,600	1,562,900
1,417,400	Third Party Payments	683,800	703,700	703,700
19,200	Transfer Payments	0	0	0
2,650,800	Internal Services Recharged	2,529,400	2,548,000	2,521,200
341,200	Capital Financing Costs	107,800	382,900	388,100
<b>10,265,000</b>	<b>TOTAL EXPENDITURE</b>	<b>8,332,800</b>	<b>8,597,600</b>	<b>8,621,500</b>
	<b><u>INCOME</u></b>			
(1,475,300)	Internal Services Recharges	(1,421,500)	(1,597,600)	(1,558,900)
(159,400)	Grants	(337,300)	(143,000)	(143,000)
(4,180,600)	Customer & Client Receipts	(2,300,500)	(2,460,200)	(2,502,000)
<b>(5,815,300)</b>	<b>TOTAL INCOME</b>	<b>(4,059,300)</b>	<b>(4,200,800)</b>	<b>(4,203,900)</b>
<b>4,449,700</b>	<b>NET BUDGET</b>	<b>4,273,500</b>	<b>4,396,800</b>	<b>4,417,600</b>

**Head of Service:** David Armiger

**BRIEF DESCRIPTION OF SERVICE**

The management and provision of services such as Planning, Building Control, Economic Development, Leisure, Sports Development, and Town Centres Management. Provision of advice and support on all aspects of matters affecting the prosperity of the District.

<b>BUDGET 2008/09</b>	<b>UNIT COSTS</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
			<b>£</b>	<b>£</b>
91.90	Expenditure per Resident	73.94	76.29	76.50
(52.06)	Income per Resident	(36.02)	(37.27)	(37.30)



**DIRECTORATE OF COMMUNITY SERVICES**

**LEISURE SERVICE MANAGEMENT & SUPPORT**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b><u>EXPENDITURE</u></b>			
55,700	Employees	48,000	48,800	49,300
0	Premises	0	0	0
2,600	Transport	2,600	2,600	2,600
11,900	Supplies and Services	11,800	11,800	11,800
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
189,500	Internal Services Recharged	64,800	65,900	66,000
0	Capital Financing Costs	0	0	0
<b>259,700</b>	<b>TOTAL EXPENDITURE</b>	<b>127,200</b>	<b>129,100</b>	<b>129,700</b>
	<b><u>INCOME</u></b>			
(214,800)	Internal Services Recharges	(127,200)	(129,100)	(129,700)
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
<b>(214,800)</b>	<b>TOTAL INCOME</b>	<b>(127,200)</b>	<b>(129,100)</b>	<b>(129,700)</b>
<b>44,900</b>	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

Responsible Budget Holder: Peter Clark

**BRIEF DESCRIPTION OF SERVICE**

The management, administration and development of Leisure Centres, Kilton Forest Golf Course and Sports Development.

BUDGET 2008/09	UNIT COSTS	BUDGET 2009/10	FORECAST	
£		£	2010/11 £	2011/12 £
2.32	Expenditure per Resident	1.13	1.15	1.15
(1.92)	Income per Resident	(1.13)	(1.15)	(1.15)

**DIRECTORATE OF COMMUNITY SERVICES**

**LEISURE - MISCELLANEOUS**

<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
			<b>£</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
5,200	Supplies and Services	5,200	5,200	5,200
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
21,500	Internal Services Recharged	12,900	13,100	13,100
0	Capital Financing Costs	0	0	0
<b>26,700</b>	<b>TOTAL EXPENDITURE</b>	<b>18,100</b>	<b>18,300</b>	<b>18,300</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
<b>0</b>	<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>26,700</b>	<b>NET BUDGET</b>	<b>18,100</b>	<b>18,300</b>	<b>18,300</b>

Responsible Budget Holder: Peter Clark

**BRIEF DESCRIPTION OF SERVICE**

To provide a client function of monitoring the running of the North Notts Arena, and to encourage healthier lifestyles in Bassetlaw

<b>BUDGET 2008/09</b>	<b>UNIT COSTS</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
			<b>£</b>	<b>£</b>
0.24	Expenditure per Resident	0.16	0.16	0.16
0.00	Income per Resident	0.00	0.00	0.00

**DIRECTORATE OF COMMUNITY SERVICES**

**CULTURE & HERITAGE**

<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
			<b>£</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>			
28,400	Employees	28,900	29,700	30,100
0	Premises	0	0	0
0	Transport	0	0	0
15,500	Supplies and Services	15,500	15,500	15,500
16,900	Third Party Payments	16,900	16,900	16,900
0	Transfer Payments	0	0	0
18,000	Internal Services Recharged	13,600	13,800	13,900
0	Capital Financing Costs	0	0	0
<b>78,800</b>	<b>TOTAL EXPENDITURE</b>	<b>74,900</b>	<b>75,900</b>	<b>76,400</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
<b>0</b>	<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>78,800</b>	<b>NET BUDGET</b>	<b>74,900</b>	<b>75,900</b>	<b>76,400</b>

**Responsible Budget Holder:** Robert Wilkinson

**BRIEF DESCRIPTION OF SERVICE**

Consists of Art Policy Development which is responsible for the co-ordination and development of Rural Arts Touring.

<b>BUDGET 2008/09</b>	<b>UNIT COSTS</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
			<b>£</b>	<b>£</b>
0.71	Expenditure per Resident	0.66	0.67	0.68
0.00	Income per Resident	0.00	0.00	0.00

**DIRECTORATE OF COMMUNITY SERVICES**

**RECREATION & SPORT**

<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
			<b>£</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>			
255,500	Employees	358,700	282,400	285,800
5,100	Premises	7,100	5,100	5,100
17,200	Transport	21,200	18,500	18,400
43,400	Supplies and Services	56,900	45,100	45,100
5,500	Third Party Payments	5,500	5,500	5,500
0	Transfer Payments	0	0	0
127,800	Internal Services Recharged	95,300	96,600	97,000
0	Capital Financing Costs	0	0	0
<b>454,500</b>	<b>TOTAL EXPENDITURE</b>	<b>544,700</b>	<b>453,200</b>	<b>456,900</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0	0	0
(48,300)	Grants	(147,800)	(50,000)	(50,000)
(39,700)	Customer & Client Receipts	(46,000)	(46,800)	(47,600)
<b>(88,000)</b>	<b>TOTAL INCOME</b>	<b>(193,800)</b>	<b>(96,800)</b>	<b>(97,600)</b>
<b>366,500</b>	<b>NET BUDGET</b>	<b>350,900</b>	<b>356,400</b>	<b>359,300</b>

**Responsible Budget Holder:** T. Wright

**BRIEF DESCRIPTION OF SERVICE**

Priority area sports coaching programmes. Sports education and training programmes. Specific sport and physical activity programs for socially excluded young people in specific deprived areas of Bassetlaw.

<b>BUDGET 2008/09</b>	<b>UNIT COSTS</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
			<b>£</b>	<b>£</b>
4.07	Expenditure per Resident	4.83	4.02	4.05
(0.79)	Income per Resident	(1.72)	(0.86)	(0.87)

<b>DIRECTORATE OF COMMUNITY SERVICES</b>
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<b>TOURISM</b>
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BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
			£	£
	<b>EXPENDITURE</b>			
2,100	Employees	2,100	2,100	2,100
300	Premises	400	400	400
0	Transport	0	0	0
20,800	Supplies and Services	20,800	20,800	20,800
1,400	Third Party Payments	1,400	1,400	1,400
0	Transfer Payments	0	0	0
700	Internal Services Recharged	1,600	1,600	1,600
500	Capital Financing Costs	500	500	500
<b>25,800</b>	<b>TOTAL EXPENDITURE</b>	<b>26,800</b>	<b>26,800</b>	<b>26,800</b>
	<b>INCOME</b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
<b>0</b>	<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>25,800</b>	<b>NET BUDGET</b>	<b>26,800</b>	<b>26,800</b>	<b>26,800</b>

Responsible Budget Holder: Robert Wilkinson

BRIEF DESCRIPTION OF SERVICE
To promote Bassetlaw as a tourist and visitor destination. To provide support for tourism developers throughout Bassetlaw. To aid specified organisations and events.

BUDGET 2008/09	UNIT COSTS	BUDGET 2009/10	FORECAST	
£		£	2010/11	2011/12
			£	£
0.23	Expenditure per Resident	0.24	0.24	0.24
0.00	Income per Resident	0.00	0.00	0.00

**DIRECTORATE OF COMMUNITY SERVICES**

**MARKETS & FAIRS**

<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
			<b>£</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>			
195,800	Employees	190,800	194,100	196,800
70,400	Premises	70,200	71,100	72,000
4,400	Transport	5,100	4,900	4,900
68,500	Supplies and Services	77,500	81,800	94,200
19,500	Third Party Payments	19,500	19,500	19,500
0	Transfer Payments	0	0	0
64,400	Internal Services Recharged	75,400	77,000	74,600
6,300	Capital Financing Costs	11,400	79,400	83,900
<b>429,300</b>	<b>TOTAL EXPENDITURE</b>	<b>449,900</b>	<b>527,800</b>	<b>545,900</b>
	<b><u>INCOME</u></b>			
(500)	Internal Services Recharges	(500)	(25,500)	(25,500)
0	Grants	0	0	0
(325,900)	Customer & Client Receipts	(325,900)	(325,900)	(332,400)
<b>(326,400)</b>	<b>TOTAL INCOME</b>	<b>(326,400)</b>	<b>(351,400)</b>	<b>(357,900)</b>
<b>102,900</b>	<b>NET BUDGET</b>	<b>123,500</b>	<b>176,400</b>	<b>188,000</b>

**Responsible Budget Holder:**     **D. Atkinson**

**BRIEF DESCRIPTION OF SERVICE**

The organisation, management and promotion of weekly provisions and bric-a-brac markets.  
The organisation and management of fairs and circuses.

<b>BUDGET 2008/09</b>	<b>UNIT COSTS</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
			<b>£</b>	<b>£</b>
3.84	Expenditure per Resident	3.99	4.68	4.84
(2.92)	Income per Resident	(2.90)	(3.12)	(3.18)

**DIRECTORATE OF COMMUNITY SERVICES**

**PARKING SERVICES**

<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
			<b>£</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>			
26,500	Employees	26,500	27,800	28,200
146,700	Premises	164,800	167,600	170,600
1,000	Transport	1,000	1,000	1,000
60,100	Supplies and Services	48,400	53,200	60,200
151,500	Third Party Payments	174,600	174,400	174,400
0	Transfer Payments	0	0	0
58,800	Internal Services Recharged	106,600	108,700	102,100
1,000	Capital Financing Costs	24,900	24,900	24,900
<b>445,600</b>	<b>TOTAL EXPENDITURE</b>	<b>546,800</b>	<b>557,600</b>	<b>561,400</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
(918,200)	Customer & Client Receipts	(861,300)	(874,700)	(888,600)
<b>(918,200)</b>	<b>TOTAL INCOME</b>	<b>(861,300)</b>	<b>(874,700)</b>	<b>(888,600)</b>
<b>(472,600)</b>	<b>NET BUDGET</b>	<b>(314,500)</b>	<b>(317,100)</b>	<b>(327,200)</b>

**Responsible Budget Holder:** Richard Blagg

**BRIEF DESCRIPTION OF SERVICE**

To provide management and maintenance of public on and off-street parking and Council owned Pay and Display Car Parks

<b>BUDGET 2008/09</b>	<b>UNIT COSTS</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
			<b>£</b>	<b>£</b>
3.99	Expenditure per Resident	4.85	4.95	4.98
(8.22)	Income per Resident	(7.64)	(7.76)	(7.88)

**DIRECTORATE OF COMMUNITY SERVICES**

**STREET LIGHTING**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b><u>EXPENDITURE</u></b>			
0	Employees	0	0	0
500	Premises	400	400	400
0	Transport	0	0	0
26,700	Supplies and Services	26,900	26,900	26,900
34,300	Third Party Payments	34,300	34,300	34,300
0	Transfer Payments	0	0	0
4,200	Internal Services Recharged	24,900	25,400	23,400
0	Capital Financing Costs	0	0	0
<b>65,700</b>	<b>TOTAL EXPENDITURE</b>	<b>86,500</b>	<b>87,000</b>	<b>85,000</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0	0	0
(10,000)	Grants	(10,000)	(10,000)	(10,000)
0	Customer & Client Receipts	0	0	0
<b>(10,000)</b>	<b>TOTAL INCOME</b>	<b>(10,000)</b>	<b>(10,000)</b>	<b>(10,000)</b>
<b>55,700</b>	<b>NET BUDGET</b>	<b>76,500</b>	<b>77,000</b>	<b>75,000</b>

Responsible Budget Holder: Robert Wilkinson

**BRIEF DESCRIPTION OF SERVICE**

To provide funding for Christmas Lighting.

BUDGET 2008/09	UNIT COSTS	BUDGET 2009/10	FORECAST	
£		£	2010/11 £	2011/12 £
0.59	Expenditure per Resident	0.77	0.77	0.75
(0.09)	Income per Resident	(0.09)	(0.09)	(0.09)



**DIRECTORATE OF COMMUNITY SERVICES**

**GOLF COURSE**

<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
	<b><u>EXPENDITURE</u></b>			
79,100	Employees	0	0	0
225,500	Premises	0	0	0
600	Transport	0	0	0
62,600	Supplies and Services	0	0	0
18,600	Third Party Payments	0	0	0
19,200	Transfer Payments	0	0	0
21,500	Internal Services Recharged	0	0	0
9,100	Capital Financing Costs	0	0	0
<b>436,200</b>	<b>TOTAL EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
(436,200)	Customer & Client Receipts	0	0	0
<b>(436,200)</b>	<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>0</b>	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

Responsible Budget Holder: **Glyn Davies**

**BRIEF DESCRIPTION OF SERVICE**

To provide good quality golf at a value for money price and access to golf for the local community.

<b>BUDGET 2008/09</b>	<b>UNIT COSTS</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
3.91	Expenditure per Resident	0.00	0.00	0.00
(3.91)	Income per Resident	0.00	0.00	0.00

**DIRECTORATE OF COMMUNITY SERVICES**

**LEISURE CENTRES**

<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
			<b>£</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>			
1,306,900	Employees	0	0	0
371,500	Premises	0	0	0
7,900	Transport	0	0	0
319,900	Supplies and Services	0	0	0
535,900	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
271,600	Internal Services Recharged	0	0	0
244,500	Capital Financing Costs	0	0	0
<b>3,058,200</b>	<b>TOTAL EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b><u>INCOME</u></b>			
(31,000)	Internal Services Recharges	0	0	0
0	Grants	0	0	0
(1,458,500)	Customer & Client Receipts	0	0	0
<b>(1,489,500)</b>	<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>1,568,700</b>	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Responsible Budget Holder:** Glyn Davies

**BRIEF DESCRIPTION OF SERVICE**

To provide a high quality, cost effective, comprehensive leisure service to all sectors of the community through a wide range of leisure facilities.

<b>BUDGET 2008/09</b>	<b>UNIT COSTS</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
			<b>£</b>	<b>£</b>
27.38	Expenditure per Resident	0.00	0.00	0.00
(13.33)	Income per Resident	0.00	0.00	0.00

**DIRECTORATE OF COMMUNITY SERVICES**

**MUSEUMS & GALLERIES**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b><u>EXPENDITURE</u></b>			
117,300	Employees	87,300	83,000	83,800
46,700	Premises	44,000	44,400	44,900
1,100	Transport	1,100	1,100	1,100
17,900	Supplies and Services	18,100	17,800	17,800
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
18,700	Internal Services Recharged	51,000	52,000	49,800
25,200	Capital Financing Costs	9,800	9,800	10,600
<b>226,900</b>	<b>TOTAL EXPENDITURE</b>	<b>211,300</b>	<b>208,100</b>	<b>208,000</b>
	<b><u>INCOME</u></b>			
(20,300)	Internal Services Recharges	(27,900)	(27,900)	(21,100)
(26,100)	Grants	(5,700)	0	0
(10,300)	Customer & Client Receipts	(10,300)	(10,500)	(10,700)
<b>(56,700)</b>	<b>TOTAL INCOME</b>	<b>(43,900)</b>	<b>(38,400)</b>	<b>(31,800)</b>
<b>170,200</b>	<b>NET BUDGET</b>	<b>167,400</b>	<b>169,700</b>	<b>176,200</b>

Responsible Budget Holder: S. Glasswell

**BRIEF DESCRIPTION OF SERVICE**

To provide cultural facilities in the form of a Museum This includes Percy Laws Gallery and offers exhibits which reflect the history of the District

BUDGET 2008/09	UNIT COSTS	BUDGET 2009/10	FORECAST	
£		£	2010/11 £	2011/12 £
2.03	Expenditure per Resident	1.87	1.85	1.85
(0.51)	Income per Resident	(0.39)	(0.34)	(0.28)

**DIRECTORATE OF COMMUNITY SERVICES**

**LOCAL PLAN**

<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
			<b>£</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>			
294,000	Employees	294,700	307,000	314,200
0	Premises	0	0	0
6,800	Transport	6,800	6,800	6,800
7,600	Supplies and Services	29,500	20,000	20,000
155,900	Third Party Payments	37,100	0	0
0	Transfer Payments	0	0	0
198,500	Internal Services Recharged	230,400	231,700	231,900
0	Capital Financing Costs	0	0	0
<b>662,800</b>	<b>TOTAL EXPENDITURE</b>	<b>598,500</b>	<b>565,500</b>	<b>572,900</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
(2,000)	Customer & Client Receipts	(2,000)	(2,000)	(2,000)
<b>(2,000)</b>	<b>TOTAL INCOME</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>(2,000)</b>
<b>660,800</b>	<b>NET BUDGET</b>	<b>596,500</b>	<b>563,500</b>	<b>570,900</b>

Responsible Budget Holder: Richard Schofield

**BRIEF DESCRIPTION OF SERVICE**

Planning Policy and Implementation All aspects of Local Plans work, collection and collation of planning data, co-ordination and liaison on development issues, highways, public transport and other physical environment issues and preparation of reports and advice on other town planning. To gain approval, print and publish the Local Development Framework, and to implement the necessary procedures.

<b>BUDGET 2008/09</b>	<b>UNIT COSTS</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
			<b>£</b>	<b>£</b>
5.93	Expenditure per Resident	5.31	5.02	5.08
(0.02)	Income per Resident	(0.02)	(0.02)	(0.02)

**DIRECTORATE OF COMMUNITY SERVICES**

**PLANNING**

<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
			<b>£</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>			
480,300	Employees	474,600	485,700	494,100
0	Premises	0	0	0
20,800	Transport	20,800	20,800	20,800
26,200	Supplies and Services	100	100	100
47,100	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
583,200	Internal Services Recharged	605,800	602,800	605,800
	Capital Financing Costs			
<b>1,157,600</b>	<b>TOTAL EXPENDITURE</b>	<b>1,101,300</b>	<b>1,109,400</b>	<b>1,120,800</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
(637,200)	Customer & Client Receipts	(649,800)	(662,800)	(676,000)
<b>(637,200)</b>	<b>TOTAL INCOME</b>	<b>(649,800)</b>	<b>(662,800)</b>	<b>(676,000)</b>
<b>520,400</b>	<b>NET BUDGET</b>	<b>451,500</b>	<b>446,600</b>	<b>444,800</b>

**Responsible Budget Holder:** David Armiger

**BRIEF DESCRIPTION OF SERVICE**

To process planning applications and appeals, the investigation and enforcement of unauthorised development, to ensure compliance with planning conditions as development proceeds, and the provision of advice relating to all developments related proposals.

<b>BUDGET 2008/09</b>	<b>UNIT COSTS</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
			<b>£</b>	<b>£</b>
10.36	Expenditure per Resident	9.77	9.84	9.94
(5.70)	Income per Resident	(5.77)	(5.88)	(6.00)

**DIRECTORATE OF COMMUNITY SERVICES**

**PLANNING - SERVICE MANAGEMENT & SUPPORT**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b><u>EXPENDITURE</u></b>			
310,500	Employees	309,400	316,300	320,500
0	Premises	0	0	0
9,700	Transport	9,700	9,700	9,700
55,700	Supplies and Services	151,000	147,600	147,600
57,700	Third Party Payments	47,700	47,700	47,700
0	Transfer Payments	0	0	0
150,800	Internal Services Recharged	148,500	151,100	151,000
13,600	Capital Financing Costs	17,500	4,200	4,200
<b>598,000</b>	<b>TOTAL EXPENDITURE</b>	<b>683,800</b>	<b>676,600</b>	<b>680,700</b>
	<b><u>INCOME</u></b>			
(550,900)	Internal Services Recharges	(554,800)	(547,200)	(550,900)
(75,000)	Grants	(83,000)	(83,000)	(83,000)
(23,500)	Customer & Client Receipts	(23,500)	(23,900)	(24,300)
<b>(649,400)</b>	<b>TOTAL INCOME</b>	<b>(661,300)</b>	<b>(654,100)</b>	<b>(658,200)</b>
<b>(51,400)</b>	<b>NET BUDGET</b>	<b>22,500</b>	<b>22,500</b>	<b>22,500</b>

Responsible Budget Holder: Lisa Taylor

**BRIEF DESCRIPTION OF SERVICE**

To provide managerial, technical and administrative support to the Planning Services which comprises Building Control, Development Control and Policy and Implementation, Planning Delivery Grant.

BUDGET 2008/09	UNIT COSTS	BUDGET 2009/10	FORECAST	
£		£	2010/11 £	2011/12 £
5.35	Expenditure per Resident	6.07	6.00	6.04
(5.81)	Income per Resident	(5.87)	(5.80)	(5.84)

**DIRECTORATE OF COMMUNITY SERVICES**

**ECONOMIC DEVELOPMENT**

<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
			<b>£</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>			
0	Employees	54,200	62,200	62,200
0	Premises	36,300	50,100	50,100
0	Transport	0	0	0
27,400	Supplies and Services	36,200	42,000	42,000
59,800	Third Party Payments	52,300	59,000	59,000
0	Transfer Payments	0	0	0
117,700	Internal Services Recharged	142,100	145,100	134,300
0	Capital Financing Costs	0	0	0
<b>204,900</b>	<b>TOTAL EXPENDITURE</b>	<b>321,100</b>	<b>358,400</b>	<b>347,600</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
0	Customer & Client Receipts	(42,700)	(174,300)	(174,300)
<b>0</b>	<b>TOTAL INCOME</b>	<b>(42,700)</b>	<b>(174,300)</b>	<b>(174,300)</b>
<b>204,900</b>	<b>NET BUDGET</b>	<b>278,400</b>	<b>184,100</b>	<b>173,300</b>

**Responsible Budget Holder:** Robert Wilkinson

**BRIEF DESCRIPTION OF SERVICE**

To support the running costs of the Bassetlaw Business Innovation Centre (Turbine) through partnership with Nottinghamshire County Council. Funding of the Bassetlaw Enterprise Board to provide technical and financial support to new and expanding businesses in Bassetlaw. To provide partnership finance allocated to established and proven business support organisations. To encourage and foster inward investment enquiries. To raise the profile of Europe both in terms of funding available and non-financial opportunities for Bassetlaw.

<b>BUDGET 2008/09</b>	<b>UNIT COSTS</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
			<b>£</b>	<b>£</b>
1.83	Expenditure per Resident	2.85	3.18	3.08
0.00	Income per Resident	(0.38)	(1.55)	(1.55)

**DIRECTORATE OF COMMUNITY SERVICES**

**COMMUNITY DEVELOPMENT**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b>EXPENDITURE</b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
18,400	Supplies and Services	0	0	0
5,300	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
80,600	Internal Services Recharged	56,300	57,600	53,500
0	Capital Financing Costs	6,200	204,300	204,300
<b>104,300</b>	<b>TOTAL EXPENDITURE</b>	<b>62,500</b>	<b>261,900</b>	<b>257,800</b>
	<b>INCOME</b>			
0	Internal Services Recharges	(4,700)	(147,800)	(147,800)
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
<b>0</b>	<b>TOTAL INCOME</b>	<b>(4,700)</b>	<b>(147,800)</b>	<b>(147,800)</b>
<b>104,300</b>	<b>NET BUDGET</b>	<b>57,800</b>	<b>114,100</b>	<b>110,000</b>

Responsible Budget Holder: Robert Wilkinson

**BRIEF DESCRIPTION OF SERVICE**

To provide targeted financial support for regeneration initiatives in areas of particular disadvantage.

BUDGET 2008/09	UNIT COSTS	BUDGET 2009/10	FORECAST	
£		£	2010/11 £	2011/12 £
0.93	Expenditure per Resident	0.55	2.32	2.29
0.00	Income per Resident	(0.04)	(1.31)	(1.31)



**DIRECTORATE OF COMMUNITY SERVICES**

**CCTV SCHEMES**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
			£	£
	<b><u>EXPENDITURE</u></b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
25,600	Supplies and Services	25,700	25,700	25,700
208,800	Third Party Payments	208,800	208,800	208,800
0	Transfer Payments	0	0	0
19,800	Internal Services Recharged	21,000	21,500	19,800
1,800	Capital Financing Costs	20,000	40,000	40,000
<b>256,000</b>	<b>TOTAL EXPENDITURE</b>	<b>275,500</b>	<b>296,000</b>	<b>294,300</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
<b>0</b>	<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>256,000</b>	<b>NET BUDGET</b>	<b>275,500</b>	<b>296,000</b>	<b>294,300</b>

Responsible Budget Holder:     David Armiger

**BRIEF DESCRIPTION OF SERVICE**

Enhancing the safety and the confidence of the local community.

BUDGET 2008/09	UNIT COSTS	BUDGET 2009/10	FORECAST	
£		£	2010/11	2011/12
			£	£
2.29	Expenditure per Resident	2.44	2.63	2.61
0.00	Income per Resident	0.00	0.00	0.00

**DIRECTORATE OF COMMUNITY SERVICES**

**ECONOMIC REGENERATION SMS**

<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
			<b>£</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>			
211,000	Employees	238,800	246,400	212,300
0	Premises	0	0	0
3,200	Transport	3,200	3,200	3,200
21,900	Supplies and Services	42,600	42,600	42,600
1,000	Third Party Payments	30,700	30,700	30,700
0	Transfer Payments	0	0	0
119,400	Internal Services Recharged	99,700	101,200	101,200
4,800	Capital Financing Costs	0	0	0
<b>361,300</b>	<b>TOTAL EXPENDITURE</b>	<b>415,000</b>	<b>424,100</b>	<b>390,000</b>
	<b><u>INCOME</u></b>			
(360,500)	Internal Services Recharges	(415,000)	(424,100)	(390,000)
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
<b>(360,500)</b>	<b>TOTAL INCOME</b>	<b>(415,000)</b>	<b>(424,100)</b>	<b>(390,000)</b>
<b>800</b>	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

Responsible Budget Holder: Robert Wilkinson

**BRIEF DESCRIPTION OF SERVICE**

The role of Bassetlaw Development Agency is to provide business, employment, marketing and infrastructure support and advice throughout the district.

<b>BUDGET 2008/09</b>	<b>UNIT COSTS</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
			<b>£</b>	<b>£</b>
3.23	Expenditure per Resident	3.68	3.76	3.46
(3.23)	Income per Resident	(3.68)	(3.76)	(3.46)

**DIRECTORATE OF COMMUNITY SERVICES**

**REGENERATION SMS**

<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
			<b>£</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>			
(102,700)	Employees	95,400	96,300	97,400
0	Premises	0	0	0
1,600	Transport	1,600	1,600	1,600
100	Supplies and Services	100	100	100
7,600	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
77,100	Internal Services Recharged	164,500	168,200	165,000
0	Capital Financing Costs	0	0	0
<b>(16,300)</b>	<b>TOTAL EXPENDITURE</b>	<b>261,600</b>	<b>266,200</b>	<b>264,100</b>
	<b><u>INCOME</u></b>			
(173,200)	Internal Services Recharges	(261,600)	(266,200)	(264,100)
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
<b>(173,200)</b>	<b>TOTAL INCOME</b>	<b>(261,600)</b>	<b>(266,200)</b>	<b>(264,100)</b>
<b>(189,500)</b>	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

Responsible Budget Holder: David Armiger

**BRIEF DESCRIPTION OF SERVICE**

To provide overall management and control of the Community Prosperity service area.

<b>BUDGET 2008/09</b>	<b>UNIT COSTS</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
			<b>£</b>	<b>£</b>
(0.15)	Expenditure per Resident	2.32	2.36	2.34
(1.55)	Income per Resident	(2.32)	(2.36)	(2.34)

**DIRECTORATE OF COMMUNITY SERVICES**

**MANTON COMMUNITY ALLIANCE**

<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
			<b>£</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>			
222,300	Employees	216,500	166,000	166,000
9,000	Premises	9,000	9,000	9,000
4,100	Transport	4,100	4,100	4,100
26,200	Supplies and Services	22,300	22,300	22,300
70,900	Third Party Payments	38,600	89,100	89,100
0	Transfer Payments	0	0	0
4,500	Internal Services Recharged	4,500	4,500	4,500
0	Capital Financing Costs	0	0	0
<b>337,000</b>	<b>TOTAL EXPENDITURE</b>	<b>295,000</b>	<b>295,000</b>	<b>295,000</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
<b>0</b>	<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>337,000</b>	<b>NET BUDGET</b>	<b>295,000</b>	<b>295,000</b>	<b>295,000</b>

Responsible Budget Holder:     **A Shaw**

**BRIEF DESCRIPTION OF SERVICE**

Manton Community Alliance is one of the national Neighbourhood Management Pathfinders funded directly by the Department of Communities and Local Government. The core objectives are to act as a strategic umbrella organisation for Manton and to build sustainable community engagement on behalf of all partners

<b>BUDGET 2008/09</b>	<b>UNIT COSTS</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
			<b>£</b>	<b>£</b>
3.02	Expenditure per Resident	2.62	2.62	2.62
0.00	Income per Resident	0.00	0.00	0.00

**DIRECTORATE OF COMMUNITY SERVICES**

**ENVIRONMENTAL PROJECTS**

<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
	<b><u>EXPENDITURE</u></b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
0	Supplies and Services	0	0	0
0	Third Party Payments	0	0	0
	Transfer Payments			
700	Internal Services Recharged	400	400	400
27,800	Capital Financing Costs	11,600	11,600	11,500
<b>28,500</b>	<b>TOTAL EXPENDITURE</b>	<b>12,000</b>	<b>12,000</b>	<b>11,900</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
0	<b>TOTAL INCOME</b>	0	0	0
<b>28,500</b>	<b>NET BUDGET</b>	<b>12,000</b>	<b>12,000</b>	<b>11,900</b>

Responsible Budget Holder: D Armiger

**BRIEF DESCRIPTION OF SERVICE**

Capital financing expenses relating to previous works.

<b>BUDGET 2008/09</b>	<b>UNIT COSTS</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
0.26	Expenditure per Resident	0.11	0.11	0.11
0.00	Income per Resident	0.00	0.00	0.00

**DIRECTORATE OF COMMUNITY SERVICES**

**BUILDING CONTROL / DANGEROUS BUILDINGS**

<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
			<b>£</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>			
357,400	Employees	328,000	332,500	336,000
500	Premises	500	500	500
31,300	Transport	31,300	31,300	31,300
10,200	Supplies and Services	4,400	4,400	4,400
16,400	Third Party Payments	16,400	16,400	16,400
0	Transfer Payments	0	0	0
367,300	Internal Services Recharged	443,700	441,100	442,800
0	Capital Financing Costs	0	0	0
<b>783,100</b>	<b>TOTAL EXPENDITURE</b>	<b>824,300</b>	<b>826,200</b>	<b>831,400</b>
	<b><u>INCOME</u></b>			
(124,100)	Internal Services Recharges	(29,800)	(29,800)	(29,800)
0	Grants	0	0	0
(318,600)	Customer & Client Receipts	(324,900)	(324,900)	(331,400)
<b>(442,700)</b>	<b>TOTAL INCOME</b>	<b>(354,700)</b>	<b>(354,700)</b>	<b>(361,200)</b>
<b>340,400</b>	<b>NET BUDGET</b>	<b>469,600</b>	<b>471,500</b>	<b>470,200</b>

**Responsible Budget Holder:**      **Bob Whatley**

**BRIEF DESCRIPTION OF SERVICE**

The consideration of plans and the inspection of work in accordance with the Building Regulations. The consideration of plans and the inspection of work reverting to Local Authority control. Enforcement of legislation and undertaking of statutory administrative duties not within the authority of Approved Inspectors. Provision of out of hours call out service in respect of dangerous structures.

<b>BUDGET 2008/09</b>	<b>UNIT COSTS</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
			<b>£</b>	<b>£</b>
7.01	Expenditure per Resident	7.31	7.33	7.38
(3.96)	Income per Resident	(3.15)	(3.15)	(3.20)

**DIRECTORATE OF COMMUNITY SERVICES**

**SHOP MOBILITY / ACCESS**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b><u>EXPENDITURE</u></b>			
32,100	Employees	54,200	56,000	57,300
8,200	Premises	5,600	5,600	5,600
8,500	Transport	8,500	8,500	8,500
20,400	Supplies and Services	19,300	19,300	19,300
3,300	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
105,700	Internal Services Recharged	4,900	4,900	4,900
5,000	Capital Financing Costs	4,700	7,000	7,000
<b>183,200</b>	<b>TOTAL EXPENDITURE</b>	<b>97,200</b>	<b>101,300</b>	<b>102,600</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
<b>0</b>	<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>183,200</b>	<b>NET BUDGET</b>	<b>97,200</b>	<b>101,300</b>	<b>102,600</b>

Responsible Budget Holder:     **Bob Whatley**

**BRIEF DESCRIPTION OF SERVICE**

To provide a Shopmobility Service in Worksop and Retford to enable people with disabilities to use the facilities of the town centre's by means of motorised scooters.

BUDGET 2008/09	UNIT COSTS	BUDGET 2009/10	FORECAST	
£		£	2010/11 £	2011/12 £
1.64	Expenditure per Resident	0.86	0.90	0.91
0.00	Income per Resident	0.00	0.00	0.00

**DIRECTORATE OF RESOURCES**

**TOURIST INFORMATION**

<b>BUDGET 2008/09</b>	<b>DIVISION</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
	<b><u>EXPENDITURE</u></b>			
52,300	Employees	51,500	52,200	53,000
4,300	Premises	4,200	4,200	4,200
100	Transport	100	100	100
10,100	Supplies and Services	9,300	9,300	9,300
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
28,800	Internal Services Recharged	19,800	20,200	20,400
1,600	Capital Financing Costs	1,200	1,200	1,200
<b>97,200</b>	<b>TOTAL EXPENDITURE</b>	<b>86,100</b>	<b>87,200</b>	<b>88,200</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
(10,500)	Customer & Client Receipts	(14,100)	(14,400)	(14,700)
<b>(10,500)</b>	<b>TOTAL INCOME</b>	<b>(14,100)</b>	<b>(14,400)</b>	<b>(14,700)</b>
<b>86,700</b>	<b>NET BUDGET</b>	<b>72,000</b>	<b>72,800</b>	<b>73,500</b>

**Responsible Budget Holder: S WITHINGTON**

**BRIEF DESCRIPTION OF SERVICE**

To promote and provide information about Bassetlaw and other destinations of interest throughout the United Kingdom.

<b>BUDGET 2008/09</b>	<b>UNIT COSTS</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
0.87	Expenditure per Resident	0.76	0.77	0.78
(0.09)	Income per Resident	(0.13)	(0.13)	(0.13)



**DIRECTORATE OF RESOURCES**

**LEISURE TRUST MANAGEMENT**

<b>BUDGET 2008/09</b>	<b>DIVISION</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
	<b><u>EXPENDITURE</u></b>			
0	Employees	0	0	0
0	Premises	145,900	160,300	179,600
0	Transport	0	0	0
0	Supplies and Services	925,100	930,100	932,000
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
0	Internal Services Recharged	141,700	143,600	144,200
0	Capital Financing Costs			
<b>0</b>	<b>TOTAL EXPENDITURE</b>	<b>1,212,700</b>	<b>1,234,000</b>	<b>1,255,800</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0	0	0
0	Grants	(90,800)	0	0
0	Customer & Client Receipts	0	0	0
<b>0</b>	<b>TOTAL INCOME</b>	<b>(90,800)</b>	<b>0</b>	<b>0</b>
<b>0</b>	<b>NET BUDGET</b>	<b>1,121,900</b>	<b>1,234,000</b>	<b>1,255,800</b>

Responsible Budget Holder: **P CLARK**

**BRIEF DESCRIPTION OF SERVICE**

The Council is in the process of transferring leisure facilities to a management company. Until details have been finalised budgets have been transferred to a holding cost centre.

<b>BUDGET 2008/09</b>	<b>UNIT COSTS</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
0.00	Expenditure per Resident	10.76	10.95	11.14
0.00	Income per Resident	(0.81)	0.00	0.00

## CHIEF EXECUTIVE

## CORPORATE MANAGEMENT

BUDGET 2009/10	DIVISION	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
123,000	Corporate Finance	214,800	226,400	238,000
283,500	Corporate Management	590,300	605,900	612,000
0	Human Resources	0	0	0
0	Unions	0	0	0
<b>406,500</b>	<b>TOTAL</b>	<b>805,100</b>	<b>832,300</b>	<b>850,000</b>

**CHIEF EXECUTIVE**

**CORPORATE MANAGEMENT**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b><u>EXPENDITURE</u></b>			
1,173,700	Employees	1,194,600	1,219,400	1,240,100
0	Premises	0	0	0
17,200	Transport	12,400	12,400	12,400
263,500	Supplies and Services	272,900	272,600	274,300
33,600	Third Party Payments	30,400	32,400	32,400
0	Transfer Payments	0	0	0
672,400	Internal Services Recharged	967,200	986,800	993,300
3,900	Capital Financing Costs	0	0	0
<b>2,164,300</b>	<b>TOTAL EXPENDITURE</b>	<b>2,477,500</b>	<b>2,523,600</b>	<b>2,552,500</b>
	<b><u>INCOME</u></b>			
(1,751,600)	Internal Services Recharges	(1,175,900)	(1,187,300)	(1,193,800)
0	Grants	0	0	0
(6,200)	Customer & Client Receipts	(496,500)	(504,000)	(508,700)
<b>(1,757,800)</b>	<b>TOTAL INCOME</b>	<b>(1,672,400)</b>	<b>(1,691,300)</b>	<b>(1,702,500)</b>
<b>406,500</b>	<b>NET BUDGET</b>	<b>805,100</b>	<b>832,300</b>	<b>850,000</b>

**Responsible Budget Holder:** D Hunter

**BRIEF DESCRIPTION OF SERVICE**

Overall Corporate control and management of the Authority in line with Council Policies and objectives. To provide overall management and control of the Directorate of Corporate Services, Directorate of Community Services, and Directorate of Resources. Corporate Management provides the support required to facilitate whole Council management and the ability to monitor and progress outcomes. To provide effective leadership and management of the Human Resource Service. Corporate Finance costs including External Audit Fees and Corporate Bank Charges.

BUDGET 2008/09	UNIT COSTS	BUDGET 2009/10	FORECAST	
£		£	2010/11 £	2011/12 £
19.38	Expenditure per Resident	21.98	22.39	22.65
(15.74)	Income per Resident	(14.84)	(15.01)	(15.11)

**CHIEF EXECUTIVE**

**CORPORATE FINANCE**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
			£	£
	<b><u>EXPENDITURE</u></b>			
256,400	Employees	273,200	282,800	292,700
0	Premises	0	0	0
0	Transport	0	0	0
201,000	Supplies and Services	214,100	215,800	217,500
1,000	Third Party Payments	700	700	700
0	Transfer Payments	0	0	0
20,400	Internal Services Recharged	9,200	9,500	9,500
0	Capital Financing Costs	0	0	0
<b>478,800</b>	<b>TOTAL EXPENDITURE</b>	<b>497,200</b>	<b>508,800</b>	<b>520,400</b>
	<b><u>INCOME</u></b>			
(355,800)	Internal Services Recharges	(282,400)	(282,400)	(282,400)
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
<b>(355,800)</b>	<b>TOTAL INCOME</b>	<b>(282,400)</b>	<b>(282,400)</b>	<b>(282,400)</b>
<b>123,000</b>	<b>NET BUDGET</b>	<b>214,800</b>	<b>226,400</b>	<b>238,000</b>

**Responsible Budget Holder:** Mike Hill

**BRIEF DESCRIPTION OF SERVICE**

External audit fees for the independent examination of the Council's accounts and review of systems. The cost of corporate bank charges for banking income and making payments on behalf of the council as a whole. Contributions to the superannuation fund in respect of ill health and early retirement. Pension strain costs. Unused Accommodation and Information Technology Costs. Deficiency on Asset Rents.

BUDGET 2008/09	UNIT COSTS	BUDGET 2009/10	FORECAST	
£		£	2010/11	2011/12
			£	£
4.29	Expenditure per Resident	4.41	4.51	4.62
(3.19)	Income per Resident	(2.51)	(2.51)	(2.51)

<b>CHIEF EXECUTIVE</b>
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<b>CORPORATE MANAGEMENT</b>
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<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
			<b>£</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>			
555,900	Employees	562,400	571,900	578,000
0	Premises	0	0	0
10,500	Transport	5,700	5,700	5,700
43,400	Supplies and Services	41,700	41,700	41,700
1,100	Third Party Payments	700	700	700
0	Transfer Payments	0	0	0
493,300	Internal Services Recharged	800,700	817,600	824,200
0	Capital Financing Costs	0	0	0
<b>1,104,200</b>	<b>TOTAL EXPENDITURE</b>	<b>1,411,200</b>	<b>1,437,600</b>	<b>1,450,300</b>
	<b><u>INCOME</u></b>			
(820,700)	Internal Services Recharges	(820,900)	(831,700)	(838,300)
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
<b>(820,700)</b>	<b>TOTAL INCOME</b>	<b>(820,900)</b>	<b>(831,700)</b>	<b>(838,300)</b>
<b>283,500</b>	<b>NET BUDGET</b>	<b>590,300</b>	<b>605,900</b>	<b>612,000</b>

<b>Responsible Budget Holder:</b> David Hunter
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<b>BRIEF DESCRIPTION OF SERVICE</b>
The Chief Executive Department ensures overall Corporate control and management of the Authority in line with Council Policies and objectives. To provide overall management and control of the Directorate of Corporate Services, Directorate of Community Services, and Directorate of Resources. Corporate Management provides the support required to facilitate whole Council management and the ability to monitor and progress outcomes.

<b>BUDGET 2008/09</b>	<b>UNIT COSTS</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
			<b>£</b>	<b>£</b>
9.89	Expenditure per Resident	12.52	12.76	12.87
(7.35)	Income per Resident	(7.28)	(7.38)	(7.44)

**CHIEF EXECUTIVE**

**HUMAN RESOURCES**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b>EXPENDITURE</b>			
299,900	Employees	300,900	306,300	310,800
0	Premises	0	0	0
6,700	Transport	6,700	6,700	6,700
19,000	Supplies and Services	17,100	15,100	15,100
31,500	Third Party Payments	29,000	31,000	31,000
0	Transfer Payments	0	0	0
141,500	Internal Services Recharged	142,800	144,900	145,100
3,900	Capital Financing Costs	0	0	0
<b>502,500</b>	<b>TOTAL EXPENDITURE</b>	<b>496,500</b>	<b>504,000</b>	<b>508,700</b>
	<b>INCOME</b>			
(496,300)	Internal Services Recharges	0	0	0
0	Grants	0	0	0
(6,200)	Customer & Client Receipts	(496,500)	(504,000)	(508,700)
<b>(502,500)</b>	<b>TOTAL INCOME</b>	<b>(496,500)</b>	<b>(504,000)</b>	<b>(508,700)</b>
<b>0</b>	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Responsible Budget Holder:** Len Hull

**BRIEF DESCRIPTION OF SERVICE**

To provide effective leadership and management of the Human Resource Service encompassing Human Resources, Employee Relations and Equality and Diversity.

BUDGET 2008/09	UNIT COSTS	BUDGET 2009/10	FORECAST	
£		£	2010/11 £	2011/12 £
4.50	Expenditure per Resident	4.41	4.47	4.51
(4.50)	Income per Resident	(4.41)	(4.47)	(4.51)

<b>CHIEF EXECUTIVE</b>
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<b>UNIONS</b>
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<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
			<b>£</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>			
61,500	Employees	58,100	58,400	58,600
0	Premises	0	0	0
0	Transport	0	0	0
100	Supplies and Services	0	0	0
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
17,200	Internal Services Recharged	14,500	14,800	14,500
0	Capital Financing Costs	0	0	0
<b>78,800</b>	<b>TOTAL EXPENDITURE</b>	<b>72,600</b>	<b>73,200</b>	<b>73,100</b>
	<b><u>INCOME</u></b>			
(78,800)	Internal Services Recharges	(72,600)	(73,200)	(73,100)
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
<b>(78,800)</b>	<b>TOTAL INCOME</b>	<b>(72,600)</b>	<b>(73,200)</b>	<b>(73,100)</b>
<b>0</b>	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Responsible Budget Holder:</b> <u>L Hull</u>
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<b>BRIEF DESCRIPTION OF SERVICE</b>
To ensure the development and maintenance of good relations with all recognised Trade Unions and to ensure that consultation processes are effectively and properly delivered. To provide resources, support, guidance and advice in respect of Trade Union activities. Corporate Training Budget to allocate the Council's training budget to relevant services and departments.

<b>BUDGET 2008/09</b>	<b>UNIT COSTS</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
			<b>£</b>	<b>£</b>
0.71	Expenditure per Resident	0.64	0.65	0.65
(0.71)	Income per Resident	(0.64)	(0.65)	(0.65)

## DIRECTORATE OF COMMUNITY SERVICES

## ENVIRONMENT AND HOUSING

BUDGET 2009/10 £	DIVISION	BUDGET 2010/11 £	FORECAST	
			2011/12 £	2012/13 £
226,200	Housing Strategy	253,600	235,200	235,200
14,100	Registered Social Landlords	13,900	16,300	16,300
12,900	Housing Advice	12,800	14,200	14,200
1,010,500	Private Sector Housing Renewal	279,700	159,600	157,000
254,900	Homelessness	271,600	280,100	265,800
1,297,500	Environmental Health	1,206,900	1,251,100	1,267,400
24,100	Waste Disposal	53,600	72,000	126,500
1,064,200	Community Parks and Open Spaces	1,069,800	1,071,500	1,082,200
162,800	Contribution to HRA Shared Items	164,800	168,100	171,500
1,100	Housing Management & Support	0	0	1,100
123,600	Cemetery Cremation & Mortuary	113,000	129,700	146,100
803,500	Street Cleansing	801,300	801,300	801,300
2,003,000	Waste Collection	1,939,600	1,918,400	1,931,700
67,600	Emergency Planning	72,000	79,200	79,600
(19,100)	Environment SMS	177,900	200,300	226,800
(5,700)	Recharge to Other accounts	0	0	0
<b>7,041,200</b>	<b>TOTAL</b>	<b>6,430,500</b>	<b>6,397,000</b>	<b>6,522,700</b>



**DIRECTORATE OF COMMUNITY SERVICES**

**ENVIRONMENT AND HOUSING**

BUDGET	GROUP	BUDGET 2009/10	FORECAST	
£		£	2010/11	2011/12
			£	£
	<b>EXPENDITURE</b>			
4,144,500	Employees	4,068,000	4,227,000	4,314,600
509,400	Premises	439,200	459,200	485,800
1,497,400	Transport	1,207,500	1,199,900	1,198,600
1,498,300	Supplies and Services	2,596,600	1,548,000	1,598,800
470,200	Third Party Payments	641,300	615,000	615,800
0	Transfer Payments	0	0	0
1,640,100	Internal Services Recharged	1,539,200	1,673,000	1,706,300
2,376,500	Capital Financing Costs	681,300	727,600	765,600
<b>12,136,400</b>	<b>TOTAL EXPENDITURE</b>	<b>11,173,100</b>	<b>10,449,700</b>	<b>10,685,500</b>
	<b>INCOME</b>			
(3,378,100)	Internal Services Recharges	(1,984,800)	(2,210,100)	(2,287,600)
(45,000)	Grants	(1,087,300)	(140,300)	(140,300)
(1,672,100)	Customer & Client Receipts	(1,670,500)	(1,702,300)	(1,734,900)
<b>(5,095,200)</b>	<b>TOTAL INCOME</b>	<b>(4,742,600)</b>	<b>(4,052,700)</b>	<b>(4,162,800)</b>
<b>7,041,200</b>	<b>NET BUDGET</b>	<b>6,430,500</b>	<b>6,397,000</b>	<b>6,522,700</b>

**Head of Service**      **M Ladyman**

**BRIEF DESCRIPTION OF SERVICE**

The management and provision of services such as abandoned vehicles, animal welfare, area housing strategy, biodiversity and nature conservation, cemeteries, emergency planning, energy, flooding and drought, fly tipping, food production and quality housing grants, housing needs, leaseholder information, parks and open spaces, pests and nuisance, pollution, Preventative Adaptation Scheme, strategic housing market assessment, street care and cleaning, waste recycling and the provision of advice and support on all aspects of matters affecting the environment and housing of the District.

BUDGET	UNIT COSTS	BUDGET 2009/10	FORECAST	
£		£	2010/11	2011/12
			£	£
108.65	Expenditure per Resident	99.14	92.72	94.81
(45.62)	Income per Resident	(42.08)	(35.96)	(36.94)

**DIRECTORATE OF COMMUNITY SERVICES**

**HOUSING STRATEGY**

<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12 £</b>	<b>2012/13 £</b>
	<b><u>EXPENDITURE</u></b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
0	Supplies and Services	1,000	1,000	1,000
168,300	Third Party Payments	243,300	216,300	216,300
0	Transfer Payments	0	0	0
58,700	Internal Services Recharged	59,700	68,300	68,300
0	Capital Financing Costs	0	0	0
<b>227,000</b>	<b>TOTAL EXPENDITURE</b>	<b>304,000</b>	<b>285,600</b>	<b>285,600</b>
	<b><u>INCOME</u></b>			
(800)	Internal Services Recharges	(800)	(800)	(800)
0	Grants	0	0	0
0	Customer & Client Receipts	(49,600)	(49,600)	(49,600)
<b>(800)</b>	<b>TOTAL INCOME</b>	<b>(50,400)</b>	<b>(50,400)</b>	<b>(50,400)</b>
<b>226,200</b>	<b>NET BUDGET</b>	<b>253,600</b>	<b>235,200</b>	<b>235,200</b>

**Responsible Budget Holder:** W Pigott

**BRIEF DESCRIPTION OF SERVICE**

Costs relating to the HIP bid

<b>BUDGET 2009/10</b>	<b>UNIT COSTS</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12 £</b>	<b>2012/13 £</b>
2.03	Expenditure per Resident	2.70	2.53	2.53
(0.01)	Income per Resident	(0.45)	(0.45)	(0.45)

**DIRECTORATE OF COMMUNITY SERVICES**

**REGISTERED SOCIAL LANDLORDS**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
			£	£
	<b>EXPENDITURE</b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
0	Supplies and Services	0	0	0
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
14,100	Internal Services Recharged	13,900	16,300	16,300
0	Capital Financing Costs	0	0	0
<b>14,100</b>	<b>TOTAL EXPENDITURE</b>	<b>13,900</b>	<b>16,300</b>	<b>16,300</b>
	<b>INCOME</b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
<b>0</b>	<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>14,100</b>	<b>NET BUDGET</b>	<b>13,900</b>	<b>16,300</b>	<b>16,300</b>

**Responsible Budget Holder:** C Frost

**BRIEF DESCRIPTION OF SERVICE**

Temporary accomodation for the homeless

BUDGET 2009/10	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
			£	£
0.13	Expenditure per Resident	0.12	0.14	0.14
0.00	Income per Resident	0.00	0.00	0.00

**DIRECTORATE OF COMMUNITY SERVICES**

**HOUSING ADVICE**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
	<b>EXPENDITURE</b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
0	Supplies and Services	0	0	0
5,100	Third Party Payments	5,100	5,100	5,100
0	Transfer Payments	0	0	0
7,800	Internal Services Recharged	7,700	9,100	9,100
0	Capital Financing Costs	0	0	0
<b>12,900</b>	<b>TOTAL EXPENDITURE</b>	<b>12,800</b>	<b>14,200</b>	<b>14,200</b>
	<b>INCOME</b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
<b>0</b>	<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>12,900</b>	<b>NET BUDGET</b>	<b>12,800</b>	<b>14,200</b>	<b>14,200</b>

**Responsible Budget Holder:** G Jackson

**BRIEF DESCRIPTION OF SERVICE**

To provide a Housing Advice service for the community

BUDGET 2009/10	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
0.12	Expenditure per Resident	0.11	0.13	0.13
0.00	Income per Resident	0.00	0.00	0.00

**DIRECTORATE OF COMMUNITY SERVICES**

**PRIVATE SECTOR HOUSING RENEWAL**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b><u>EXPENDITURE</u></b>			
148,800	Employees	144,000	146,300	145,900
0	Premises	0	0	0
8,000	Transport	8,000	8,000	8,000
21,100	Supplies and Services	1,048,100	21,100	21,100
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
144,400	Internal Services Recharged	93,800	108,800	109,100
1,700,000	Capital Financing Costs	0	0	0
<b>2,022,300</b>	<b>TOTAL EXPENDITURE</b>	<b>1,293,900</b>	<b>284,200</b>	<b>284,100</b>
	<b><u>INCOME</u></b>			
(892,000)	Internal Services Recharges	0	0	0
0	Grants	(892,000)	0	0
(119,800)	Customer & Client Receipts	(122,200)	(124,600)	(127,100)
<b>(1,011,800)</b>	<b>TOTAL INCOME</b>	<b>(1,014,200)</b>	<b>(124,600)</b>	<b>(127,100)</b>
<b>1,010,500</b>	<b>NET BUDGET</b>	<b>279,700</b>	<b>159,600</b>	<b>157,000</b>

**Responsible Budget Holder:** C Frost

**BRIEF DESCRIPTION OF SERVICE**

The administration of the grants for the renovation and renewal of property and facilitate partnership for the provision of minor adaptations in own homes. Also the administration of the Agency Housing Renovation, DFG's and Minor Works Grants.

BUDGET 2009/10	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
18.10	Expenditure per Resident	11.48	2.52	2.52
(9.06)	Income per Resident	(9.00)	(1.11)	(1.13)

**DIRECTORATE OF COMMUNITY SERVICES**

**HOMELESSNESS**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
			£	£
	<b>EXPENDITURE</b>			
168,300	Employees	142,700	146,300	149,600
4,600	Premises	4,600	4,600	4,600
3,300	Transport	3,300	3,300	3,300
42,300	Supplies and Services	120,300	65,300	65,300
1,500	Third Party Payments	1,500	1,500	1,500
0	Transfer Payments	0	0	0
92,800	Internal Services Recharged	93,300	98,400	98,200
330,000	Capital Financing Costs	20,500	20,500	3,300
<b>642,800</b>	<b>TOTAL EXPENDITURE</b>	<b>386,200</b>	<b>339,900</b>	<b>325,800</b>
	<b>INCOME</b>			
(330,000)	Internal Services Recharges	(1,400)	(1,400)	(1,400)
(45,000)	Grants	(100,000)	(45,000)	(45,000)
(12,900)	Customer & Client Receipts	(13,200)	(13,400)	(13,600)
<b>(387,900)</b>	<b>TOTAL INCOME</b>	<b>(114,600)</b>	<b>(59,800)</b>	<b>(60,000)</b>
<b>254,900</b>	<b>NET BUDGET</b>	<b>271,600</b>	<b>280,100</b>	<b>265,800</b>

**Responsible Budget Holder:** T Walstow

**BRIEF DESCRIPTION OF SERVICE**

To provide temporary accomodation for the homeless

BUDGET 2009/10	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
			£	£
5.75	Expenditure per Resident	3.43	3.02	2.89
(3.47)	Income per Resident	(1.02)	(0.53)	(0.53)

**DIRECTORATE OF COMMUNITY SERVICES**

**ENVIRONMENTAL HEALTH**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b>EXPENDITURE</b>			
792,800	Employees	743,800	763,000	778,400
54,200	Premises	50,400	50,900	51,400
45,900	Transport	44,700	44,500	44,400
59,000	Supplies and Services	62,500	62,700	63,000
60,900	Third Party Payments	66,600	66,600	66,600
0	Transfer Payments	0	0	0
293,800	Internal Services Recharged	249,900	272,700	273,700
36,900	Capital Financing Costs	34,000	36,500	36,500
<b>1,343,500</b>	<b>TOTAL EXPENDITURE</b>	<b>1,251,900</b>	<b>1,296,900</b>	<b>1,314,000</b>
	<b>INCOME</b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
(46,000)	Customer & Client Receipts	(45,000)	(45,800)	(46,600)
<b>(46,000)</b>	<b>TOTAL INCOME</b>	<b>(45,000)</b>	<b>(45,800)</b>	<b>(46,600)</b>
<b>1,297,500</b>	<b>NET BUDGET</b>	<b>1,206,900</b>	<b>1,251,100</b>	<b>1,267,400</b>

**Responsible Budget Holder:**     E Prime

**BRIEF DESCRIPTION OF SERVICE**

To control and monitor all aspects of the rechargeable refuse collection service, other cleaning contract, building cleaning contracts, grounds maintenance contracts and parks and open spaces. To arrange the purchase and disposal of the Council's fleet of vehicles and plant.

BUDGET 2009/10	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
12.03	Expenditure per Resident	11.11	11.51	11.66
(0.41)	Income per Resident	(0.40)	(0.41)	(0.41)

**DIRECTORATE OF COMMUNITY SERVICES**

**WASTE DISPOSAL**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
			£	£
	<b><u>EXPENDITURE</u></b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
36,700	Supplies and Services	38,200	40,400	46,100
131,400	Third Party Payments	142,500	142,500	142,500
0	Transfer Payments	0	0	0
21,900	Internal Services Recharged	27,300	27,800	29,700
85,800	Capital Financing Costs	105,300	124,800	121,000
<b>275,800</b>	<b>TOTAL EXPENDITURE</b>	<b>313,300</b>	<b>335,500</b>	<b>339,300</b>
	<b><u>INCOME</u></b>			
(81,500)	Internal Services Recharges	(72,300)	(72,300)	(17,800)
0	Grants	0	0	0
(170,200)	Customer & Client Receipts	(187,400)	(191,200)	(195,000)
<b>(251,700)</b>	<b>TOTAL INCOME</b>	<b>(259,700)</b>	<b>(263,500)</b>	<b>(212,800)</b>
<b>24,100</b>	<b>NET BUDGET</b>	<b>53,600</b>	<b>72,000</b>	<b>126,500</b>

**Responsible Budget Holder:** T Andrew

**BRIEF DESCRIPTION OF SERVICE**

To provide a service which offers a full range of waste disposal options.

BUDGET 2009/10	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
			£	£
2.47	Expenditure per Resident	2.78	2.98	3.01
(2.25)	Income per Resident	(2.30)	(2.34)	(1.89)



**DIRECTORATE OF COMMUNITY SERVICES**

**COMMUNITY PARKS AND OPEN SPACES**

GROUP	DIVISION	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
			£	£
	<b><u>EXPENDITURE</u></b>			
854,100	Employees	824,700	839,700	855,000
211,700	Premises	211,800	217,700	225,700
172,600	Transport	149,300	145,700	145,000
213,500	Supplies and Services	207,400	206,700	206,200
800	Third Party Payments	1,500	1,500	1,500
0	Transfer Payments	0	0	0
203,100	Internal Services Recharged	182,300	201,400	204,600
161,000	Capital Financing Costs	316,800	348,600	376,200
<b>1,816,800</b>	<b>TOTAL EXPENDITURE</b>	<b>1,893,800</b>	<b>1,961,300</b>	<b>2,014,200</b>
	<b><u>INCOME</u></b>			
(407,400)	Internal Services Recharges	(481,200)	(540,200)	(575,500)
0	Grants	0	0	0
(345,200)	Customer & Client Receipts	(342,800)	(349,600)	(356,500)
<b>(752,600)</b>	<b>TOTAL INCOME</b>	<b>(824,000)</b>	<b>(889,800)</b>	<b>(932,000)</b>
<b>1,064,200</b>	<b>NET BUDGET</b>	<b>1,069,800</b>	<b>1,071,500</b>	<b>1,082,200</b>

**Responsible Budget Holder:**     K Somers

**BRIEF DESCRIPTION OF SERVICE**

Responsible for the maintenance and development of all the Councils' parks and open spaces. This includes town centre parks in Retford and Worksop, Langold Country Park, sports pitches, bowling greens and play areas owned by the Council.

GROUP	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
			£	£
16.26	Expenditure per Resident	16.80	17.40	17.87
(6.74)	Income per Resident	(7.31)	(7.90)	(8.27)

**DIRECTORATE OF COMMUNITY SERVICES**

**CONTRIBUTION TO HRA SHARED ITEMS**

GROUP	DIVISION	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
	<b>EXPENDITURE</b>	0	0	0
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
126,800	Supplies and Services	128,100	130,700	133,300
36,000	Third Party Payments	36,700	37,400	38,200
0	Transfer Payments	0	0	0
0	Internal Services Recharged	0	0	0
0	Capital Financing Costs	0	0	0
<b>162,800</b>	<b>TOTAL EXPENDITURE</b>	<b>164,800</b>	<b>168,100</b>	<b>171,500</b>
	<b>INCOME</b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
<b>0</b>	<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>162,800</b>	<b>NET BUDGET</b>	<b>164,800</b>	<b>168,100</b>	<b>171,500</b>

Responsible Budget Holder:

**BRIEF DESCRIPTION OF SERVICE**

General Fund contribution to the Housing Revenue Account in relation to shared amenities.

GROUP	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
1.46	Expenditure per Resident	1.46	1.49	1.52
0.00	Income per Resident	0.00	0.00	0.00

**DIRECTORATE OF COMMUNITY SERVICES**

**HOUSING MANAGEMENT AND SUPPORT**

GROUP	DIVISION	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
			£	£
	<b><u>EXPENDITURE</u></b>			
58,000	Employees	77,000	78,700	79,600
0	Premises	0	0	0
1,800	Transport	1,800	1,800	1,800
3,000	Supplies and Services	3,000	3,000	3,000
0	Third Party Payments	95,300	95,300	95,300
0	Transfer Payments	0	0	0
95,200	Internal Services Recharged	73,100	92,300	92,700
0	Capital Financing Costs	0	0	0
<b>158,000</b>	<b>TOTAL EXPENDITURE</b>	<b>250,200</b>	<b>271,100</b>	<b>272,400</b>
	<b><u>INCOME</u></b>			
(148,900)	Internal Services Recharges	(146,900)	(167,600)	(167,600)
0	Grants	(95,300)	(95,300)	(95,300)
(8,000)	Customer & Client Receipts	(8,000)	(8,200)	(8,400)
<b>(156,900)</b>	<b>TOTAL INCOME</b>	<b>(250,200)</b>	<b>(271,100)</b>	<b>(271,300)</b>
<b>1,100</b>	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>1,100</b>

**Responsible Budget Holder:** G Jackson

**BRIEF DESCRIPTION OF SERVICE**

Strategic management of housing services.

GROUP	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
			£	£
1.41	Expenditure per Resident	2.22	2.41	2.42
(1.40)	Income per Resident	(2.22)	(2.41)	(2.41)

**DIRECTORATE OF COMMUNITY SERVICES**

**CEMETERY, CREMATION AND MORTUARY**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b><u>EXPENDITURE</u></b>			
32,900	Employees	32,200	32,600	32,900
183,600	Premises	169,600	183,200	201,300
1,600	Transport	1,600	1,600	1,600
20,600	Supplies and Services	18,200	18,600	18,600
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
49,500	Internal Services Recharged	34,100	38,400	40,000
17,000	Capital Financing Costs	35,500	37,000	37,000
<b>305,200</b>	<b>TOTAL EXPENDITURE</b>	<b>291,200</b>	<b>311,400</b>	<b>331,400</b>
	<b><u>INCOME</u></b>			
(200)	Internal Services Recharges	(1,300)	(1,300)	(1,300)
0	Grants	0	0	0
(181,400)	Customer & Client Receipts	(176,900)	(180,400)	(184,000)
<b>(181,600)</b>	<b>TOTAL INCOME</b>	<b>(178,200)</b>	<b>(181,700)</b>	<b>(185,300)</b>
<b>123,600</b>	<b>NET BUDGET</b>	<b>113,000</b>	<b>129,700</b>	<b>146,100</b>

**Responsible Budget Holder:**     A Smith

**BRIEF DESCRIPTION OF SERVICE**

To continue a high quality burial service and plan to ensure the future burial needs of the community.

BUDGET 2009/10	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
2.73	Expenditure per Resident	2.58	2.76	2.94
(1.63)	Income per Resident	(1.58)	(1.61)	(1.64)

**DIRECTORATE OF COMMUNITY SERVICES**

**STREET CLEANSING**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b><u>EXPENDITURE</u></b>			
507,000	Employees	508,300	521,300	515,900
100	Premises	0	0	0
181,700	Transport	152,700	150,400	150,100
212,400	Supplies and Services	212,700	216,300	217,000
36,200	Third Party Payments	18,500	18,500	18,500
0	Transfer Payments	0	0	0
85,100	Internal Services Recharged	99,300	103,100	108,900
5,200	Capital Financing Costs	39,100	50,100	86,500
<b>1,027,700</b>	<b>TOTAL EXPENDITURE</b>	<b>1,030,600</b>	<b>1,059,700</b>	<b>1,096,900</b>
	<b><u>INCOME</u></b>			
(222,500)	Internal Services Recharges	(227,600)	(256,700)	(293,900)
0	Grants	0	0	0
(1,700)	Customer & Client Receipts	(1,700)	(1,700)	(1,700)
<b>(224,200)</b>	<b>TOTAL INCOME</b>	<b>(229,300)</b>	<b>(258,400)</b>	<b>(295,600)</b>
<b>803,500</b>	<b>NET BUDGET</b>	<b>801,300</b>	<b>801,300</b>	<b>801,300</b>

**Responsible Budget Holder:** T Andrew

**BRIEF DESCRIPTION OF SERVICE**

To maintain cleanliness in accordance with the Environmental Protection Act 1988

BUDGET 2009/10	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
9.20	Expenditure per Resident	9.14	9.40	9.73
(2.01)	Income per Resident	(2.03)	(2.29)	(2.62)

**DIRECTORATE OF COMMUNITY SERVICES**

**WASTE COLLECTION**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b><u>EXPENDITURE</u></b>			
1,102,200	Employees	1,086,000	1,086,900	1,115,300
1,800	Premises	1,800	1,800	1,800
591,400	Transport	482,200	478,800	478,700
409,400	Supplies and Services	423,100	428,700	444,600
100	Third Party Payments	100	100	100
0	Transfer Payments	0	0	0
225,300	Internal Services Recharged	223,000	237,800	248,200
29,600	Capital Financing Costs	108,900	86,900	83,300
<b>2,359,800</b>	<b>TOTAL EXPENDITURE</b>	<b>2,325,100</b>	<b>2,321,000</b>	<b>2,372,000</b>
	<b><u>INCOME</u></b>			
(158,500)	Internal Services Recharges	(184,400)	(197,400)	(231,000)
0	Grants	0	0	0
(198,300)	Customer & Client Receipts	(201,100)	(205,200)	(209,300)
<b>(356,800)</b>	<b>TOTAL INCOME</b>	<b>(385,500)</b>	<b>(402,600)</b>	<b>(440,300)</b>
<b>2,003,000</b>	<b>NET BUDGET</b>	<b>1,939,600</b>	<b>1,918,400</b>	<b>1,931,700</b>

**Responsible Budget Holder:**     **T Andrew**

**BRIEF DESCRIPTION OF SERVICE**

To provide a collection for domestic waste including dry recyclables and bulky items

BUDGET 2009/10	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
21.13	Expenditure per Resident	20.63	20.59	21.05
(3.19)	Income per Resident	(3.42)	(3.57)	(3.91)

**DIRECTORATE OF COMMUNITY SERVICES**

**EMERGENCY PLANNING**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b>EXPENDITURE</b>			
29,000	Employees	29,100	29,900	30,200
0	Premises	0	0	0
0	Transport	0	0	0
2,100	Supplies and Services	6,400	6,400	6,400
17,100	Third Party Payments	17,100	17,100	17,100
0	Transfer Payments	0	0	0
19,400	Internal Services Recharged	19,400	25,800	25,900
0	Capital Financing Costs	0	0	0
<b>67,600</b>	<b>TOTAL EXPENDITURE</b>	<b>72,000</b>	<b>79,200</b>	<b>79,600</b>
	<b>INCOME</b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
<b>0</b>	<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>67,600</b>	<b>NET BUDGET</b>	<b>72,000</b>	<b>79,200</b>	<b>79,600</b>

Responsible Budget Holder: J Moran

**BRIEF DESCRIPTION OF SERVICE**

The provision for the immediate response to incidents that occur in and around the district, provide longer term support for major incidents or disruption caused by events such as flooding, severe weather damage or possible long term human or animal health emergencies.

BUDGET 2009/10	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
0.61	Expenditure per Resident	0.64	0.70	0.71
0.00	Income per Resident	0.00	0.00	0.00

**DIRECTORATE OF COMMUNITY SERVICES**

**ENVIRONMENT SMS**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b><u>EXPENDITURE</u></b>			
451,400	Employees	480,200	582,300	611,800
1,000	Premises	1,000	1,000	1,000
302,400	Transport	363,900	365,800	365,700
160,300	Supplies and Services	327,600	347,100	373,200
12,800	Third Party Payments	13,100	13,100	13,100
0	Transfer Payments	0	0	0
329,000	Internal Services Recharged	362,400	372,800	381,600
11,000	Capital Financing Costs	21,200	23,200	21,800
<b>1,267,900</b>	<b>TOTAL EXPENDITURE</b>	<b>1,569,400</b>	<b>1,705,300</b>	<b>1,768,200</b>
	<b><u>INCOME</u></b>			
(1,136,300)	Internal Services Recharges	(868,900)	(972,400)	(998,300)
0	Grants	0	0	0
(150,700)	Customer & Client Receipts	(522,600)	(532,600)	(543,100)
<b>(1,287,000)</b>	<b>TOTAL INCOME</b>	<b>(1,391,500)</b>	<b>(1,505,000)</b>	<b>(1,541,400)</b>
<b>(19,100)</b>	<b>NET BUDGET</b>	<b>177,900</b>	<b>200,300</b>	<b>226,800</b>

**Responsible Budget Holder:** I Roebuck

**BRIEF DESCRIPTION OF SERVICE**

The development of Environmental Management in the authority.

BUDGET 2009/10	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
11.35	Expenditure per Resident	13.93	15.13	15.69
(11.52)	Income per Resident	(12.35)	(13.35)	(13.68)



**DIRECTORATE OF COMMUNITY SERVICES**

**RECHARGES TO OTHER ACCOUNTS**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b><u>EXPENDITURE</u></b>			
0	Employees	0	0	0
52,400	Premises	0	0	0
188,700	Transport	0	0	0
191,100	Supplies and Services	0	0	0
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
0	Internal Services Recharged	0	0	0
0	Capital Financing Costs	0	0	0
<b>432,200</b>	<b>TOTAL EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
(437,900)	Customer & Client Receipts	0	0	0
<b>(437,900)</b>	<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(5,700)</b>	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

Responsible Budget Holder:

**BRIEF DESCRIPTION OF SERVICE**

Recharge of services to other accounts

BUDGET 2009/10	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
3.87	Expenditure per Resident	0.00	0.00	0.00
(3.92)	Income per Resident	0.00	0.00	0.00

## DIRECTORATE OF RESOURCES

## FINANCE &amp; PROPERTY

BUDGET 2009/10	DIVISION	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
(1,000)	Housing Act Advances	7,800	7,900	7,900
1,397,500	Head of Finance & Property	1,190,600	1,192,300	1,192,700
0	Accountancy	0	0	0
0	Exchequer	0	0	0
0	Internal Audit	0	0	0
95,100	Estates	171,500	173,500	170,100
490,000	Engineers & Building Maintenance	575,600	589,100	595,100
<b>1,981,600</b>	<b>TOTAL</b>	<b>1,945,500</b>	<b>1,962,800</b>	<b>1,965,800</b>

**DIRECTORATE OF RESOURCES**

**FINANCE & PROPERTY**

<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
			<b>£</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>			
1,134,900	Employees	996,200	1,022,000	1,041,800
911,000	Premises	813,200	818,500	825,800
28,000	Transport	29,400	29,300	29,300
363,200	Supplies and Services	329,700	330,700	332,300
2,012,200	Third Party Payments	1,986,200	1,986,200	1,986,200
0	Transfer Payments	0	0	0
1,664,200	Internal Services Recharged	1,858,100	1,887,400	1,895,800
370,500	Capital Financing Costs	317,000	330,700	327,400
<b>6,484,000</b>	<b>TOTAL EXPENDITURE</b>	<b>6,329,800</b>	<b>6,404,800</b>	<b>6,438,600</b>
	<b><u>INCOME</u></b>			
(3,279,700)	Internal Services Recharges	(3,144,700)	(3,187,300)	(3,202,700)
(296,500)	Grants	(304,400)	(304,400)	(304,400)
(926,200)	Customer & Client Receipts	(935,200)	(950,300)	(965,700)
<b>(4,502,400)</b>	<b>TOTAL INCOME</b>	<b>(4,384,300)</b>	<b>(4,442,000)</b>	<b>(4,472,800)</b>
<b>1,981,600</b>	<b>NET BUDGET</b>	<b>1,945,500</b>	<b>1,962,800</b>	<b>1,965,800</b>

**Head of Service: Mike Hill**

**BRIEF DESCRIPTION OF SERVICE**

Provision of a comprehensive range of financial services to support all activities of the council. The services include Accountancy, Internal Audit and Exchequer Services such as Payroll, Banking & Creditors. The Service is responsible for the effective stewardship of the Council's financial resources, and to produce Financial Statements to statutory requirements. To undertake all estate management and valuation functions in relation to the Council's substantial land and property holdings. Provision of a civil/municipal engineering service in terms of design, advice and related contract management to client departments. To deal with drainage matters including land and drainage reservoirs. Building Maintenance service provides strategic property asset management.

<b>BUDGET 2009/10</b>	<b>UNIT COSTS</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
			<b>£</b>	<b>£</b>
58.05	Expenditure per Resident	56.17	56.83	57.13
(40.31)	Income per Resident	(38.90)	(39.41)	(39.69)

**DIRECTORATE OF RESOURCES**

**HOUSING ACT ADVANCES**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b><u>EXPENDITURE</u></b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
2,900	Supplies and Services	100	100	100
2,900	Third Party Payments	2,900	2,900	2,900
0	Transfer Payments	0	0	0
3,500	Internal Services Recharged	6,000	6,100	6,100
0	Capital Financing Costs			
<b>9,300</b>	<b>TOTAL EXPENDITURE</b>	<b>9,000</b>	<b>9,100</b>	<b>9,100</b>
	<b><u>INCOME</u></b>			
(1,200)	Internal Services Recharges	(1,200)	(1,200)	(1,200)
0	Grants	0	0	0
(9,100)	Customer & Client Receipts	0	0	0
<b>(10,300)</b>	<b>TOTAL INCOME</b>	<b>(1,200)</b>	<b>(1,200)</b>	<b>(1,200)</b>
<b>(1,000)</b>	<b>NET BUDGET</b>	<b>7,800</b>	<b>7,900</b>	<b>7,900</b>

**Responsible Budget Holder: Mike Hill**

**BRIEF DESCRIPTION OF SERVICE**

To cover the net cost of the operation of the mortgage scheme after deduction of interest paid.

BUDGET 2008/09	UNIT COSTS	BUDGET 2009/10	FORECAST	
£		£	2010/11 £	2011/12 £
0.08	Expenditure per Resident	0.08	0.08	0.08
(0.09)	Income per Resident	(0.01)	(0.01)	(0.01)

**DIRECTORATE OF RESOURCES**

**HEAD OF FINANCE & PROPERTY**

<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
			<b>£</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>			
32,900	Employees	98,000	99,100	100,000
0	Premises	0	0	0
1,800	Transport	1,800	1,800	1,800
189,800	Supplies and Services	168,600	168,600	168,600
1,403,300	Third Party Payments	1,254,300	1,254,300	1,254,300
0	Transfer Payments	0	0	0
186,000	Internal Services Recharged	185,800	189,000	190,800
0	Capital Financing Costs			
<b>1,813,800</b>	<b>TOTAL EXPENDITURE</b>	<b>1,708,500</b>	<b>1,712,800</b>	<b>1,715,500</b>
	<b><u>INCOME</u></b>			
(126,300)	Internal Services Recharges	(220,000)	(222,600)	(224,900)
(289,100)	Grants	(297,000)	(297,000)	(297,000)
(900)	Customer & Client Receipts	(900)	(900)	(900)
<b>(416,300)</b>	<b>TOTAL INCOME</b>	<b>(517,900)</b>	<b>(520,500)</b>	<b>(522,800)</b>
<b>1,397,500</b>	<b>NET BUDGET</b>	<b>1,190,600</b>	<b>1,192,300</b>	<b>1,192,700</b>

**Responsible Budget Holder: Mike Hill**

**BRIEF DESCRIPTION OF SERVICE**

To provide overall control and management of Financial Services. To oversee the provision of financial advice and guidance to Members and Officers throughout the Council. The publication of the Statement of Accounts and Budget Monitoring to ensure adherence to budgets. Also manages the payments to the Concessionary Fares Scheme.

<b>BUDGET 2008/09</b>	<b>UNIT COSTS</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
			<b>£</b>	<b>£</b>
16.24	Expenditure per Resident	15.16	15.20	15.22
(3.73)	Income per Resident	(4.60)	(4.62)	(4.64)

**DIRECTORATE OF RESOURCES**

**ACCOUNTANCY**

<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
			<b>£</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>			
410,400	Employees	328,200	338,800	346,200
0	Premises	0	0	0
2,500	Transport	2,500	2,500	2,500
25,100	Supplies and Services	21,400	21,400	21,400
17,100	Third Party Payments	17,000	17,000	17,000
0	Transfer Payments	0	0	0
220,300	Internal Services Recharged	302,500	308,000	310,800
13,400	Capital Financing Costs	0	0	0
<b>688,800</b>	<b>TOTAL EXPENDITURE</b>	<b>671,600</b>	<b>687,700</b>	<b>697,900</b>
	<b><u>INCOME</u></b>			
(682,600)	Internal Services Recharges	(665,400)	(681,400)	(691,500)
0	Grants	0	0	0
(6,200)	Customer & Client Receipts	(6,200)	(6,300)	(6,400)
<b>(688,800)</b>	<b>TOTAL INCOME</b>	<b>(671,600)</b>	<b>(687,700)</b>	<b>(697,900)</b>
<b>0</b>	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Responsible Budget Holder: Julie Foulger**

**BRIEF DESCRIPTION OF SERVICE**

Provision of a comprehensive, high quality accounting service for all the activities of the Council, including co-ordination and compilation of the annual budget, regular budget monitoring, and production of the Statement of Accounts. Responsibility for Capital Accounting and Treasury Management.

<b>BUDGET 2008/09</b>	<b>UNIT COSTS</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
			<b>£</b>	<b>£</b>
6.17	Expenditure per Resident	5.96	6.10	6.19
(6.17)	Income per Resident	(5.96)	(6.10)	(6.19)

**DIRECTORATE OF RESOURCES**

**EXCHEQUER**

<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
			<b>£</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>			
147,800	Employees	118,200	121,600	124,000
50,500	Premises	20,300	20,300	20,300
500	Transport	500	500	500
17,000	Supplies and Services	16,300	16,300	16,300
508,500	Third Party Payments	536,200	536,200	536,200
0	Transfer Payments	0	0	0
143,900	Internal Services Recharged	168,700	170,400	170,800
0	Capital Financing Costs	0	0	0
<b>868,200</b>	<b>TOTAL EXPENDITURE</b>	<b>860,200</b>	<b>865,300</b>	<b>868,100</b>
	<b><u>INCOME</u></b>			
(717,200)	Internal Services Recharges	(641,100)	(645,400)	(647,400)
0	Grants	0	0	0
(151,000)	Customer & Client Receipts	(219,100)	(219,900)	(220,700)
<b>(868,200)</b>	<b>TOTAL INCOME</b>	<b>(860,200)</b>	<b>(865,300)</b>	<b>(868,100)</b>
<b>0</b>	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Responsible Budget Holder: Nigel Johnson**

**BRIEF DESCRIPTION OF SERVICE**

To maintain, control and supervise the Payroll, Creditors, Insurance, Banking, Risk Assessment and Strategic Concessions Services.

<b>BUDGET 2008/09</b>	<b>UNIT COSTS</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
			<b>£</b>	<b>£</b>
7.77	Expenditure per Resident	7.63	7.68	7.70
(7.77)	Income per Resident	(7.63)	(7.68)	(7.70)

**DIRECTORATE OF RESOURCES**

**INTERNAL AUDIT**

<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
			<b>£</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>			
137,200	Employees	16,900	19,200	21,100
0	Premises	0	0	0
1,200	Transport	1,200	1,200	1,200
2,000	Supplies and Services	1,200	1,200	1,200
0	Third Party Payments	95,300	95,300	95,300
0	Transfer Payments	0	0	0
40,100	Internal Services Recharged	36,900	37,400	37,600
0	Capital Financing Costs	0	0	0
<b>180,500</b>	<b>TOTAL EXPENDITURE</b>	<b>151,500</b>	<b>154,300</b>	<b>156,400</b>
	<b><u>INCOME</u></b>			
(160,200)	Internal Services Recharges	(151,500)	(154,300)	(156,400)
0	Grants	0	0	0
(20,300)	Customer & Client Receipts	0	0	0
<b>(180,500)</b>	<b>TOTAL INCOME</b>	<b>(151,500)</b>	<b>(154,300)</b>	<b>(156,400)</b>
<b>0</b>	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Responsible Budget Holder: John Geasley**

**BRIEF DESCRIPTION OF SERVICE**

Internal Audit objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of the Council's resources.

<b>BUDGET 2008/09</b>	<b>UNIT COSTS</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
			<b>£</b>	<b>£</b>
1.62	Expenditure per Resident	1.34	1.37	1.39
(1.62)	Income per Resident	(1.34)	(1.37)	(1.39)



## DIRECTORATE OF RESOURCES

### ESTATES

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
			£	£
	<b><u>EXPENDITURE</u></b>			
157,600	Employees	152,200	156,400	160,600
162,000	Premises	143,200	144,000	145,100
5,700	Transport	5,700	5,700	5,700
18,600	Supplies and Services	14,700	15,000	15,500
30,300	Third Party Payments	30,300	30,300	30,300
0	Transfer Payments	0	0	0
391,300	Internal Services Recharged	420,500	428,400	429,300
16,100	Capital Financing Costs	22,400	22,400	19,400
<b>781,600</b>	<b>TOTAL EXPENDITURE</b>	<b>789,000</b>	<b>802,200</b>	<b>805,900</b>
	<b><u>INCOME</u></b>			
(355,500)	Internal Services Recharges	(283,000)	(287,700)	(288,100)
(7,400)	Grants	(7,400)	(7,400)	(7,400)
(323,600)	Customer & Client Receipts	(327,100)	(333,600)	(340,300)
<b>(686,500)</b>	<b>TOTAL INCOME</b>	<b>(617,500)</b>	<b>(628,700)</b>	<b>(635,800)</b>
<b>95,100</b>	<b>NET BUDGET</b>	<b>171,500</b>	<b>173,500</b>	<b>170,100</b>

**Responsible Budget Holder: Mark Wheeler**

#### BRIEF DESCRIPTION OF SERVICE

To undertake all estate management and valuation functions in relation to the Council's substantial land and property holdings (excluding Council housing and operational buildings)

BUDGET 2008/09	UNIT COSTS	BUDGET 2009/10	FORECAST	
£		£	2010/11	2011/12
			£	£
7.00	Expenditure per Resident	7.00	7.12	7.15
(6.15)	Income per Resident	(5.48)	(5.58)	(5.64)

**DIRECTORATE OF RESOURCES**

**ENGINEERS & BUILDING MAINTENANCE**

<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
			<b>£</b>	<b>£</b>
	<b>EXPENDITURE</b>			
249,000	Employees	282,700	286,900	289,900
698,500	Premises	649,700	654,200	660,400
16,300	Transport	17,700	17,600	17,600
107,800	Supplies and Services	107,400	108,100	109,200
50,100	Third Party Payments	50,200	50,200	50,200
0	Transfer Payments	0	0	0
679,100	Internal Services Recharged	737,700	748,100	750,400
341,000	Capital Financing Costs	294,600	308,300	308,000
<b>2,141,800</b>	<b>TOTAL EXPENDITURE</b>	<b>2,140,000</b>	<b>2,173,400</b>	<b>2,185,700</b>
	<b>INCOME</b>			
(1,236,700)	Internal Services Recharges	(1,182,500)	(1,194,700)	(1,193,200)
0	Grants	0	0	0
(415,100)	Customer & Client Receipts	(381,900)	(389,600)	(397,400)
<b>(1,651,800)</b>	<b>TOTAL INCOME</b>	<b>(1,564,400)</b>	<b>(1,584,300)</b>	<b>(1,590,600)</b>
<b>490,000</b>	<b>NET BUDGET</b>	<b>575,600</b>	<b>589,100</b>	<b>595,100</b>

**Responsible Budget Holder: John Bowler**

**BRIEF DESCRIPTION OF SERVICE**

Provision of a civil/municipal engineering service in terms of design, advice and related contract management to client demands. To deal with drainage matters including land drainage and reservoirs. Building Maintenance service provides strategic property asset management. To maintain, adapt and alter properties in line with all necessary legislative and Health and Safety requirements. Responsibility for providing good, well maintained accommodation and working conditions for staff and keep operational costs as economical as possible.

<b>BUDGET 2008/09</b>	<b>UNIT COSTS</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
			<b>£</b>	<b>£</b>
19.17	Expenditure per Resident	18.99	19.28	19.39
(14.79)	Income per Resident	(13.88)	(14.06)	(14.11)

DIRECTORATE OF RESOURCES
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REVENUE AND CUSTOMER SERVICES
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BUDGET 2009/10	DIVISION	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
			£	£
392,700	Housing Benefits	253,200	261,300	247,300
(51,700)	Revenues & Customer SMS	0	0	0
1,032,400	Local Tax Collection	1,014,400	1,032,400	1,033,500
<b>1,373,400</b>	<b>TOTAL</b>	<b>1,267,600</b>	<b>1,293,700</b>	<b>1,280,800</b>

**DIRECTORATE OF RESOURCES**

**REVENUE AND CUSTOMER SERVICES**

BUDGET 2009/10	DIVISION	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
			£	£
	<b><u>EXPENDITURE</u></b>			
1,949,300	Employees	1,874,600	1,880,600	1,912,700
0	Premises	0	0	0
32,600	Transport	33,100	33,000	33,000
114,200	Supplies and Services	(289,700)	(23,800)	(24,300)
19,500	Third Party Payments	25,500	25,500	25,500
30,320,000	Transfer Payments	34,380,000	34,380,000	34,380,000
3,123,400	Internal Services Recharged	2,959,400	3,007,500	2,998,200
76,300	Capital Financing Costs	57,500	44,500	6,500
<b>35,635,300</b>	<b>TOTAL EXPENDITURE</b>	<b>39,040,400</b>	<b>39,347,300</b>	<b>39,331,600</b>
	<b><u>INCOME</u></b>			
(2,383,600)	Internal Services Recharges	(2,147,400)	(2,184,200)	(2,170,200)
(31,271,400)	Grants	(35,044,600)	(35,277,100)	(35,276,400)
(606,900)	Customer & Client Receipts	(580,800)	(592,300)	(604,200)
<b>(34,261,900)</b>	<b>TOTAL INCOME</b>	<b>(37,772,800)</b>	<b>(38,053,600)</b>	<b>(38,050,800)</b>
<b>1,373,400</b>	<b>NET BUDGET</b>	<b>1,267,600</b>	<b>1,293,700</b>	<b>1,280,800</b>

**Responsible Budget Holder:** Head of Service Andrew Burton

**BRIEF DESCRIPTION OF SERVICE**

The Revenue and Customer Services service is responsible for the billing and collection of Council Tax, Business Rates and Sundry Income. The service arranges benefits payments, such as Council Tax and Housing benefits, to members of the public on low incomes. Provision of the Customer Services function dealing with all incoming telephone calls and personal visits to the Council, providing information and directing enquiries to the appropriate department.

BUDGET 2009/10	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
			£	£
319.03	Expenditure per Resident	346.41	349.13	348.99
(306.73)	Income per Resident	(335.16)	(337.65)	(337.63)

**DIRECTORATE OF RESOURCES**

**HOUSING BENEFITS**

BUDGET 2009/10	DIVISION	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b>EXPENDITURE</b>			
139,200	Employees	136,900	138,700	140,400
0	Premises	0	0	0
4,400	Transport	4,400	4,400	4,400
(126,500)	Supplies and Services	(550,800)	(271,200)	(271,100)
0	Third Party Payments	0	0	0
22,130,700	Transfer Payments	25,478,200	25,478,200	25,478,200
588,700	Internal Services Recharged	512,100	523,700	513,000
0	Capital Financing Costs	0	0	0
<b>22,736,500</b>	<b>TOTAL EXPENDITURE</b>	<b>25,580,800</b>	<b>25,873,800</b>	<b>25,864,900</b>
	<b>INCOME</b>			
(109,000)	Internal Services Recharges	(108,500)	(110,800)	(112,700)
(22,081,600)	Grants	(25,062,800)	(25,342,300)	(25,342,300)
(153,200)	Customer & Client Receipts	(156,300)	(159,400)	(162,600)
<b>(22,343,800)</b>	<b>TOTAL INCOME</b>	<b>(25,327,600)</b>	<b>(25,612,500)</b>	<b>(25,617,600)</b>
<b>392,700</b>	<b>NET BUDGET</b>	<b>253,200</b>	<b>261,300</b>	<b>247,300</b>

**Responsible Budget Holder:** Elaine Simmonds

**BRIEF DESCRIPTION OF SERVICE**

Verification of Housing and Council Tax Benefits to ensure that only appropriate benefit payments have been paid. The administration and payment of Rent Allowances and Rent Rebates

BUDGET 2009/10	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
203.55	Expenditure per Resident	226.98	229.58	229.50
(200.03)	Income per Resident	(224.73)	(227.26)	(227.31)

**DIRECTORATE OF RESOURCES**

**REVENUE & CUSTOMER SMS**

BUDGET 2009/10	DIVISION	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b><u>EXPENDITURE</u></b>			
1,454,500	Employees	1,398,000	1,395,200	1,418,800
0	Premises	0	0	0
18,500	Transport	19,000	18,900	18,900
84,700	Supplies and Services	97,400	83,600	82,900
19,500	Third Party Payments	19,500	19,500	19,500
0	Transfer Payments	0	0	0
1,504,800	Internal Services Recharged	1,378,700	1,397,900	1,398,500
76,300	Capital Financing Costs	57,500	44,500	6,500
<b>3,158,300</b>	<b>TOTAL EXPENDITURE</b>	<b>2,970,100</b>	<b>2,959,600</b>	<b>2,945,100</b>
	<b><u>INCOME</u></b>			
(2,274,600)	Internal Services Recharges	(2,038,900)	(2,073,400)	(2,057,500)
(779,400)	Grants	(827,700)	(780,700)	(780,000)
(156,000)	Customer & Client Receipts	(103,500)	(105,500)	(107,600)
<b>(3,210,000)</b>	<b>TOTAL INCOME</b>	<b>(2,970,100)</b>	<b>(2,959,600)</b>	<b>(2,945,100)</b>
<b>(51,700)</b>	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Responsible Budget Holder:**      Head of Service

**BRIEF DESCRIPTION OF SERVICE**

Management of Revenues and Customer Services. Administration of Housing and Council Tax Benefits. The Debt Recovery Unit is responsible for the billing, collection and enforcement of payment of the Council's Sundry Debts. Provision of the cashiers service for the Council. Provision of the Customer Services function dealing with all incoming telephone calls and personal visits to the Council, providing information and directing enquiries to the appropriate department. Provision of a cashiers service and tourist information centres.

BUDGET 2009/10	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
28.27	Expenditure per Resident	26.35	26.26	26.13
(28.74)	Income per Resident	(26.35)	(26.26)	(26.13)

**DIRECTORATE OF RESOURCES**

**LOCAL TAX COLLECTION**

BUDGET 2009/10	DIVISION	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b><u>EXPENDITURE</u></b>			
355,600	Employees	339,700	346,700	353,500
0	Premises	0	0	0
9,700	Transport	9,700	9,700	9,700
156,000	Supplies and Services	163,700	163,800	163,900
0	Third Party Payments	6,000	6,000	6,000
8,189,300	Transfer Payments	8,901,800	8,901,800	8,901,800
1,029,900	Internal Services Recharged	1,068,600	1,085,900	1,086,700
0	Capital Financing Costs	0	0	0
<b>9,740,500</b>	<b>TOTAL EXPENDITURE</b>	<b>10,489,500</b>	<b>10,513,900</b>	<b>10,521,600</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0	0	0
(8,410,400)	Grants	(9,154,100)	(9,154,100)	(9,154,100)
(297,700)	Customer & Client Receipts	(321,000)	(327,400)	(334,000)
<b>(8,708,100)</b>	<b>TOTAL INCOME</b>	<b>(9,475,100)</b>	<b>(9,481,500)</b>	<b>(9,488,100)</b>
<b>1,032,400</b>	<b>NET BUDGET</b>	<b>1,014,400</b>	<b>1,032,400</b>	<b>1,033,500</b>

**Responsible Budget Holder:** Bernard Miles

**BRIEF DESCRIPTION OF SERVICE**

To provide a billing and collection service for Council Tax and National Non-Domestic Rates. To provide a Council Tax Benefits Service for the public.

BUDGET 2009/10	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
87.20	Expenditure per Resident	93.07	93.29	93.36
(77.96)	Income per Resident	(84.07)	(84.13)	(84.19)

## DIRECTORATE OF CORPORATE SERVICES

## SUPPORT SERVICES

BUDGET 2009/10	DIVISION	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
0	Land Charges	0	0	0
0	E-Government	0	0	0
75,500	Licensing	300	(500)	(1,500)
23,500	Biscit	10,400	10,400	10,400
(8,300)	Support Services SMS	0	0	0
(33,400)	Democratic Representation & Management	(39,600)	(41,300)	(40,300)
0	Law & Scrutiny	0	0	0
0	Information Technology & Communications	0	0	0
0	General Administration & Support	0	0	0
19,000	GIS	72,700	70,900	72,900
<b>76,300</b>	<b>TOTAL</b>	<b>43,800</b>	<b>39,500</b>	<b>41,500</b>



**DIRECTORATE OF CORPORATE SERVICES**

**SUPPORT SERVICES**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
			£	£
	<b>EXPENDITURE</b>			
1,442,600	Employees	1,427,800	1,439,000	1,457,900
1,700	Premises	4,900	4,900	4,900
46,100	Transport	41,400	41,200	41,200
1,272,800	Supplies and Services	1,134,100	1,134,100	1,134,100
48,800	Third Party Payments	51,700	51,700	51,700
0	Transfer Payments	0	0	0
827,000	Internal Services Recharged	1,077,700	1,077,600	1,080,000
229,200	Capital Financing Costs	93,300	100,500	79,200
<b>3,868,200</b>	<b>TOTAL EXPENDITURE</b>	<b>3,830,900</b>	<b>3,849,000</b>	<b>3,849,000</b>
	<b>INCOME</b>			
0	Internal Services Recharges	0	0	0
(2,779,800)	Internal Services Recharges	(2,871,700)	(2,878,700)	(2,862,300)
0	Grants	0	0	0
(1,012,100)	Customer & Client Receipts	(915,400)	(930,800)	(945,200)
<b>(3,791,900)</b>	<b>TOTAL INCOME</b>	<b>(3,787,100)</b>	<b>(3,809,500)</b>	<b>(3,807,500)</b>
<b>76,300</b>	<b>NET BUDGET</b>	<b>43,800</b>	<b>39,500</b>	<b>41,500</b>

**Head of Service: Steve Brown**

**BRIEF DESCRIPTION OF SERVICE**

The service area of Support Services contributed to the improvement of the operational effectiveness and efficiency of the council and the services it provides to the public and community. Support Services consists of Legal Services, the Licensing Unit, Administration, Procurement and Information Technology and Telephone Systems support.

BUDGET 2009/10	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
			£	£
34.63	Expenditure per Resident	33.99	34.15	34.15
(33.95)	Income per Resident	(33.60)	(33.80)	(33.78)

**DIRECTORATE OF CORPORATE SERVICES**

**LAND CHARGES**

<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
			<b>£</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>			
50,500	Employees	49,000	49,600	50,300
0	Premises	0	0	0
100	Transport	100	100	100
45,000	Supplies and Services	40,600	40,600	40,600
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
68,800	Internal Services Recharged	75,100	75,100	73,700
0	Capital Financing Costs	0	0	0
<b>164,400</b>	<b>TOTAL EXPENDITURE</b>	<b>164,800</b>	<b>165,400</b>	<b>164,700</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
(164,400)	Customer & Client Receipts	(164,800)	(165,400)	(164,700)
<b>(164,400)</b>	<b>TOTAL INCOME</b>	<b>(164,800)</b>	<b>(165,400)</b>	<b>(164,700)</b>
<b>0</b>	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Responsible Budget Holder: L Bianco**

**BRIEF DESCRIPTION OF SERVICE**

To provide a service to carry out official searches and land terrier enquiries.

<b>BUDGET 2008/09</b>	<b>UNIT COSTS</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
			<b>£</b>	<b>£</b>
1.47	Expenditure per Resident	1.46	1.47	1.46
(1.47)	Income per Resident	(1.46)	(1.47)	(1.46)

**DIRECTORATE OF CORPORATE SERVICES**

**E-GOVERNMENT**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b><u>EXPENDITURE</u></b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
32,500	Supplies and Services	12,500	12,500	12,500
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
19,400	Internal Services Recharged	0	0	0
0	Capital Financing Costs	1,700	500	0
<b>51,900</b>	<b>TOTAL EXPENDITURE</b>	<b>14,200</b>	<b>13,000</b>	<b>12,500</b>
	<b><u>INCOME</u></b>			
(51,900)	Internal Services Recharges	(14,200)	(13,000)	(12,500)
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
<b>(51,900)</b>	<b>TOTAL INCOME</b>	<b>(14,200)</b>	<b>(13,000)</b>	<b>(12,500)</b>
<b>0</b>	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Responsible Budget Holder: S Brown**

**BRIEF DESCRIPTION OF SERVICE**

A major improvement programme to harness the power of technology to improve customer services across the councils functions.

BUDGET 2008/09	UNIT COSTS	BUDGET 2009/10	FORECAST	
£		£	2010/11 £	2011/12 £
0.46	Expenditure per Resident	0.13	0.12	0.11
(0.46)	Income per Resident	(0.13)	(0.12)	(0.11)

**DIRECTORATE OF CORPORATE SERVICES**

**LICENSING**

<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
			<b>£</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>			
113,900	Employees	73,700	75,400	77,200
0	Premises	0	0	0
13,800	Transport	11,500	11,400	11,400
33,300	Supplies and Services	21,300	21,300	21,300
5,100	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
86,800	Internal Services Recharged	77,200	78,500	79,500
1,000	Capital Financing Costs	0	0	0
<b>253,900</b>	<b>TOTAL EXPENDITURE</b>	<b>183,700</b>	<b>186,600</b>	<b>189,400</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
(178,400)	Customer & Client Receipts	(183,400)	(187,100)	(190,900)
<b>(178,400)</b>	<b>TOTAL INCOME</b>	<b>(183,400)</b>	<b>(187,100)</b>	<b>(190,900)</b>
<b>75,500</b>	<b>NET BUDGET</b>	<b>300</b>	<b>(500)</b>	<b>(1,500)</b>

**Responsible Budget Holder: G Robinson**

**BRIEF DESCRIPTION OF SERVICE**

To issue licences, permits and registrations within appropriate legislation.

<b>BUDGET 2008/09</b>	<b>UNIT COSTS</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
			<b>£</b>	<b>£</b>
2.27	Expenditure per Resident	1.63	1.66	1.68
(1.60)	Income per Resident	(1.63)	(1.66)	(1.69)

**DIRECTORATE OF CORPORATE SERVICES**

**BISCIT**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
			£	£
	<b>EXPENDITURE</b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
10,300	Supplies and Services	10,300	10,300	10,300
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
6,500	Internal Services Recharged	100	100	100
7,000	Capital Financing Costs	0	0	0
<b>23,800</b>	<b>TOTAL EXPENDITURE</b>	<b>10,400</b>	<b>10,400</b>	<b>10,400</b>
	<b>INCOME</b>			
(300)	Internal Services Recharges	0	0	0
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
<b>(300)</b>	<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>23,500</b>	<b>NET BUDGET</b>	<b>10,400</b>	<b>10,400</b>	<b>10,400</b>

**Responsible Budget Holder: S Brown**

**BRIEF DESCRIPTION OF SERVICE**

Information technology outreach providing access to rural communities (BISCUT).

BUDGET 2008/09	UNIT COSTS	BUDGET 2009/10	FORECAST	
£		£	2010/11	2011/12
			£	£
0.21	Expenditure per Resident	0.09	0.09	0.09
(0.00)	Income per Resident	0.00	0.00	0.00

**DIRECTORATE OF CORPORATE SERVICES**

**SUPPORT SERVICES SMS**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
			£	£
	<b>EXPENDITURE</b>			
41,800	Employees	100,600	88,000	88,900
100	Premises	0	0	0
2,400	Transport	2,400	2,400	2,400
8,400	Supplies and Services	6,800	6,800	6,800
9,200	Third Party Payments	9,200	9,200	9,200
0	Transfer Payments	0	0	0
56,700	Internal Services Recharged	86,000	87,200	87,100
0	Capital Financing Costs	0	0	0
<b>118,600</b>	<b>TOTAL EXPENDITURE</b>	<b>205,000</b>	<b>193,600</b>	<b>194,400</b>
	<b>INCOME</b>			
(124,800)	Internal Services Recharges	(202,900)	(191,500)	(192,300)
0	Grants	0	0	0
(2,100)	Customer & Client Receipts	(2,100)	(2,100)	(2,100)
<b>(126,900)</b>	<b>TOTAL INCOME</b>	<b>(205,000)</b>	<b>(193,600)</b>	<b>(194,400)</b>
<b>(8,300)</b>	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Responsible Budget Holder: S Brown**

**BRIEF DESCRIPTION OF SERVICE**

To provide overall control and management of Support Services

BUDGET 2008/09	UNIT COSTS	BUDGET 2009/10	FORECAST	
£		£	2010/11	2011/12
			£	£
1.06	Expenditure per Resident	1.82	1.72	1.72
(1.14)	Income per Resident	(1.82)	(1.72)	(1.72)

**DIRECTORATE OF CORPORATE SERVICES**

**DEMOCRATIC REPRESENTATION & MANAGEMENT**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b><u>EXPENDITURE</u></b>			
6,400	Employees	6,600	6,600	6,800
0	Premises	0	0	0
0	Transport	0	0	0
31,000	Supplies and Services	34,400	34,400	34,400
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
8,200	Internal Services Recharged	5,000	5,000	7,500
0	Capital Financing Costs	0	0	0
<b>45,600</b>	<b>TOTAL EXPENDITURE</b>	<b>46,000</b>	<b>46,000</b>	<b>48,700</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
(79,000)	Customer & Client Receipts	(85,600)	(87,300)	(89,000)
<b>(79,000)</b>	<b>TOTAL INCOME</b>	<b>(85,600)</b>	<b>(87,300)</b>	<b>(89,000)</b>
<b>(33,400)</b>	<b>NET BUDGET</b>	<b>(39,600)</b>	<b>(41,300)</b>	<b>(40,300)</b>

**Responsible Budget Holder: S Williams**

**BRIEF DESCRIPTION OF SERVICE**

Responsibility for the operation of the Councils Town Halls at Worksop and Retford.

BUDGET 2008/09	UNIT COSTS	BUDGET 2009/10	FORECAST	
£		£	2010/11 £	2011/12 £
0.41	Expenditure per Resident	0.41	0.41	0.43
(0.71)	Income per Resident	(0.76)	(0.77)	(0.79)

**DIRECTORATE OF CORPORATE SERVICES**

**LAW & SCRUTINY**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b><u>EXPENDITURE</u></b>			
258,200	Employees	232,200	235,400	237,400
0	Premises	0	0	0
3,800	Transport	3,800	3,800	3,800
35,400	Supplies and Services	35,100	35,100	35,100
8,000	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
134,000	Internal Services Recharged	98,700	100,100	98,900
0	Capital Financing Costs	0	0	0
<b>439,400</b>	<b>TOTAL EXPENDITURE</b>	<b>369,800</b>	<b>374,400</b>	<b>375,200</b>
	<b><u>INCOME</u></b>			
(360,200)	Internal Services Recharges	(340,600)	(344,700)	(345,000)
0	Grants	0	0	0
(79,200)	Customer & Client Receipts	(29,200)	(29,700)	(30,200)
<b>(439,400)</b>	<b>TOTAL INCOME</b>	<b>(369,800)</b>	<b>(374,400)</b>	<b>(375,200)</b>
<b>0</b>	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Responsible Budget Holder: S Williams**

**BRIEF DESCRIPTION OF SERVICE**

To provide internal advice and support to Services and Committees on all legal matters.

BUDGET 2008/09	UNIT COSTS	BUDGET 2009/10	FORECAST	
£		£	2010/11 £	2011/12 £
3.93	Expenditure per Resident	3.28	3.32	3.33
(3.93)	Income per Resident	(3.28)	(3.32)	(3.33)



**DIRECTORATE OF CORPORATE SERVICES**

**INFORMATION TECHNOLOGY & COMMUNICATIONS**

<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
			<b>£</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>			
351,700	Employees	358,300	365,300	371,400
1,600	Premises	4,900	4,900	4,900
16,100	Transport	16,100	16,100	16,100
888,200	Supplies and Services	815,300	815,300	815,300
6,400	Third Party Payments	6,400	6,400	6,400
0	Transfer Payments	0	0	0
224,700	Internal Services Recharged	411,600	412,400	414,300
168,200	Capital Financing Costs	75,700	85,700	64,900
<b>1,656,900</b>	<b>TOTAL EXPENDITURE</b>	<b>1,688,300</b>	<b>1,706,100</b>	<b>1,693,300</b>
	<b><u>INCOME</u></b>			
(1,199,500)	Internal Services Recharges	(1,288,600)	(1,298,500)	(1,277,600)
0	Grants	0	0	0
(457,400)	Customer & Client Receipts	(399,700)	(407,600)	(415,700)
<b>(1,656,900)</b>	<b>TOTAL INCOME</b>	<b>(1,688,300)</b>	<b>(1,706,100)</b>	<b>(1,693,300)</b>
<b>0</b>	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Responsible Budget Holder: S Williams**

**BRIEF DESCRIPTION OF SERVICE**

To provide support for key computer systems and the provision of data network. Provision of communications facilities for the Council, including telephones.

<b>BUDGET 2008/09</b>	<b>UNIT COSTS</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
			<b>£</b>	<b>£</b>
14.83	Expenditure per Resident	14.98	15.14	15.02
(14.83)	Income per Resident	(14.98)	(15.14)	(15.02)

**DIRECTORATE OF CORPORATE SERVICES**

**GENERAL ADMINISTRATION AND SUPPORT**

<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
			<b>£</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>			
493,700	Employees	485,300	494,200	499,900
0	Premises	0	0	0
7,800	Transport	5,800	5,700	5,700
156,800	Supplies and Services	126,400	126,400	126,400
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
160,300	Internal Services Recharged	228,900	228,200	227,100
23,000	Capital Financing Costs	9,300	14,300	14,300
<b>841,600</b>	<b>TOTAL EXPENDITURE</b>	<b>855,700</b>	<b>868,800</b>	<b>873,400</b>
	<b><u>INCOME</u></b>			
(794,100)	Internal Services Recharges	(809,200)	(821,400)	(825,100)
0	Grants	0	0	0
(47,500)	Customer & Client Receipts	(46,500)	(47,400)	(48,300)
<b>(841,600)</b>	<b>TOTAL INCOME</b>	<b>(855,700)</b>	<b>(868,800)</b>	<b>(873,400)</b>
<b>0</b>	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Responsible Budget Holder: S Williams**

**BRIEF DESCRIPTION OF SERVICE**

To advise and assist on major procurement. To work with external partners to develop and share best practice and seek opportunities for joint contracts and potential efficiencies. To provide operational and administrative systems for the Council. Provision of the Council's Mailroom and Courier Service. Responsibility for Caretaking Support for the Council's administrative buildings and Town Halls. Provision of Printing and Design services for the council.

<b>BUDGET 2008/09</b>	<b>UNIT COSTS</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
			<b>£</b>	<b>£</b>
7.53	Expenditure per Resident	7.59	7.71	7.75
(7.53)	Income per Resident	(7.59)	(7.71)	(7.75)

**DIRECTORATE OF CORPORATE SERVICES**

**GIS**

<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
			<b>£</b>	<b>£</b>
	<b>EXPENDITURE</b>			
126,400	Employees	122,100	124,500	126,000
0	Premises	0	0	0
2,100	Transport	1,700	1,700	1,700
31,900	Supplies and Services	31,400	31,400	31,400
20,100	Third Party Payments	36,100	36,100	36,100
0	Transfer Payments	0	0	0
61,600	Internal Services Recharged	95,100	91,000	91,800
30,000	Capital Financing Costs	6,600	0	0
<b>272,100</b>	<b>TOTAL EXPENDITURE</b>	<b>293,000</b>	<b>284,700</b>	<b>287,000</b>
	<b>INCOME</b>			
(249,000)	Internal Services Recharges	(216,200)	(209,600)	(209,800)
0	Grants	0	0	0
(4,100)	Customer & Client Receipts	(4,100)	(4,200)	(4,300)
<b>(253,100)</b>	<b>TOTAL INCOME</b>	<b>(220,300)</b>	<b>(213,800)</b>	<b>(214,100)</b>
<b>19,000</b>	<b>NET BUDGET</b>	<b>72,700</b>	<b>70,900</b>	<b>72,900</b>

**Responsible Budget Holder: S Williams**

**BRIEF DESCRIPTION OF SERVICE**

To maintain and update the corporate GIS system.

<b>BUDGET 2008/09</b>	<b>UNIT COSTS</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
			<b>£</b>	<b>£</b>
2.44	Expenditure per Resident	2.60	2.53	2.55
(2.27)	Income per Resident	(1.95)	(1.90)	(1.90)

## CHIEF EXECUTIVE

## OTHER BUDGETS

BUDGET 2009/10	DIVISION	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
(1,955,500)	Asset Rents	(1,322,500)	(1,314,200)	(1,390,400)
100,000	Provision - Corporate Contingency	175,000	175,000	175,000
50,000	Provision - Bad debts	50,000	50,000	50,000
0	Provision - National Insurance	0	120,000	120,000
150,000	Participatory Budgeting	227,000	190,000	190,000
1,313,200	Net Interest & borrowing costs	1,293,300	1,475,600	1,473,600
226,900	Service Improvement bids	175,000	0	0
416,700	Concurrent functions & drainage board levies	452,500	462,200	472,300
748,200	Parishes and drainage board levies	790,300	810,100	830,400
<b>1,049,500</b>	<b>TOTAL</b>	<b>1,840,600</b>	<b>1,968,700</b>	<b>1,920,900</b>

**CHIEF EXECUTIVE**

**OTHER BUDGETS**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b>EXPENDITURE</b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
1,338,500	Supplies and Services	1,507,500	1,435,800	1,450,200
0	Third Party Payments	0	0	0
1,812,800	Transfer Payments	1,316,100	378,300	387,800
0	Internal Services Recharged	0	0	0
3,453,700	Capital Financing Costs	4,181,700	5,153,600	5,620,900
<b>6,605,000</b>	<b>TOTAL EXPENDITURE</b>	<b>7,005,300</b>	<b>6,967,700</b>	<b>7,458,900</b>
	<b>INCOME</b>			
(5,455,500)	Internal Services Recharges	(5,127,100)	(4,937,900)	(5,470,400)
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
(100,000)	Interest	(37,600)	(61,100)	(67,600)
<b>(5,555,500)</b>	<b>TOTAL INCOME</b>	<b>(5,164,700)</b>	<b>(4,999,000)</b>	<b>(5,538,000)</b>
<b>1,049,500</b>	<b>NET BUDGET</b>	<b>1,840,600</b>	<b>1,968,700</b>	<b>1,920,900</b>

**Head of Service:** Mike Hill

**BRIEF DESCRIPTION OF SERVICE**

This covers all of the areas that are not specifically under the control of a Head of Service. It consists of: Accounting entries to reverse the effects of depreciation charges; any provisions made by the Council; the interest costs associated with long term borrowing and investments; any reinvestment into Council services; and finally the levies from the parishes and internal drainage boards

BUDGET 2009/10	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
59.13	Expenditure per Resident	62.16	61.83	66.18
(49.74)	Income per Resident	(45.83)	(44.36)	(49.14)

**CHIEF EXECUTIVE**

**ASSET RENTS**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b>EXPENDITURE</b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
0	Supplies and Services	0	0	0
0	Third Party Payments	0	0	0
1,452,700	Transfer Payments	947,000	0	0
0	Internal Services Recharged	0	0	0
0	Capital Financing Costs	326,800	518,800	422,200
<b>1,452,700</b>	<b>TOTAL EXPENDITURE</b>	<b>1,273,800</b>	<b>518,800</b>	<b>422,200</b>
	<b>INCOME</b>			
(3,408,200)	Internal Services Recharges	(2,596,300)	(1,833,000)	(1,812,600)
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
(3,408,200)	<b>TOTAL INCOME</b>	(2,596,300)	(1,833,000)	(1,812,600)
<b>(1,955,500)</b>	<b>NET BUDGET</b>	<b>(1,322,500)</b>	<b>(1,314,200)</b>	<b>(1,390,400)</b>

Responsible Budget Holder: Tracey Bircumshaw

**BRIEF DESCRIPTION OF SERVICE**

This budget represents the reversal of the depreciation and deferred charges made to individual service areas. It is required to ensure there is no 'real' impact on the council taxpayer.

BUDGET 2009/10	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
13.01	Expenditure per Resident	11.30	4.60	3.75
(30.51)	Income per Resident	(23.04)	(16.26)	(16.08)

CHIEF EXECUTIVE
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CORPORATE CONTINGENCY PROVISION
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BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b>EXPENDITURE</b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
100,000	Supplies and Services	175,000	175,000	175,000
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
0	Internal Services Recharged	0	0	0
0	Capital Financing Costs	0	0	0
100,000	<b>TOTAL EXPENDITURE</b>	175,000	175,000	175,000
	<b>INCOME</b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
0	<b>TOTAL INCOME</b>	0	0	0
100,000	<b>NET BUDGET</b>	175,000	175,000	175,000

Responsible Budget Holder: Mike Hill
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<b>BRIEF DESCRIPTION OF SERVICE</b>
The Corporate Contingency provides a general provision against major variances that are of a 'one-off' nature. It replaces the inefficient use of supplementary estimates.

BUDGET 2009/10	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
0.90	Expenditure per Resident	1.55	1.55	1.55
0.00	Income per Resident	0.00	0.00	0.00

<b>CHIEF EXECUTIVE</b>
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<b>BAD DEBT PROVISION</b>
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<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
	<b><u>EXPENDITURE</u></b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
50,000	Supplies and Services	50,000	50,000	50,000
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
0	Internal Services Recharged	0	0	0
0	Capital Financing Costs	0	0	0
<b>50,000</b>	<b>TOTAL EXPENDITURE</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
0	<b>TOTAL INCOME</b>	0	0	0
<b>50,000</b>	<b>NET BUDGET</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>

<b>Responsible Budget Holder:    Mike Hill</b>
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<b>BRIEF DESCRIPTION OF SERVICE</b>
An amount set aside to cover debts that may prove to be uncollectable in the future.

<b>BUDGET 2009/10</b>	<b>UNIT COSTS</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
0.45	Expenditure per Resident	0.44	0.44	0.44
0.00	Income per Resident	0.00	0.00	0.00



CHIEF EXECUTIVE
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NATIONAL INSURANCE PROVISION
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BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
			£	£
	<b>EXPENDITURE</b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
0	Supplies and Services	0	120,000	120,000
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
0	Internal Services Recharged	0	0	0
0	Capital Financing Costs	0	0	0
0	<b>TOTAL EXPENDITURE</b>	0	120,000	120,000
	<b>INCOME</b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
0	<b>TOTAL INCOME</b>	0	0	0
0	<b>NET BUDGET</b>	0	120,000	120,000

Responsible Budget Holder: Mike Hill

#### BRIEF DESCRIPTION OF SERVICE

The chancellor in his 2008 pre-budget report announced a 0.5% increase in national insurance payments from April 2011. A further 0.5% increase was announced in the 2009 pre-budget report. This is a provision towards this cost

BUDGET 2008/09	UNIT COSTS	BUDGET 2009/10	FORECAST	
£		£	2010/11	2011/12
			£	£
0.00	Expenditure per Resident	0.00	1.06	1.06
0.00	Income per Resident	0.00	0.00	0.00

CHIEF EXECUTIVE
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PARTICIPATORY BUDGETING
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BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b>EXPENDITURE</b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
150,000	Supplies and Services	227,000	190,000	190,000
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
0	Internal Services Recharged	0	0	0
0	Capital Financing Costs	0	0	0
<b>150,000</b>	<b>TOTAL EXPENDITURE</b>	<b>227,000</b>	<b>190,000</b>	<b>190,000</b>
	<b>INCOME</b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
0	<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>150,000</b>	<b>NET BUDGET</b>	<b>227,000</b>	<b>190,000</b>	<b>190,000</b>

Responsible Budget Holder: Mike Hill
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BRIEF DESCRIPTION OF SERVICE
A budget allocation to be distributed to services following Participatory Budgeting consultation exercise with the public.

BUDGET 2009/10	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
1.34	Expenditure per Resident	2.01	1.69	1.69
0.00	Income per Resident	0.00	0.00	0.00

**CHIEF EXECUTIVE**

**NET INTEREST AND BORROWING COSTS**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b>EXPENDITURE</b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
6,800	Supplies and Services	6,800	6,800	300
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
0	Internal Services Recharged	0	0	0
3,453,700	Capital Financing Costs	3,854,900	4,634,800	5,198,700
<b>3,460,500</b>	<b>TOTAL EXPENDITURE</b>	<b>3,861,700</b>	<b>4,641,600</b>	<b>5,199,000</b>
	<b>INCOME</b>			
(2,047,300)	Internal Services Recharges	(2,530,800)	(3,104,900)	(3,657,800)
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
(100,000)	Interest	(37,600)	(61,100)	(67,600)
<b>(2,147,300)</b>	<b>TOTAL INCOME</b>	<b>(2,568,400)</b>	<b>(3,166,000)</b>	<b>(3,725,400)</b>
<b>1,313,200</b>	<b>NET BUDGET</b>	<b>1,293,300</b>	<b>1,475,600</b>	<b>1,473,600</b>

**Responsible Budget Holder:** Tracey Bircumshaw

**BRIEF DESCRIPTION OF SERVICE**

This aids the Council to support its cashflow, and relates to the interest payable on temporary and long-term loans, and also interest receivable from short term investments.

BUDGET 2009/10	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
30.98	Expenditure per Resident	34.27	41.19	46.13
(19.22)	Income per Resident	(22.79)	(28.09)	(33.06)

<b>CHIEF EXECUTIVE</b>
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<b>SERVICE IMPROVEMENT BIDS</b>
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BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
			£	£
	<b>EXPENDITURE</b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
226,900	Supplies and Services	175,000	0	0
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
0	Internal Services Recharged	0	0	0
0	Capital Financing Costs	0	0	0
226,900	<b>TOTAL EXPENDITURE</b>	<b>175,000</b>	<b>0</b>	<b>0</b>
	<b>INCOME</b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
0	<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
226,900	<b>NET BUDGET</b>	<b>175,000</b>	<b>0</b>	<b>0</b>

Responsible Budget Holder: Mike Hill

BRIEF DESCRIPTION OF SERVICE
This budget is for a comprehensive investment in priority service areas.

BUDGET 2009/10	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12	2012/13
			£	£
2.03	Expenditure per Resident	1.55	0.00	0.00
0.00	Income per Resident	0.00	0.00	0.00

**CHIEF EXECUTIVE**

**CONCURRENT FUNCTIONS AND DRAINAGE BOARD LEVIES**

BUDGET 2009/10	GROUP	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
	<b><u>EXPENDITURE</u></b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
56,600	Supplies and Services	83,400	83,900	84,500
0	Third Party Payments	0	0	0
360,100	Transfer Payments	369,100	378,300	387,800
0	Internal Services Recharged	0	0	0
0	Capital Financing Costs	0	0	0
<b>416,700</b>	<b>TOTAL EXPENDITURE</b>	<b>452,500</b>	<b>462,200</b>	<b>472,300</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
<b>0</b>	<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>416,700</b>	<b>NET BUDGET</b>	<b>452,500</b>	<b>462,200</b>	<b>472,300</b>

Responsible Budget Holder: Mike Hill

**BRIEF DESCRIPTION OF SERVICE**

To contribute to Parish Councils for undertaking work that a District Council could ordinarily be responsible for. To provide payments to local internal drainage boards alongside other local authorities.

BUDGET 2009/10	UNIT COSTS	BUDGET 2010/11	FORECAST	
£		£	2011/12 £	2012/13 £
3.73	Expenditure per Resident	4.02	4.10	4.19
0.00	Income per Resident	0.00	0.00	0.00

<b>CHIEF EXECUTIVE</b>
------------------------

<b>PARISH PRECEPTS</b>
------------------------

<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
			<b>£</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
748,200	Supplies and Services	790,300	810,100	830,400
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
0	Internal Services Recharged	0	0	0
0	Capital Financing Costs	0	0	0
<b>748,200</b>	<b>TOTAL EXPENDITURE</b>	<b>790,300</b>	<b>810,100</b>	<b>830,400</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
<b>0</b>	<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>748,200</b>	<b>NET BUDGET</b>	<b>790,300</b>	<b>810,100</b>	<b>830,400</b>

<b>Responsible Budget Holder: Mike Hill</b>
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<b>BRIEF DESCRIPTION OF SERVICE</b>
Precepts payable to parishes.

<b>BUDGET 2009/10</b>	<b>UNIT COSTS</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
			<b>£</b>	<b>£</b>
6.70	Expenditure per Resident	7.01	7.19	7.37
0.00	Income per Resident	0.00	0.00	0.00

<b>RESERVES</b>
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<b>TRANSFERS</b>
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<b>BUDGET 2009/10</b>	<b>GROUP</b>	<b>BUDGET 2010/11</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2011/12</b>	<b>2012/13</b>
			<b>£</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
0	Supplies and Services	0	0	0
0	Third Party Payments	0	0	0
(368,500)	Transfer Payments	0	(258,800)	(352,700)
0	Internal Services Recharged	0	0	0
0	Capital Financing Costs	0	0	0
<b>(368,500)</b>	<b>TOTAL EXPENDITURE</b>	<b>0</b>	<b>(258,800)</b>	<b>(352,700)</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
<b>0</b>	<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(368,500)</b>	<b>NET BUDGET</b>	<b>0</b>	<b>(258,800)</b>	<b>(352,700)</b>

Head of Service:

**M Hill**

<b>BRIEF DESCRIPTION OF SERVICE</b>
This budget represents a savings target set for future budgets.

<b>BUDGET 2008/09</b>	<b>UNIT COSTS</b>	<b>BUDGET 2009/10</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2010/11</b>	<b>2011/12</b>
			<b>£</b>	<b>£</b>
(3.30)	Expenditure per Resident	0.00	(2.30)	(3.13)
0.00	Income per Resident	0.00	0.00	0.00

**COLLECTION FUND ESTIMATES 2010/11**

COUNCIL TAX	£'000	£'000	£'000
<b>Surplus for 2008/09</b>			
Actual surplus as at 31.03.09		14	
Less surplus declared 15th January 2009		<u>0</u>	
Estimate overstated			14
 <b>Transactions in 2009/10</b>			
Taxpayers' accounts due		64,342	
<b>Less:</b>			
Exemptions, discounts and disabled relief	(6,915)		
Precepts	(56,804)		
Anticipated write offs	(152)		
Increase in bad debt provision	<u>(485)</u>		
		<u>(64,356)</u>	
			(14)
 <b>Surplus declared 15th January 2009</b>			<u>0</u>
 <b>Allocation of Council Tax surplus</b>			
Bassetlaw District Council	10.9%		0
Nottinghamshire County Council	75.2%		0
Nottinghamshire Police Authority	9.6%		0
Combined Fire Authority	4.3%		<u>0</u>
			<u>0</u>





**SERVICE IMPROVEMENT BIDS**

	2010/11 £	2011/12 and 2012/13 £
<b>Energy Saving Initiatives</b> Fund to provide various initiatives, including thermal imagery survey; education of staff, Members, general public; and fluorescent tube replacements; and motion sensors at all Council o-owned properties.	50,000	0
<b>Maintenance of River Idle Footbridge and Boundary Wall in Kings Park, Retford</b> To undertake essential maintenance work on the footbridge railings, due to high state of corrosion. Also to replace missing mortar in the brickwork. Costs include temporary closure of the public footpath.	25,000	0
<b>Website Development</b> Review and improvement of Council's website (para.3.38 of report)	25,000	0
<b>ICT Review</b> Development of customer contact facilities and processes (para 3.38 of report)	75,000	0
<b>TOTAL</b>	<b>175,000</b>	<b>0</b>

## MOVEMENT ON BALANCES:

REVENUE BALANCE	Balance 01/04/09 £'000
Working Balance	(1,000)
General Reserve	(1,384)
<b>TOTAL EARMARKED</b>	<b>(2,384)</b>

C/Fwd July 2009 £'000	SIB's July 2009 £'000	Budgeted Movements in Year £'000	Under/ Overspend £'000	Balance 01/04/10 £'000
418	209	369	328	(1,000) (60)
418	209	369	328	(1,060)

Movements in Year £'000	Balance 01/04/11 £'000
	(1,000) (60)
-	(1,060)

## MOVEMENT ON EARMARKED RESERVES:

REVENUE RESERVE	Balance 31/03/09 £000
Insurance	(52)
Economic Development	(184)
Job Evaluation	(815)
<b>TOTAL EARMARKED</b>	<b>(1,051)</b>

C/Fwd July 2009 £'000	SIB's July 2009 £'000	Budgeted Movements in Year £'000	Under/ Overspend £'000	Balance 01/04/10 £'000
			22	(52) (162) (815)
-	-	-	22	(1,029)

Movements in Year £'000	Balance 01/04/11 £'000
	(52)
162	-
815	-
977	(52)

<b>TOTAL RESERVES</b>	<b>(3,435)</b>
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<b>(2,089)</b>
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<b>(1,112)</b>
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DRAFT SIMALTO MODELLING GRID 1 point = approx 20/25k

ATTRIBUTE		OPTIONS					
1	Children's Play Area Equipment Maintenance	Close 3 playgrounds  0	As now – 30 playgrounds supported but limited replacement of equipment  1			Increase maintenance & replace some equipment  2	Improve Facilities to include new outdoor equipment  3
2	Encouraging Exercise/ Use of Leisure Facilities	As now including Free Swimming sessions until March 2011  0		PLUS free gym memberships over 75s  1		PLUS free gym memberships – over 70s  2	
3	Voluntary Organisation Grants, e.g. citizens advice bureau	Halve  0	25% less  1		As now  2	10% more  3	25% more  4
4	Economic Development/ Business Support indirectly helping Job Creation	Reduce available grant funding  0		As now  1		Enhance grant schemes for Bassetlaw Development Agency.  2	
5	Town Centre Environment/ Public Spaces	Reduce maintenance  0	As now  1		Increase street scene/ furniture  2		Plus increase maintenance  3
6	Village Street Cleaning	1 fewer sweep of the streets (outlying villages)  0	As now - all areas 3 sweeps per year  1		As now plus 2 more sweeps per year (outlying villages)  2		
7	Town centre street cleaning	As now - daily sweep of both Town Centres  0				Additional Street Cleaning teams in the Town Centres  4	
8	Garden Waste – Free Composting Bins	As now  0	Trial roll out (combination of urban/rural centres)  2		Full roll out to all interested households  8		
9	Fly Tipping	As now – removal of 50% of fly-tips on the day they are reported  0	Removal of 60% of fly tips on the day they are reported  1		Removal of 70% of fly tips on the day they are reported  2		
10	Parks 'Rangers' To Help Make Cleaner/Safer	As now – None  0		1 full-time and 1 part-time staff and supporting facilities  1		2 full-time and one part-time staff member & supporting facilities  2	
11	Grass Cutting – Parks Public Open Spaces, Roadside Verges	2 fewer cuts per year in open areas, high & low amenity areas  0	1 fewer cut per year in open & low amenity areas  2	As now – 14 cuts per year in open areas; 30 cuts per year in High Amenity areas; 18 cuts per year in low amenity areas; Bowling Green's 90 cuts per year  4		1 Additional cut per year (open areas & high & low amenity areas)  5	2 additional cuts per year (open, high & low amenity areas)  6
12	Toilets	Close 2 toilets in outlying villages (least frequented)  0			As now  2	Refurbish 1 toilet  3	Refurbish 3 toilets  5

# APPENDIX 6

13	Homelessness	As now – some proactive work 0		+ more preventative work + dedicated interview room & facility for Homelessness visitors + increased grants 1	
14	Access to Council Services	Close for 2 half-days per week 0	As now - Monday to Friday 9-5pm 1	Late night opening to 8pm for 2 evenings 2	Plus enhanced phone and internet access 4
15	Arts and Music Events/ Festivals	less events 0	As now 1	+ ability to develop local talent through more investment 2	+ ability to bring headline artists to main event 4
16	Christmas Lights	Fewer lights (Worksop & Retford) 0		As now (Worksop & Retford) 1	Increase lights in other outlying areas 2
17	Council Magazine – Keeping You Informed	Reduce to 3 times per year 0		As now – 6 times a year 1	Increase to 10 times a year 2
18	Car Parking Charges	Increase income from car from targeted cost rises 0		As now 2	Reduce income from car parks from targeted discounts 4
19	Car Park Security	As now 0	Security Patrols 2		+ 3 more CCTV cameras 4
20	CCTV & monitoring	Reduce CCTV coverage by 10% 0		As now – 24 hours of CCTV monitoring 1	PLUS increased coverage to broader areas 4
21	Noise/ Nuisance Complaints Response	Cancel Environmental Health/Pest control emergency service 0	As now – One Environmental Health Officer & One Pest Control Officer on call and available to respond/visit 24 hours, 7 days per week 2		Increase in service. Maintain existing out of hours service but introduce some evening weekend cover to meet increased demand 3
22	Shop mobility	Reduce service – restricted access/opening times 0		As now- 9-4:30pm Tuesdays to Saturdays 1	Plus provide additional facilities – extend to larger villages. 3
23	Markets	Increase income from markets – possible reduction in stalls 0		As now 2	Reduce income from market days - possible reduction in stalls 4
24	Benefits/Fraud Investigation	10% reduction in staff & time available to investigate fraud 0		As now 2	More staff, quicker turnaround & more available resource to investigate fraud 4

**BASSETLAW DISTRICT COUNCIL**

**CABINET**

**11 FEBRUARY 2010**

**REPORT OF THE DIRECTOR OF RESOURCES**

**HOUSING REVENUE ACCOUNT BUDGET 2010/11 AND FUTURE YEARS TO  
2012/13**

Cabinet Member: Finance & Property  
Contact: Mike Hill  
Ext. 3174

**1. Public Interest Test**

- 1.1 The author of this report, Mike Hill, has determined that the report is not confidential.

**2. Purpose of the Report**

- 2.1 To seek approval of the Housing Revenue Account budget for 2010/11 and the future years to 2012/13, and the associated recommendations to Full Council on 4<sup>th</sup> March 2010.
- 2.2 To agree an average rent increase for 2010/11.
- 2.3 To consider the comments (to be reported verbally) of the Performance Improvement Scrutiny Committee to be held on the 9<sup>th</sup> February 2010.

**3. Background and Discussion**

**Approved Budget 2009/10**

- 3.1 The Revenue Budget for 2009/10 was agreed by the Cabinet on 12<sup>th</sup> February 2009 and was subsequently approved by full Council on 2<sup>nd</sup> March 2009. It was set based on provisional expectations for the outturn for 2008/09. However, as reported in June 2009, the outturn provided for further additions to the HRA balances.
- 3.2 The estimated position at 31<sup>st</sup> March 2009 was £1.015m, but the actual outturn position was £1.333m.
- 3.3 On 6<sup>th</sup> March 2009, the Housing Minister announced new support to help Councils cut their planned rent increase for tenants to reflect the prevailing economic climate. They did this by effectively halving the national average

guideline rent increase from 6.2% to 3.1%. As a consequence, full Council approved a reduced rent increase for Bassetlaw tenants of 2.84% on 29<sup>th</sup> June 2009.

### **Forecasted Outturn 2009/10**

- 3.4 The budget monitoring report elsewhere on this agenda provides a forecast of the likely year-end position for 2009/10. It reflects a net underspending of £(142k).
- 3.5 The revised budget in June 2009 anticipated a contribution from reserves of £77k. With this variance, the revised forecast is a contribution to reserves of £(65k). Based on these estimates the opening balance at 1st April 2010 will be £1,398k.

### **Housing Revenue Account 2010/11**

- 3.6 The HRA, unlike the General Fund, is a self-contained account and any decisions made about either income or expenditure will affect the overall account as the HRA concerns a single service.
- 3.7 The main elements in the budget profile are:
- Repairs and Maintenance;
  - Management Costs;
  - Rental Income;
  - Housing Subsidy.
- 3.8 The Housing Revenue Account is provided in detail at Appendix 1.

### **Repairs and Maintenance**

- 3.9 Whilst the split between capital and revenue expenditure is mainly fixed according to levels of available resources, the emphasis can be altered to maximise the use of resources overall. Day to day maintenance is usually funded by revenue, particularly responsive repairs. The trends for the last three years, and estimates for the next three years on responsive repairs are:

<b>Actual</b>	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
5.433	5.243	5.491	5.678	5.491	5.491

- 3.10 As more Decent Homes investments are completed, Members should start to see a decrease in the level of revenue repairs as the benefit from the significant investment reduces the need for responsive repairs. The RICS good practice target is 60:40 between planned and responsive repair levels.

- 3.11 The budget for the repairs and maintenance element is largely determined by four factors:
- The level of demand from tenants;
  - The historic level of investment in maintaining the estate;
  - Affordability within the HRA and the income generated from rents;
  - The local standards set for the quality of service.
- 3.12 Any revenue consequences from the HRA's capital programme decisions are reflected in the level of capital financing charges attributable to the HRA. However, the Council's Housing Capital Programme has never been funded from unsupported borrowing, and therefore no revenue costs have been incurred. Where supported borrowing is undertaken for the Decent Homes work, the annual interest payments for servicing this debt is reimbursed through the Housing Subsidy mechanism. This policy of not using unsupported borrowing and thereby restricting the Housing Capital Programme will continue into the longer term due to the issues of affordability within the Housing Revenue Account.

#### Management Fee

- 3.13 The levels of A1 Housing Management Fee within the HRA is reflected as follows:

Actual	Actual	Estimate	Estimate	Estimate	Estimate
2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
£m	£m	£m	£m	£m	£m
5.473	5.934	6.075	5.945	6.075	5.244

- 3.14 As Members are aware, this part of the budget profile is set out in the Management Contract with A1 Housing Bassetlaw Limited. It states that:

*"The Management Fee will be subject to annual review and negotiations between the Council and A1 Housing as part of the budget setting process. It will be calculated to cover the cost of managing the Council's housing stock, and undertaking the day-to-day maintenance of that stock. Such negotiations will take notice of:*

- *Changes in the housing stock;*
- *The implementation of service review recommendations;*
- *Service improvement plans;*
- *The size of the HRA, ensuring a balanced HRA account;*
- *Minimum working balances;*
- *Expenditure in the current year;*
- *Surpluses or deficits generated by A1 Housing, in accordance with paragraph 51 of the Management Agreement;*
- *Changes to A1 Housing recharges and SLA's;*
- *Pension contributions;*
- *The level of Housing Subsidy payable to the Council in respect of Management and Maintenance allowances;*
- *Any change in legislation or other external influences on the HRA."*



- 3.15 The Management Fee proposed for 2010/11 corresponds to A1 Housing's Business Plan, but the forecasts show that this is no longer possible for future years. The figures quoted in the table above are based on minimum working balances of £750k. Negotiations between the Council and A1 Housing will have to continue throughout the year to review all costs of the service. In this regard a new 20-year Business Plan is currently being produced.
- 3.16 As part of this budget, officers have agreed to maintain the overall Management Fee budget that was set for 2009/10 i.e. £11.604m for future years. However, due to the requirement of a minimum working balance, this is clearly not possible for future years. As a departure from this principle, additional resources of £58k have been allocated for 2010/11 in respect of the costs of the Audit Commission mock Inspection.
- 3.17 It is important to recognise the significant improvements in value for money that A1 Housing have already achieved in the current and previous years for both capital and revenue costs. The ALMO was established in October 2004, and since that time there have been the following improvements:
- Work positively noted by the HouseMark national benchmarking club;
  - Over £4.0m of capital and revenue efficiency savings delivered up to March 2010;
  - A further £0.9m forecasted for 2010/11, including:
    - Reduced capital fee charges £196k
    - Cost savings on Decent Homes programme £300k
    - Zero inflation on building repairs service £80k
  - Over £1m of inward investment has been delivered up to March 2010, with a further £0.15m forecasted for 2010/11 including government grants for energy efficiencies and power company grants for gas mains etc.
  - Further efficiency targets for 2011/12 of £496k for capital, and £352k for revenue.

#### Rental Income

- 3.18 In terms of income, there are two main factors that theoretically apply to the HRA. These are actual rents and housing subsidy guideline rents. The former is subject to local discretion (but with restrictions on the annual price increases), and the government sets the latter nationally.
- 3.19 The government introduced their rent restructuring reforms in April 2002. The basis was that rent setting in the social housing sector should be brought onto a common system based on relative property values, size of property, and local earning levels by 2011/12. The regulations involve the setting of a 'target rent' for each property type calculated on a prescribed formula.
- 3.20 The guideline rent is calculated by using the RPI inflation rate at September each year, and depending on that level of inflation, the rent convergence date is reviewed by government for achievability. However, after taking into account the continuing economic conditions, the September 2009 RPI being

minus (1.4%), and current rent re-structuring policy, the average guideline rent increase for 2010/11 has been reduced to 3.1%. Applying this concept, the Housing Subsidy Determination for 2010/11 leads to a 'bringing forward' of the assumed convergence date to 2013.

- 3.21 For the last three years, Bassetlaw has increased rents by 4.56%, 4.58%, and 2.84%, and the levels of rent income are:

<b>Actual</b>	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
20.409	21.832	21.122	21.634	21.983	22.336

- 3.22 The budget, as shown in Appendix 1, includes for an average rent increase of 2.74%, or £1.62 per week (based on a 52 week year). Based on future projections of interest rates, the calculations show that rent convergence at Bassetlaw is still on target for the convergence date of 2013/14 (due to guideline rents increasing at a faster pace than the actual rent). The rent increases by property types, are shown at Appendix 2.
- 3.23 Rent rebates (housing benefit for Council tenants) are accounted for in the General Fund but subsidy limitation still applies. This results in the HRA compensating the General Fund for any loss as a result of previous decisions to increase rents in excess of government recommended levels. This is formula based and will be reducing year on year as rents converge.

#### Housing Subsidy

- 3.24 Finally, and perhaps most controversially, the method of how Housing Subsidy is treated is the other main factor in balancing the HRA budget. In previous years, the government supported local authority housing provision, but for several years now, some authorities like Bassetlaw, have been in a negative subsidy position i.e. tenants have paid money to the government to be re-distributed nationally to support other local authorities' housing functions who earn a positive subsidy. This is significant as tenants in Bassetlaw will pay an estimated £6.715m to the government in 2010/11, and this negative subsidy now constitutes 22% of the gross expenditure incurred by the HRA.
- 3.25 Although the Housing subsidy mechanism removes £6.7m from the HRA, the formula does make an allowance of £4.1m in relation to the Major Repairs Allowance which funds part of the Housing Capital Programme. Therefore, in net terms, Bassetlaw tenants will have paid the government the following:

<b>Actual</b>	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
2.752	3.054	2.424	2.581	3.120	3.703

- 3.26 The whole subsidy process is currently out to consultation, with a government proposal to reform the HRA finance regime by abolishing the HRA Subsidy system. The proposals have the potential to maintain sustainable funding levels for the future, and of providing a broadly level playing field with the Registered Social Landlord sector. However, the proposals are centred around the self-financing option, after each individual authority has received a redistribution of national debt. The effect this will have on each authority is currently the subject of modelling by nationally recognised HRA experts.

#### Other Budgeting Factors

- 3.27 The establishment of A1 Housing Ltd has had a considerable impact on the employers' superannuation payments for both A1 Housing and the Council. With regard to A1 Housing, its percentage rate payable has substantially reduced as a result of its pension scheme being fully funded. This left the Council with a deficit of £6.7m on its fund. The annual payments required to meet the deficit are incremental each year, and the payments for 2010/11, 2011/12, and 2012/13 are £670k, £703k, and £703k respectively.
- 3.28 The provision of these budgets has a direct impact on the budget available to A1 Housing, and as previously discussed, the potential to raise additional budget via rent increases is restricted due to the housing subsidy rent limitation scheme.
- 3.29 The Council and A1 Housing operate a system of Service Level Agreements for buy-back of services, and these are subject to annual review. The budget presented for approval within this report assumes that no significant changes to these SLA will occur.

#### **4. Implications**

##### **a) For Service Users**

The agreement of the split of the HRA Budget between A1 Housing and the Council determines the level of the revenue spend on repairs and has a direct impact on tenants.

The budget has been developed appropriately according to legislation, national guidance, and the Council's corporate objectives.

##### **b) Strategic & Policy**

The budget has been compiled in accordance with the strategy of maintaining a minimum working balance of £750,000 on the HRA, whilst at the same time, giving A1 Housing sufficient resources to deliver their commitments.

c) Financial: Ref: 10/315

These are contained within the main body of the report and supporting appendices.

The proposals maintain a balance on the HRA at 31<sup>st</sup> March 2011 of £1,355,000, which is above the minimum level of £750,000 recommended by the Council's external auditors.

d) Legal: Ref: 17/02/10

The Council has a statutory duty to set a budget that avoids an end of year deficit, after taking into account the working balance on the account. The budget as proposed meets this requirement.

e) Human Resources

None arising directly from this report.

f) Community Safety, Equalities, Environmental

None arising directly from this report, although various budgets provide funds for spend on the environment and community safety.

g) This is a key decision, reference number 238.

## **5. Options, Risks and Reasons for Recommendations**

5.1 The Council must set a balanced HRA budget that leaves a minimum working balance at 31st March 2011. It is recommended that this minimum balance is £750,000 in line with previous budget strategies and the guidance from external auditors.

5.2 In respect of the budget, the following options are available:

- a) revise the planned use of reserves to support the HRA budget;
- b) change the planned level of increase in Housing rents.

5.3 The Cabinet is advised to adopt a strategy of setting a rent increase in line with the Government requirements for inflationary increases and rent convergence.

## **6. Conclusions**

6.1 The proposals within this report set out an affordable and sustainable HRA budget based on government indicators for levels of rents.

6.2 The proposed rent increase of 2.74% is significantly below the government prescribed national guideline rents of 3.1% and keeps the Council on schedule to meet the national rent convergence targets.

- 6.3 If Members were to support a rent increase that is lower than proposed, then the HRA would not be sustainable for Bassetlaw in the medium to long term.

## **7. Recommendations**

Cabinet is recommended to agree the following recommendations to Full Council on 4<sup>th</sup> March 2010:

- 7.1 That Cabinet considers the HRA budget for 2010/11 and future years, together with the associated comments from PISC on 9<sup>th</sup> February 2010, and to recommend their approval.
- 7.2 That Cabinet recommends an average rent increase of 2.74% for 2010/11, and in line with best practice, also recommends indicative increases of 1.7% for both 2011/12 and 2012/13 (dependant upon on future RPI changes).
- 7.3 That the average rent be applied at an individual property level as calculated using the Government Rent Restructuring model (Appendix 2).
- 7.4 That Cabinet approves the use of reserves of £43k to fund 2010/11 as detailed in Appendix 1 of this report.

### **Background Papers**

#### **Location**

Housing Budget Working Papers 2010/11

Housing Revenue Account Subsidy Determinations 2010/11

HRA Business Plan

## HOUSING REVENUE ACCOUNT - THREE YEAR BUDGET FORECAST

29th JUNE BUDGET 2009/10 £		Employees £	Premises £	Transport £	Supplies and Services £	Third Party Payments £	Internal Services Recharged £	Capital Charges £	GROSS EXPEND £	INCOME £	NET EXPEND 2010/11 £	ESTIMATE 2011/12 £	ESTIMATE 2012/13 £
	<b>A1 Housing</b>												
38,000	A1 Management - Rents Rates & Taxes				38,000				38,000		38,000	38,000	38,000
6,075,300	A1 Management - Supervision and Man				5,945,400				5,945,400		5,945,400	6,075,300	5,244,300
5,490,700	A1 Management - Repairs				5,678,600				5,678,600		5,678,600	5,490,700	5,490,700
11,604,000	<b>Total A1 Housing Management Fee</b>	0	0	0	11,662,000		0	0	11,662,000	0	11,662,000	11,604,000	10,773,000
	<b>Council Managed HRA Budgets</b>												
	<b>Expenditure</b>												
50,000	Bad Debts Provision				122,300				122,300		122,300	124,300	126,200
113,900	Debt Management Expenses						46,000		46,000		46,000	46,900	47,500
2,423,600	Main Housing Subsidy (inc MRA) payable				6,715,100				6,715,100	-4,134,000	2,581,100	3,120,300	3,703,400
402,900	Rent Rebates				567,200				567,200		567,200	287,700	0
5,634,400	Depreciation							6,093,500	6,093,500	-15,800	6,077,700	6,500,400	6,815,600
1,127,500	Management	756,000	23,800	2,500	44,700	15,000	188,000		1,030,000		1,030,000	1,033,400	1,069,600
9,752,300	<b>Total Expenditure</b>	756,000	23,800	2,500	7,449,300		234,000	6,093,500	14,574,100	-4,149,800	10,424,300	11,113,000	11,762,300
	<b>Income</b>												
-268,300	District Heating - Charges								0	-236,200	-236,200	-236,200	-236,200
-21,279,300	Rent Income - Dwellings								0	-21,957,000	-21,957,000	-22,310,000	-22,668,000
266,000	Rent Income - Voids								0	322,600	322,600	327,400	332,200
-164,800	Rent Income - Garages								0	-193,200	-193,200	-197,400	-201,100
-91,400	Rent Income - Shops								0	-88,000	-88,000	-88,000	-88,000
-22,300	Rent Income - Land & Wayleaves								0	-18,700	-18,700	-18,800	-18,600
-7,000	Management Recharges Income								0	-5,800	-5,800	-5,800	-5,800
-890,100	Supporting People Charges				78,500		0		78,500	-1,068,400	-989,900	-989,900	-989,900
-22,457,200		0	0	0	78,500		0	0	78,500	-23,244,700	-23,166,200	-23,518,700	-23,875,600
-1,100,900	<b>NET COST OF SERVICES</b>	756,000	23,800	2,500	19,189,800		234,000	6,093,500	26,314,600	-27,394,500	-1,079,900	-801,700	-1,340,300
186,000	Capital adjustments							126,100	126,100		126,100	875,100	-1,794,900
-181,000	Net Gain or Loss on Sale of HRA assets						7,700	344,000	351,700	-462,000	-110,300	-859,300	1,810,700
	HRA Services share of Corporate and												
132,500	Democratic Core				146,100				146,100		146,100	146,100	146,100
404,800	HRA share of other amounts				328,600				328,600		328,600	328,600	328,600
257,300	Amortised Premiums and Discounts							176,700	176,700		176,700	101,400	74,700
-126,800	GF Contribution to Shared Amenities								0	-128,100	-128,100	-130,700	-133,300
2,049,300	Interest & Mortgage Interest							2,557,400	2,557,400	-14,300	2,543,100	3,140,400	3,679,200
-1,544,200	Transfer to Major Repairs Reserve								0	-1,959,500	-1,959,500	-2,343,900	-2,621,600
1,177,900	<b>NET OPERATING EXPENDITURE</b>		0	0	474,700		7,700	3,204,200	3,686,600	-2,563,900	1,122,700	1,257,700	1,489,500
77,000	<b>HRA (Surplus)/Deficit for Year</b>										42,800	456,000	149,200

	£
Balance b/fwd @ 1 April 2009	-1,333,024
Budgeted HRA Deficit 2009/10	77,000
Projected Year End Variance	-142,000
Balance c/fwd @ 1 April 2010	-1,398,024

Balance Brought Forward	-1,398,024	-1,355,224	-899,224
HRA Surplus (-)/Deficit	42,800	456,000	149,200
<b>Balance Carried Forward</b>	<b>-1,355,224</b>	<b>-899,224</b>	<b>-750,024</b>

## RENT RESTRUCTURING

Year		Average Rents *						Formula Rent £
		Bedsit £	1 Bed £	2 Bed £	3 Bed £	4+ Bed £	Overall £	
1	2002.03	44.33	45.78	47.56	48.44	48.86	47.37	41.29
2	2003.04	43.96	46.26	48.54	49.44	50.17	48.21	42.63
3	2004.05	43.82	47.05	49.87	50.79	51.88	49.39	44.32
4	2005.06	43.64	47.99	51.54	52.51	54.07	50.87	46.10
5	2006.07	43.80	49.19	53.41	54.81	57.14	52.70	53.75
6	2007.08	44.29	51.21	55.93	57.61	60.87	55.17	55.95
7	2008.09	43.61	53.33	58.68	60.52	64.13	57.76	58.41
8	2009.10	44.46	54.50	60.13	62.15	66.04	59.19	61.62
9	2010.11	44.56	55.26	61.76	64.42	68.95	60.81	61.07
10	2011.12	44.22	55.48	62.78	66.09	71.66	61.85	61.99
11	2012.13	43.85	55.68	63.83	67.80	74.43	62.91	62.92
12	2013.14	45.17	57.35	65.75	69.83	76.96	64.80	64.80
13	2014.15	46.52	59.08	67.72	71.93	79.31	66.75	66.75
14	2015.16	47.92	60.85	69.75	74.08	81.69	68.75	68.75
15	2016.17	49.36	62.68	71.84	76.31	84.13	70.81	70.81
Stock Numbers		142	1702	2706	2281	118	6,949	

\* 52 Week Rents and current stock

Shaded years show convergence between actual & formula rents

INCREASES BY PROPERTY TYPES						
	Bedsit £	1 Bed £	2 Bed £	3 Bed £	4+ Bed £	Overall £
2009.10	44.46	54.50	60.13	62.15	66.04	59.19
2010.11	44.56	55.26	61.76	64.42	68.95	60.81
£	0.10	0.76	1.63	2.28	2.90	1.62
%	0.23%	1.40%	2.71%	3.67%	4.39%	2.74%

**BASSETLAW DISTRICT COUNCIL**

**CABINET**

**11 FEBRUARY 2010**

**REPORT OF DIRECTOR OF RESOURCES**

**GENERAL FUND CAPITAL PROGRAMME 2010/11 TO 2014/15**

Cabinet Member: Finance & Property

Contact: Mike Hill

Ext: 3174

**1. Public Interest Test**

- 1.1 The author of this report, Mike Hill, has determined that the report is not confidential.

**2. Purpose of the Report**

- 2.1 To approve the General Fund Capital Programme for 2010/11 to 2014/15. There is a separate report on this agenda detailing expenditure on the Housing Capital Programme.

**3. Background and Discussion**

- 3.1 In November 2009, all managers were asked to prepare a list of potential capital schemes for the five-year period to 2014/15, and submit these to the Regeneration & Property group for consideration.
- 3.2 These have been reviewed by the Regeneration & Property group, and scored in accordance with the Capital Prioritisation Process (details of which are provided within the Capital Investment Strategy report elsewhere on this agenda). Project Officers have also individually presented each bid before a decision on the appended programme was made.
- 3.3 In previous years, the Housing Capital Programme (or more specifically HRA capital receipts) has been used to fund improvements to Private Sector Housing. This takes the form of Disabled Facility Grants (DFG) and Private Sector Decent Homes Grants to private sector householders. Due to the sums involved, it is now becoming clear that this policy can no longer continue, and therefore the costs of these grants have been switched to the General Fund capital programme.

**Capital Prioritisation Process**

- 3.4 The process is designed to demonstrate a level of objectivity in the selection of projects. It is numerically based, and allocates points to projects dependant upon the categories into which they fall. The aim is to demonstrate how the Council selects projects that will achieve its overall objectives and is not biased towards particular service interests. A summary is provided below:



Category	Criteria	Points
A	A mandatory legal requirement to provide the service or asset that enables the service to be provided and that obligation cannot be met in any other way.	12
B	There is a demonstrable priority need to replace the asset/service on an essentially like for like basis, as the existing asset is at the end of its useful life.	12
C	There is an expectation by the government that the Council should undertake a particular course although it may not be currently statutory and there is a likelihood of some form of sanction being applied against the Council if that expectation is not met.	10
D	The project is based on the principle that investment in the service will result in savings in the future.	10
E	Funding is required to supplement a S106 agreement and that funding must be met during the year in question.	8
F	Match funding is available of at least 50% of the project cost.	8
G	The project meets objectives in one of the Council's approved strategy statements.	6
H	The project meets service plan objectives or Members have previously approved it as a bid.	4

- 3.5 Additional points are also allocated by taking account of particular attributes of projects. For example, by meeting Council objectives, by offering opportunity for improvement/betterment, meets health & safety requirements, any revenue implications, or from working in partnership.

#### Current Capital Programme

- 3.6 The existing capital programme for 2010/11 to 2013/14 is provided at Appendix A and is made up as follows:

- Original programme approved by full Council on 2<sup>nd</sup> March 2009;
- New Capital Service Improvement Bids approved by Cabinet on 4<sup>th</sup> August 2009;
- Capital carry forwards from 2009/10 into 2010/11 approved by Cabinet on 3<sup>rd</sup> November 2009;
- Capital carry forwards from 2009/10 to 2010/11 approved on this Agenda (Budget Monitoring and Capital Programme Update report).

#### New Capital Programme Bids

- 3.7 The capital programme has been set in accordance with the Capital Prioritisation process, and each scheme has been assessed according to the scoring matrix and its contribution to Council priorities. The capital programme this year has been established using a two-tier structure as follows:

- A core programme of capital expenditure that is required each year to maintain assets and meet statutory requirements (Appendix B);
- New approvals that represent the traditional one-off capital bids that can be delivered to time and on budget (Appendix B).

- 3.8 Further details on each capital scheme is provided for information at Appendix C.

### Future Developmental Bids

- 3.9 The third element of this years' capital programme are the future developmental bids, which reflect projects that are currently in the pipeline, but awaiting confirmation of costs and external funding. A separate report will be submitted to Cabinet for each of these projects in due course, outlining their funding requirements. As an overview, a brief description of these future projects is provided in Appendix E.
- 3.10 Should Members wish to provide an extended capital programme i.e. undertake capital projects prior to any further capital receipts being received, then the only option is that the Council undertakes additional borrowing. As this would be unsupported i.e. the Council would not receive additional government grant to fund the repayment costs, then the repayment costs will have to be affordable and met from General Fund balances.
- 3.11 For information, the revenue costs of borrowing are very much dependent upon the anticipated life of the asset: the longer the life the cheaper the costs of borrowing. As a general guide, assuming an asset has a life of 25 years, the following table shows the effect on the revenue base budget for differing amounts of borrowing:

<b>Amount of Borrowing</b>	<b>Annual Revenue Cost</b>	<b>Council Tax Impact at Band D</b>
<b>£</b>	<b>£</b>	<b>£</b>
1,000,000	80,000	2.22
500,000	40,000	1.11
100,000	8,000	0.22

### Disabled Facilities Grants

- 3.12 As reported to Cabinet on 8<sup>th</sup> December 2009, the Council has a mandatory obligation to provide disabled facilities grants to all qualifying residents of Bassetlaw. The annual cost of these grants is estimated to be circa £1.2m. Government support is available to meet some of these costs, but latest forecasts are that this will be in region of £0.35m per annum, leaving a £0.85m funding gap as a pressure on the Council. Members should note that this is the worst case scenario, and a bid of £0.9m has been made to central government in respect of 2010/11.
- 3.13 In order to fund this pressure, Members have three options:
- a) use capital receipts – this will have a detrimental effect on the anticipated programme and will remove schemes that may be seen as a priority.
  - b) undertake borrowing – the Council can afford to borrow for the funding gap, but these grants only have a life of one year, and will prove to be financially inefficient in terms of its treatment under the Minimum Revenue Provision (MRP) (as explained in para. 3.11 above).
  - c) Undertake borrowing but apply it to a long life asset – this option would effectively switch capital receipts from an 'asset' with a long life of say 25 years, and use those capital receipts to fund the disabled facilities grants. This is the most financially efficient option in terms of its impact on the revenue budget.

## Capital Resources Available

- 3.14 The actual General Fund capital receipts brought forward at 1 April 2009 are £12.370m, and it is anticipated that £2.005m will be used to fund the 2009/10 capital programme, plus a further £0.064m has been received in year. If Cabinet are minded to approve the new bids submitted as part of this report (Appendix B), then a balance of £0.353m will be available to fund any future capital projects.
- 3.15 The revenue budget also contains adequate provision for the replacement of vehicles throughout the life of the capital programme, to be funded via leasing. In respect of the financing of replacement vehicles, plant and equipment, an options appraisal will be undertaken to determine the most appropriate funding arrangements, for example, will the Council be better off by raising an external loan, buying outright from capital receipts, or using leasing. Under each option the revenue base budget exists to fund the repayments, and can therefore be assumed as an available capital resource.
- 3.16 Over the period of this capital programme i.e. 2010/11 – 2014/15, the Council is prudently forecasting the receipt of approximately £1.4m, plus a further £0.5m expected in quarter 4 of 2009/10. These receipts have not been taken into consideration when determining the capital programme.

## Future Capital Programmes

- 3.17 It is intended that the capital programme will be refreshed each year. The future developmental bids will, subject to Cabinet approval and the existence of available funding, be added at a later date. It is not recommended to undertake unsupported prudential borrowing for anything other than out of necessity i.e. option (c) above in relation to disabled facilities grants amounts. Any capital bids that are not in the current programme are therefore not affordable without future capital receipts being received, leaving only wholly externally funded schemes being added to the programme.

## **4. Implications**

### a) For Service Users

The capital programme has been developed using the capital prioritisation process, and seeks to improve services by aligning resources to the agreed Council priorities.

### b) Strategic & Policy

The capital programme has been developed having regard to the Community Strategy and Corporate Plan. In particular, it supports the delivery of the Council's priorities through the Medium Term Financial Plan.

### c) Financial – Ref: 10/425

These are included within the main body of the report. Additionally, the revenue consequences of all schemes have been assessed and approval of the General Fund revenue base budget will include provision for any impact.

- d) Legal – Ref: 20/02/10  
None arising directly from this report.
- e) Human Resources  
None arising directly from this report.
- f) Community Safety, Equalities & Environmental  
None arising directly from this report.
- g) This is a key decision, reference number 239.

## **5. Options, Risks and Reasons for Recommendations**

- 5.1 The report indicates that resources for capital investment are currently very limited. Further options will become available on the generation of additional capital receipts, and Members have the opportunity to amend the proposed capital programme as they see fit. Other options are available through unsupported borrowing, although this would have a detrimental impact on the General Fund revenue budget.
- 5.2 Paragraph 10.1 of the current Financial Regulations state “...*inclusion of a provision in the approved capital budget shall not be regarded as an authority to enter into a commitment to spend such monies until the proposal and its estimated costs broken down into relevant constitute parts (e.g. land, fees, works) have been approved by Cabinet.*” (This will be amended as part of the new Financial Procedure Rules, which will hopefully be approved within the next few months).
- 5.3 This Regulation has caused much confusion for officers in the past, and has lead to delays in commencing capital spending. In some circumstances this can have an impact on the outturn, and the levels of resulting slippage in the capital programme. It is therefore recommended that a departure from the Financial Regulations is approved for minor capital schemes (defined as £200,000 to coincide with the limit that the Contract Procedure Rules para 18.3 specifies as requiring Cabinet approval for tendering contracts).

## **6. Conclusions**

- 6.1 It is prudent not to overstretch the capital programme, and new projects should not be approved until sufficient additional capital receipts have been generated to support the capital expenditure.
- 6.2 There are some major capital schemes that require external funding. It is important that these bids are scrutinised effectively before the Council commits any capital resources, and that progress on these schemes is reported back to Cabinet on a regular basis.

## **7. Recommendations**

- 7.1 That officers be delegated the authority to commence schemes without the prior need to report back to Cabinet if the Council is the sole funder of a capital scheme with a budget of £200,000 or less (subject to the usual requirements to obtain quotations or tenders).
- 7.2 That the Head of Finance & Property be delegated authority to finance 'long-life' assets from borrowing as applicable, in accordance with the approved Capital Investment Strategy (paragraph 3.13 option c).
- 7.3 That Cabinet approves the new additions to the Capital Programme 2010/11 to 2014/15 of £9.034m as shown at Appendix B, and recommends these to full Council on 4<sup>th</sup> March 2010.
- 7.4 That Members note the future developmental bids that will be reported to Cabinet in due course (Appendix E).

### **Background Papers**

Capital Bids & Resourcing  
Statements

### **Location**

Accountancy Office

# GENERAL FUND CAPITAL PROGRAMME 2010-2014 - ALREADY APPROVED

	2010-14 Approved	2009/10 C/Fwd	Scheme	2010/11		2011/12		2012/13		2013/14		Total		
	£'000	£'000		BDC £'000	Ext £'000	BDC £'000	Ext £'000	BDC £'000	Ext £'000	BDC £'000	Ext £'000	BDC £'000	Ext £'000	Total £'000
E & H	4,015	0	Replacement Vehicles & Plant		1,237		441		1,433		904	0	4,015	4,015
E & H	30	0	Retford Road Cemetery, Worksop Access Roads	30								30	0	30
E & H	45	12	Refurbishment of Recycling Bring Sites	57								57	0	57
E & H	0	37	Kings Park		37							0	37	37
E & H	0	43	Play Areas	43								43	0	43
E & H	0	25	Roadway Resurfacing Works	25								25	0	25
E & H	422	0	Disabled Facilities Grant	80	342							80	342	422
E & H	550	0	Decent Homes (Private Sector) Grants		550							0	550	550
E & H	55	0	Places for Change	0	55							0	55	55
F & P	2,654	0	Cinema	2,654								2,654	0	2,654
F & P	692	190	Canch Redevelopment	403	479							403	479	882
F & P	300	202	Capital Improvement/Corporate Repairs/Invest Property	502								502	0	502
F & P	0	1,225	Development Former Toilets rear of Retford Town Hall	641	584							641	584	1,225
F & P	100	0	Flood Alleviation Works - Minor Schemes	100								100	0	100
F & P	0	70	Refurbishment of Worksop Town Hall Toilets	70								70	0	70
F & P	0	293	Queen's Buildings Windows	293								293	0	293
F & P	0	55	Queens Buildings Toilets and Disabled Facilities	55								55	0	55
F & P	0	10	Fire Risk Assessment	10								10	0	10
F & P	0	15	Queens Buildings Small Power Rewire	15								15	0	15
Com P	3,000	100	Bridge Street, Worksop (including Pedestrianisation)	1,100	2,000							1,100	2,000	3,100
Com P	1,400	50	Retford Market Square	860	500	90						950	500	1,450
Com P	0	177	CCTV Digital Upgrade	177								177	0	177
Com P	0	50	Public Toilets Worksop Market Area	50								50	0	50
Com P	0	356	Retford Enterprise Centre		356							0	356	356
Com P	80	10	Buildings at Risk	30		20		20		20		90	0	90
Com P	0	31	Common Conservation Fund		31							0	31	31
SS	200	0	IT Computer Replacement Fund	50		50		50		50		200	0	200
	<b>13,543</b>	<b>2,951 TOTAL</b>		<b>7,245</b>	<b>6,171</b>	<b>160</b>	<b>441</b>	<b>70</b>	<b>1,433</b>	<b>70</b>	<b>904</b>	<b>7,545</b>	<b>8,949</b>	<b>16,494</b>

**GENERAL FUND CAPITAL PROGRAMME 2010-2015 - NEW BIDS**

Scheme		2010/11		2011/12		2012/13		2013/14		2014/15		Total			A-H	Score
		BDC	Ext	BDC	Ext	BDC	Ext	BDC	Ext	BDC	Ext	BDC	Ext	Total		
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
<b>CORE PROGRAMME</b>																
E & H	Disabled Facilities Grant	775	3	855	345	855	345	855	345	0	345	3,340	1,383	4,723	A	12
F & P	Planned Maintenance	0	0	75	0	75	0	75	0	0	0	225	0	225	B	12
E & H	Play Area Refurbishment of Existing Sites	75	0	75	0	75	0	75	0	0	0	300	0	300	B	12
E & H	Decent Homes Programme - Private Sector	0	0	0	550	0	500	0	500	0	500	0	2,050	2,050	G	6
		850	3	1,005	895	1,005	845	1,005	845	0	845	3,865	3,433	7,298		
<b>NEW APPROVALS</b>																
E & H	Extension to Roadways Retford Cemetery	50	0	40	0	0	0	0	0	0	0	90	0	90	A	12
E & H	Localised Recycling facilities for high rise flats	40	0	0	0	0	0	0	0	0	0	40	0	40	A	12
E & H	Replacement Vehicles & Plant	0	246	0	0	0	0	0	0	0	0	0	246	246	B	12
F & P	Reception Area	75	0	0	0	0	0	0	0	0	0	75	0	75	B	12
F & P	Queen's Buildings Windows	207	0	0	0	0	0	0	0	0	0	207	0	207	B	12
SS	Infrastructure Improvements	40	0	0	0	0	0	0	0	0	0	40	0	40	B	12
SS	Retford Storage	20	0	0	0	0	0	0	0	0	0	20	0	20	B	12
E & H	Replacement 2 Way Vehicle Radio System for Fleet	75	0	0	0	0	0	0	0	0	0	75	0	75	B	12
E & H	Replacement Vehicle Wash	11	0	0	0	0	0	0	0	0	0	11	0	11	B	12
E & H	Recycling Initiatives	200	0	0	0	0	0	0	0	0	0	200	0	200	C	10
F & P	Canch/Memorial Gardens Boundary Improvements	40	0	0	0	0	0	0	0	0	0	40	0	40	D	10
E & H	Provision of Covered Store for Gritting Rock Salt	15	0	0	0	0	0	0	0	0	0	15	0	15	D	10
E & H	Security Fencing and Other Works to Allotment Sites	60	0	0	0	0	0	0	0	0	0	60	0	60	D	10
E & H	Improved site security Kilton Bowling Green	25	0	0	0	0	0	0	0	0	0	25	0	25	D	10
F & P	Purchase to Pay Invoice automation system	12	0	0	0	0	0	0	0	0	0	12	0	12	D	10
E & H	Play Area Development - New Sites	210	50	0	0	0	0	0	0	0	0	210	50	260	E	8
F & P	Canch Skate Park	0	0	200	0	0	0	0	0	0	0	200	0	200	F	8
F & P	Parish Council Play Initiatives	50	0	0	0	0	0	0	0	0	0	50	0	50	G	6
F & P	Memorial Library	0	0	70	0	0	0	0	0	0	0	70	0	70	G	6
		1,130	296	310	0	0	0	0	0	0	0	1,440	296	1,736		
<b>TOTAL</b>																
		1,980	299	1,315	895	1,005	845	1,005	845	0	845	5,305	3,729	9,034		

## GENERAL FUND CAPITAL BIDS

### Disabled Facilities Grant

To facilitate the payment of mandatory Disabled Facilities Grants. The Council's bid for HCA Funding in 2010/11 indicates anticipated expenditure levels of £1,200,000 annually. This reflects growing needs from an ageing population. The expenditure profile assumes that government subsidy will remain frozen at 2009/10 levels (i.e. £345,000). In reality the subsidy could go up or down – there has been no indication from Central Government as to if this funding is protected. Current practice in the grants section is to competitively tender using many local contractors, and this not only meets housing needs but also helps support local businesses.

### Planned Maintenance

Planned maintenance to Council properties in accordance with the new five-year programme, determined by the backlog survey work.

### Play Area Refurbishment of Existing Sites

To support and fund improvements/refurbishment on existing play sites, to comply with relevant NPFA standards in accordance with BDC's Play Strategy *'Somewhere Safe for the Kids to Play!'*

### Decent Homes Programme – Private Sector

To ensure 75% of vulnerable households occupying homes in the private sector live in properties that meet the government's decent homes standard in line with PSA 7 targets. The Council's HIP Bid for 2010/11 proposes expenditure levels of £750,000 for this programme, but recognized that in the current financial climate subsidy from central government was likely to be significantly reduced. The most recent information from HCA indicates that subject to ministerial approval Bassetlaw will receive a minimum of £550,000 subsidy for this programme in 2010/11. However should HCA be given ministerial authority to carry forward and transfer other under-spent regional funding from 2009/10, the 2010/11 subsidy could potentially increase to £657,000. It should be noted that for Decent Homes Grants, Bassetlaw has a 'waiting list' of approximately 3 years and the list has now been suspended.

### Extension to Roadways Retford Cemetery

The tarmac roadways from the Babworth Road entrance to Retford Cemetery need to be extended to accommodate the development of new burial areas within the cemetery as current burial areas reach maximum capacity.

### Localised Recycling facilities for high rise flats

Currently all high rise flats within the District have refuse collected from 1100 litre bulk containers, located at central pick up points. These containers are currently emptied each week by our commercial waste vehicle, all waste is landfilled and these flats are not part of the Council's "Blue Bin" recycling scheme. Flats in these locations do not currently have access to their own localised/kerbside recycling service. There is however a statutory requirement for such a service to be made available to these premises by the end of 2010/2011. To facilitate this requirement it is proposed to provide dedicated recycling "pods" at each location (number variable depending upon number of flats at site). Each pod will contain a 360 litre traditional wheeled bin and this will be used to store recyclable materials from the flats, to be collected by the normal domestic collection round operating in that area (1100 litre containers cannot be lifted by normal domestic rounds on a regular basis).



Replacement Vehicles & Plant

For the replacement of vehicles and plant which have come to the end of their useful life, but were omitted from the initial Capital Programme. In addition the bid also includes 3 new vehicles as part of the Environment Services Review.

Reception Area

Modifications to layout to provide a professional reception area.

Queen's Buildings Windows

Additional funds to undertake a complete refurbishment of Queen's Building windows.

Infrastructure Improvements

To upgrade switches and routers within the communications infrastructure at Queens Buildings, Retford and Carlton Forest. This will be the first upgrade since 2000 and will avoid problems with network traffic speeds, particularly once utilising the telephony switch upgrades.

Retford Storage

Replacement of Storage server at Retford allowing 'de-duplication' software feature to be switched on. This will help avoid disk space problems, as it increases storage space by 50% without further investment.

Replacement 2 Way Vehicle Radio System for Fleet

The bid is for the replacement of the current 2-way radio which is fitted to the Environment Services fleet and was first installed over 10 years ago. The current system operates using analogue technology, the proposed replacement being a digital system, providing improved area coverage across the district, better speech quality, ability to send text messages and also a built in GPS facility. This will assist in work and resource planning, aid service monitoring and management and contribute to service efficiencies. It is particularly beneficial as an aid to route planning and optimization of collection rates on refuse rounds as new housing developments arise.

Replacement Vehicle Wash

The current vehicle washing equipment, which is used on the Council's smaller vehicle fleet by individual drivers, was first installed when the Vehicle Workshops were opened in 1996. It is of the type operated by many petrol stations, using a high-pressure hose and separate hose with brush attachment, it is not a drive through facility. It has been used extensively over the last 13 years, is becoming increasingly unreliable and no longer works at full capacity. The bid is therefore to replace the equipment with an up to date version, which will be more reliable and have greater cleaning capability and effectiveness.

Recycling Initiatives

The introduction of recycling initiatives across the district, including the roll out of free home composting bins to residents.

Canch/Memorial Gardens Boundary Improvements

To replace missing/dilapidated fences and upgrade other old existing boundary sections.

Provision of Covered Store for Gritting Rock Salt

Currently stocks of rock salt are stored in an uncovered bay protected by a tarpaulin sheet to keep supplies dry. This method does not make it possible to keep adequate stocks of salt covered from the elements, whilst still allowing it to be in a ventilated environment, resulting in the condition and effectiveness of the salt deteriorating and also being unsuitable for use in mechanical spreading equipment. The bid is to upgrade the current storage bay, which was initially a sand store for the Council's DLO, to include ventilated sides, a fixed roof and improved access/loading facilities. The improvements will enable us to maintain larger stocks, sustain stock effectiveness and be better prepared for the adverse weather conditions we have experienced recently and over the last few years.

Security Fencing and Other Works to Allotment Sites

Work to upgrade existing boundaries with security fencing, install new water supply and stand pipes, and improve pathways.

Improved Site Security Kilton Bowling Green

Provide a security fence around the perimeter of the bowling green and pavilion to protect the site and prevent further vandalism and damage to the green/building.

Purchase to Pay Invoice Automation System

Full automation of the entire process from procurement right through to the automated payment. It links up to the existing commitment accounting system, but it then scans the incoming invoices, tags electronic copies to the ledger, and enable offsite storage of invoices. It then follows through to match 93% of payments to invoices automatically.

Play Area Development – New Sites

To provide new Neighbourhood Equipped Play Areas at sites to be determined.

Canch Skate Park

New Skate Park for the Canch development project.

Parish Council Play Initiatives

Budget created to encourage bids from local Parish Council's in respect of enhancing or supplying play equipment.

Memorial Library

Change of use following the relocation of the library to the CHUB. New use could be café/gallery with meeting space to enhance the Canch and Canalside developments. There is a study currently underway to bring definitive options forward.

**GENERAL FUND CAPITAL PROGRAMME 2010-2015 - FUNDING**

Scheme	2010/11		2011/12		2012/13		2013/14		2014/15		Total		
	BDC	Ext	BDC	Ext	BDC	Ext	BDC	Ext	BDC	Ext	BDC	Ext	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
ALREADY APPROVED (APP. A)	7,245	6,171	160	441	70	1,433	70	904	0	0	7,545	8,949	16,494
NEW BIDS (APP. B)	1,980	299	1,315	895	1,005	845	1,005	845	0	845	5,305	3,729	9,034
<b>TOTAL PROGRAMME</b>	<b>9,225</b>	<b>6,470</b>	<b>1,475</b>	<b>1,336</b>	<b>1,075</b>	<b>2,278</b>	<b>1,075</b>	<b>1,749</b>	<b>0</b>	<b>845</b>	<b>12,850</b>	<b>12,678</b>	<b>25,528</b>
<b>FUNDED FROM:</b>													
Disabled Facilities Grant	0	345	0	345	0	345	0	345	0	345	0	1,725	1,725
Private Sector Decent Homes Grant	0	550	0	550	0	500	0	500	0	500	0	2,600	2,600
Waste Performance Efficiency Grant	104	0	0	0	0	0	0	0	0	0	104	0	104
Leasing /RCCO	0	1,483	0	441	0	1,433	0	904	0	0	0	4,261	4,261
Section 106	0	531	0	0	0	0	0	0	0	0	0	531	531
Kings Park Trust Fund	0	37	0	0	0	0	0	0	0	0	0	37	37
CLG Grant	0	55	0	0	0	0	0	0	0	0	0	55	55
ERDF Grant	0	704	0	0	0	0	0	0	0	0	0	704	704
Environment Agency Grant	0	200	0	0	0	0	0	0	0	0	0	200	200
Adizone Grant	0	75	0	0	0	0	0	0	0	0	0	75	75
HCA Grant	0	459	0	0	0	0	0	0	0	0	0	459	459
HERS Grant	0	31	0	0	0	0	0	0	0	0	0	31	31
Grant yet to be submitted	0	2,000	0	0	0	0	0	0	0	0	0	2,000	2,000
Borrowing	2,380	0	290	0	0	0	0	0	0	0	2,670	0	2,670
Capital Receipts	6,741	0	1,185	0	1,075	0	1,075	0	0	0	10,076	0	10,076
<b>TOTAL FUNDING</b>	<b>9,225</b>	<b>6,470</b>	<b>1,475</b>	<b>1,336</b>	<b>1,075</b>	<b>2,278</b>	<b>1,075</b>	<b>1,749</b>	<b>0</b>	<b>845</b>	<b>12,850</b>	<b>12,678</b>	<b>25,528</b>

**CAPITAL RECEIPTS**

Brought Forward 1st April	10,429	3,688	2,503	1,428	353
Used for Funding	(6,741)	(1,185)	(1,075)	(1,075)	0
<b>Carried Forward 31st March</b>	<b>3,688</b>	<b>2,503</b>	<b>1,428</b>	<b>353</b>	<b>353</b>

GENERAL FUND CAPITAL PROGRAMME 2010-2015 - FUTURE DEVELOPMENTAL BIDS

(TO BE REPORTED TO CABINET PRIOR TO APPROVAL)

Scheme	Total	Total	A-H	Score	Brief Description		
	BDC	Ext					
	£'000	£'000					
	£'000	£'000					
Com P	Workshop Market	120	0	120	B	12	Workshop Market is under review in terms of it's offer and location. This is of particular importance when related to the potential development of a new Cinema on the Market square. Once the site is chosen, ideally along Bridge Street to encourage footfall, it is proposed that new attractive market stalls, with the inherent infrastructure for power, stability and ease of use are provided for to enhance the customer offer. Further detailed proposals will be presented following consultation.
SS	Integrated Planning & GIS system	250	0	250	B	12	Both the Planning and the Geographic Information Systems are over 15 years old. Since that time there has been a rationalisation of the key market providers to Local Government. The existing systems have not had that level of development and subsequently standard data formats and integration are becoming problematic. This impacts on the ability to effectively share data with partner organisations and general compatibility. The age of the systems also impact on operational efficiency and are very labour intensive. In order to maximise the past investments in both service areas, the systems need replacing.
Com P	Car Parking	300	0	300	D	10	A strategic overview of car parking is underway which is looking at many factors, including pricing strategy, duration of stay, security, lighting, condition of surfaces and barriers, pay-on-exit options, and impact on the local economy.
Com P	Harworth Technology Hub	1,500	1,500	3,000	F	8	High quality workshop and office development aimed at maximizing the potential for advance manufacturing (including food technology). This has been identified via the recent Harworth scoping study (masterplan) and is a key sector for jobs growth identified in the Sheffield City Region.
Com P	Workshop Canalside Creative Village	250	950	1,200	F	8	Conversion of Victorian Terrace plus courtyard at Canalside site to create workspace for Creative industries. Village to open out via a footbridge to the Canch. Value approx 1.2 million, plus the land value.
Com P	Tuxford Conservation Area Renewal	75	225	300	F	8	English Heritage has classed Tuxford as a conservation area 'at risk' in their national 'Heritage at Risk Register'. In real terms, the village centre is in a parlous state. A partnership grant scheme between English Heritage, Bassettlaw District Council and, potentially, Nottinghamshire County Council for the preservation and enhancement of Tuxford Conservation Area. The scheme would make grants available to the owners of individual properties to carry out repairs and other appropriate work, including improvements to the public realm to enhance the area.
Com P	Workshop Bus Station	750	4,000	4,750	F	8	To enable land to be assembled to allow the delivery of a new Workshop Bus station.
	3,245	6,675	9,920				



**BASSETLAW DISTRICT COUNCIL**

**CABINET**

**11 FEBRUARY 2010**

**REPORT OF THE DIRECTOR OF RESOURCES**

**HOUSING CAPITAL PROGRAMME 2010/11 TO 2014/15**

Cabinet Member: Finance & Property  
Contact: Mike Hill  
Ext: 3174

**1. Public Interest Test**

The author of this report, Mike Hill, has determined that the report is not confidential.

**2. Purpose of the Report**

- 2.1 To approve the Housing Capital Programme for 2010/11 to 2014/15.

**3. Background and Discussion**

- 3.1 The majority of the Housing Capital Programme is spent on the maintenance and improvement of the Council's 7,000 Council Houses. Since 2004, an Arms Length Management Organisation (ALMO) has managed the Housing Stock: A1 Housing Bassetlaw Limited. Under the management agreement, the Council provides the funding of the Capital Programme, and A1 Housing makes the spending decisions. The ALMO is working towards the Government's Decent Homes target, under which all housing must be brought up to acceptable living standards by 2012.

- 3.2 The Housing Capital Programme is funded by:

- Major Repairs Allowance
- Supported Borrowing
- Capital Receipts

**Major Repairs Allowance**

- 3.3 The Council receives a Major Repairs Allowance (MRA) as part of the Housing Subsidy arrangements. It is to be spent on Council House Decent Homes work, and is calculated by the government based on a standard amount per dwelling. The government's assessment of Bassetlaw's MRA for 2010/11 is £594.65 per dwelling. For 2010/11 this equates to a grant of £4.134m, which the Council can use to fund the Housing Capital Programme.

### Supported Borrowing

- 3.4 A significant development in 2007/08 was the award of a two star rating to A1 Housing. The consequence of this was that the Government approved a £62m Decent Homes programme, phased over 5 years, for the improvement of the Council stock. The Council is allowed to borrow this money and receives an allowance in the Housing Subsidy to cover the debt repayments.
- 3.5 The allocation of borrowing approvals are in the form of Supported Capital Expenditure (SCE), this being the maximum amount of borrowing that the Government will meet the costs of (via the Housing Subsidy mechanism) within the Housing Revenue Account (HRA). The amount allocated for 2010/11 is £10.5m. In addition to this, the Council has supported borrowing approval for another £0.44m, which will expire at the end of 2012/13.
- 3.6 The Council could make additional borrowing over this limit but it would have to be funded from the HRA without Government support and obviously could only be undertaken if the HRA has sufficient capacity to fund the repayments. The Housing Revenue Account budget for 2010/11 is elsewhere on this agenda. The HRA report does not provide for any additional borrowing, as there are insufficient surplus budgets at this time.

### Capital Receipts

- 3.7 The Council has available capital receipts from the sale of council dwellings under the Right to Buy scheme and from the sale of other housing land and property. The actual HRA capital receipts brought forward at 1 April 2009 are £2.726m, and it is anticipated that £1.228m will be used to fund the 2009/10 capital programme, plus a further £0.454m has been received in year. The intention is to passport all capital receipts received to A1 Housing to fund capital improvements to the Council housing stock. If Cabinet are therefore minded to approve the new programme as part of this report (Appendix A), then all funds will be exhausted at this point in time.
- 3.8 In the proposed budget, capital receipts are used to fund two components of the Housing Capital Programme:
- Additional amounts in support of Decent Homes initiatives;
  - Other capital improvement works that complement the Decent Homes initiatives.
- 3.9 Over the period of this capital programme i.e. 2010/11 – 2014/15, the Council is prudently forecasting the receipt of approximately £4.3m, with no further capital receipts expected in quarter 4 of 2009/10. These receipts have not been taken into consideration when determining the capital programme.

### Current Capital Programme and New Bids

- 3.10 The proposed Housing Capital Programme is attached at Appendix A. It has been developed by having regard to the HIP Strategy, the Housing Capital Allocations shown above, and the available capital receipts. The programme is managed by A1 Housing (Bassetlaw) Ltd as part of the management agreement. Only broad areas of spend are shown as the ALMO determine the schemes upon which these resources are directed.

- 3.11 The forecasted level of future capital receipts has been significantly reduced over the last year. This is a prudent approach in response to:
- the current economic downturn and difficulties in arranging mortgages;
  - an expectation that council house tenants will await the completion of the Decent Homes work before procuring their property.
- 3.12 As a consequence, a sense of realism has been applied to the use of capital receipts in this years' programme. An overall allocation of £1.114m has been added for 2010/11 and £0.838m for 2011/12, and discussions with A1 Housing have determined the split of that allocation between Decent Homes and other capital improvement works.

#### Future Developmental Bids

- 3.13 In November 2009, all managers were asked to prepare a list of potential capital schemes for the five-year period to 2014/15. A1 Housing submitted their requirements for Decent Homes and other capital improvements, and the Council's Housing Strategy officers submitted a bid in relation to Housing development.
- 3.14 It is proposed to commence a modest development programme to provide additional units of low cost rented housing to supplement the Council's stock holdings. This would provide options for some of the Council's dis-used land holdings e.g. garage sites or alternatively the purchase of vacant (and possibly) problematic properties in the district. There may be some scope for developing partnerships with training organisations such as the Groundwork Trust. It may also be possible to attract match funding from HCA on a scheme-by-scheme basis, but this would be conditional on the Council demonstrating the schemes are actually deliverable i.e. by having planning permissions granted, and demonstrating that appropriate Member and financial commitments are in place. All sites and potential schemes would need to be identified in conjunction with the Property Manager.
- 3.15 This project is currently under discussion, and is awaiting further details on costs and external funding. A separate report will be submitted to Cabinet for this project in due course, outlining the funding requirements. This is included within the report for information purposes only, and no funds have been allocated to this project within the recommended capital programme.

#### Future Capital Programmes

- 3.16 It is intended that the capital programme will be refreshed each year. However, it is not recommended to undertake any unsupported prudential borrowing at this point in time. Therefore, any additions to the programme presented within this report will depend entirely on the announcement of further government funding or the availability of future capital receipts.

#### **4. Implications**

- a) For Service Users



The Housing capital programme has been developed using the capital prioritisation process, and seeks to improve the condition of public sector housing stock within the District.

b) Strategic & Policy

The proposed programme is in line with the Council's Housing Investment Strategy, and A1 Housing's Business Plan for 2010/11. The Housing Capital Programme supports the Medium Term Financial Plan in delivering the Council's objectives in relation to Housing.

c) Financial Ref: 10/197

These are included within the main body of the report.

d) Legal Ref: 21/02/10

None arising directly from this report.

e) Human Resources

None arising directly from this report.

f) Community Safety, Equalities & Environmental

None arising directly from this report.

g) This is key decision, reference number 240.

**5. Options, Risks and Reasons for Recommendations**

- 5.1 The report indicates that internal resources for capital investment are currently very limited. Further options will become available on the generation of additional capital receipts, and Members have the opportunity to amend the proposed capital programme as they see fit. Other options are available through unsupported borrowing, although this would have a detrimental impact on the long-term sustainability of the Housing Revenue Account.

**6. Conclusions**

- 6.1 The Council and A1 Housing have been set an important target to meet the Decent Homes standard for all stock by 2012/13. Whilst the supported borrowing and Major Repairs Allowance will meet the vast majority of the costs, the balance at the end of the programme (unknown at this stage) will have to be met from capital receipts. It is therefore prudent to be realistic in the allocation of capital receipts in the early years, as a means of delivering objectives in the longer term.

**7. Recommendations**

- 7.1 That Cabinet approves the new Housing Capital Programme 2010/11 to 2014/15 of £55.513m as shown in Appendix A, and recommends this to full Council on 4<sup>th</sup> March 2010.
- 7.2 That Members note the future development bid that will be reported to Cabinet in due course (paragraph 3.14).

**Background Papers**

**Location**

Housing Capital Budgets  
DCLG publications

Accountancy office

# HOUSING CAPITAL PROGRAMME 2010-2015 AND FUNDING

Scheme	2010/11		2011/12		2012/13		2013/14		2014/15		Total	
	BDC £'000	Ext £'000	BDC £'000	Ext £'000	BDC £'000	Ext £'000	BDC £'000	Ext £'000	BDC £'000	Ext £'000	BDC £'000	Ext £'000
<b>CORE PROGRAMME</b>												
Decent Homes	500	13,757	500	14,718	0	12,120	0	3,120	0	3,120	1,000	46,835
Other Capital Improvements	614	1,317	338	1,394	0	1,530	0	1,191	0	1,294	952	6,726
<b>TOTAL PROGRAMME</b>	<b>1,114</b>	<b>15,074</b>	<b>838</b>	<b>16,112</b>	<b>0</b>	<b>13,650</b>	<b>0</b>	<b>4,311</b>	<b>0</b>	<b>4,414</b>	<b>1,952</b>	<b>53,561</b>
<b>55,513</b>												
<b>FUNDED FROM:</b>												
ALMO Borrowing	0	10,500	0	11,500	0	9,000	0	0	0	0	0	31,000
Supported Borrowing	0	440	0	440	0	440	0	0	0	0	0	1,320
MRA	0	4,134	0	4,172	0	4,210	0	4,311	0	4,414	0	21,241
Capital Receipts	1,114	0	838	0	0	0	0	0	0	0	1,952	0
<b>TOTAL FUNDING</b>	<b>1,114</b>	<b>15,074</b>	<b>838</b>	<b>16,112</b>	<b>0</b>	<b>13,650</b>	<b>0</b>	<b>4,311</b>	<b>0</b>	<b>4,414</b>	<b>1,952</b>	<b>53,561</b>
<b>55,513</b>												

## CAPITAL RECEIPTS

Brought Forward 1st April	1,952	838	0	0	0
Used for Funding	(1,114)	(838)	0	0	0
<b>Carried Forward 31st March</b>	<b>838</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**BASSETLAW DISTRICT COUNCIL**

**CABINET**

**11 FEBRUARY 2010**

**REPORT OF THE DIRECTOR OF RESOURCES**

**TREASURY MANAGEMENT POLICY AND STRATEGY 2010/11 TO 2012/13**

Cabinet Member: Finance & Property  
Contact: Mike Hill  
Ext. 3174

**1. Public Interest Test**

- 1.1 The author of this report, Mike Hill, has determined that the report is not confidential.

**2. Purpose of the Report**

- 2.1 To approve the updated Treasury Management Policy (Appendix 1) and Treasury Management Practices (Appendix 2) in accordance with latest guidance.
- 2.2 This report outlines the Council's prudential indicators for 2010/11 – 2012/13 and sets out the expected treasury operations for this period. It fulfils four key legislative requirements:
- The reporting of the **prudential indicators** setting out the expected capital activities (as required by the CIPFA Prudential Code for Capital Finance in Local Authorities - Appendix 3). The treasury management prudential indicators are now included as treasury indicators in the CIPFA Treasury Management Code of Practice;
  - The Council's **Minimum Revenue Provision (MRP) Policy**, which sets out how the Council will pay for capital assets through revenue each year (as required by Regulation under the Local Government and Public Involvement in Health Act 2007 – As contained in Appendix 3);
  - The **Treasury Management Strategy Statement** which sets out how the Council's treasury service will support the capital decisions taken above, the day to day treasury management and the limitations on activity through treasury prudential indicators. The key indicator is the **Authorised Limit**, which is the maximum amount of debt the Council could afford in the short term, but which would not be sustainable in the longer term. This is the Affordable Borrowing Limit required by Section 3 of the Local Government Act 2003. This is in accordance with the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code and are contained at Appendix 4; and also including the:

- **Borrowing Strategy** (Appendix 4a)
- **Investment Strategy** (Appendix 4b) which sets out the Council's criteria for choosing investment counterparties and limiting exposure to the risk of loss. This strategy is in accordance with the Communities and Local Government (CLG) Investment Guidance.

### **3. Background and Discussion**

- 3.1 The Treasury Management Policy was approved by Council on 3<sup>rd</sup> March 2009, and became effective on 1<sup>st</sup> April 2009 and is attached at Appendix 1.
- 3.2 Revised editions of the CIPFA Prudential Code and CIPFA Treasury Management Code of Practice were produced in November 2009. The CLG is currently consulting on changes to the Investment Guidance. The revised guidance arising from these Codes has been incorporated within these reports, with the CLG proposals being incorporated where these do not conflict with current guidance. If necessary the Investment Strategy contained in Appendix 4b will be revised if any elements of the final CLG Investment Guidance have not already been covered.

The main changes initiated in the revisions above increase the Members' responsibility in this area. This would require greater Member scrutiny of the treasury policies, increased Member training and awareness and greater frequency of information.

One element of the revised CIPFA Treasury Management Code of Practice is the **clauses to be adopted** as part of the Council's Financial Procedure Rules. The key change is that a suitable body be responsible for ensuring effective scrutiny of the treasury management strategy and policies, before making recommendations to Council.

The above policies and parameters provide an approved framework within which the officers undertake the day to day capital and treasury activities.

- 3.3 It is a statutory requirement under Section 33 of the Local Government Finance Act 1992 for the Council to produce a balanced budget. In particular, Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This, therefore, means that increases in capital expenditure must be limited to a level that is affordable for the foreseeable future, after taking into account the following issues:-

1. Increases in interest payments caused by increased borrowing to finance additional capital expenditure; and
2. Any increases in running costs from new capital projects.

- 3.4 The Treasury Management Strategy (Appendix 4) incorporates the requirements of the Prudential Code for Members' consideration and approval, and the implications are fully reflected in the Council's overall Budget Strategy (revenue and capital) being presented to full Council on 4<sup>th</sup> March 2010.

#### **4. Implications**

a) For service users

There is an impact on available resources depending upon the Council's ability to fund future borrowing.

b) Strategic & Policy

The Treasury Management Strategy, MRP Policy Statement and Annual Investment Strategy ensure that the Council complies with legislation and recommended good practice in relation to its treasury management function.

c) Financial - Ref: 10/471

These are contained within the body of the report and the associated appendices.

d) Legal Ref: 22/02/10

Part 2 of the Local Government Act 2003 places duties on local authorities with regard to financial management. This report fulfils those duties.

e) Human Resources

None from this report.

f) Community Safety, Equalities, Environmental

The updated Treasury Management Policy has been subject to a partial equalities impact assessment.

g) This is a key decision, reference number 241.

#### **5. Options, Risks and Reasons for Recommendations**

- 5.1 The first option is to accept the recommendations and adopt the Treasury Management Policy, Treasury Management Practices, Treasury Management Strategy and Annual Investment Strategy and MRP Statement. To not approve these policies would contravene the requirements of both legislation and good practice. In addition the Audit Commission may pass comment in their Use of Resources Assessment for next year.

## 6. Recommendations

Cabinet is recommended to agree the following recommendations to Full Council on 4<sup>th</sup> March 2010:

- 6.1 That Cabinet approves the updated Treasury Management Policy (Appendix 1).
- 6.2 That Cabinet approves the updated Treasury Management Practices (Appendix 2).
- 6.3 That Cabinet approves the Prudential Indicators and Limits for 2010/11 to 2012/13 (contained in Appendix 3).
- 6.4 That Cabinet approves the Minimum Revenue Provision (MRP) Statement (contained within Appendix 3) which sets out the Council's policy on MRP.
- 6.5 That Cabinet approves the Treasury Management Strategy 2010/11 to 2012/13, and the Treasury Prudential Indicators (Appendix 4).
- 6.6 That Cabinet approves the Authorised Limit Prudential Indicator contained within Appendix 4.
- 6.7 That Cabinet approves the Borrowing Strategy 2010/11 contained in the Treasury Management Strategy (Appendix 4A).
- 6.8 That Cabinet approves the Investment Strategy 2010/11 contained in the Treasury Management Strategy (Appendix 4B) and the detailed criteria therein (Appendix 4B).
- 6.9 That Cabinet approves Treasury Management Practice 1 (5) (Appendix 5) in relation to Credit and Counterparty Risk Management.
- 6.10 That Cabinet notes the revision to the Council's Financial Procedure Rules (Appendix 7). The revision nominates the Audit and Performance Scrutiny Committee to ensure effective scrutiny of the Treasury Management Strategy and Policies.

### **Background Papers**

CIPFA Treasury Management Code of Practice  
CIPFA Prudential Code  
Local Government Act 2003  
CIPFA's Standard of Professional Practice on Treasury Management

### **Location**

Room 321

**BASSETLAW DISTRICT COUNCIL**  
**TREASURY MANAGEMENT POLICY AND PRACTICES**  
**FEBRUARY 2010**

**1. Introduction**

1.1 Following CIPFA's recommendations, this Code of Practice for Treasury Management consists of the following:

- An update of the clauses originally adopted by Bassetlaw District Council on 5<sup>th</sup> February 2002.
- A statement of Bassetlaw District Council's Treasury Management Policy Statement.
- A brief description of the Treasury Management Practices.

**2. Adopted Clauses**

2.1 **CLAUSE 1** – Bassetlaw District Council adopts the key recommendations of CIPFA's *Treasury Management in the Public Services: Code of Practice* as follows:

**Key Recommendation 1** – Bassetlaw District Council will put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of its treasury management activities.

**Key Recommendation 2** – Bassetlaw District Council's policies and practices will make clear that the effective management and control of risk are the prime objective of its treasury management activities.

**Key Recommendation 3** – Bassetlaw District Council acknowledges that the pursuit of best value in treasury management, and the use of suitable performance measures, are valid and important tools for it as a responsible Council to employ in support of its business and service objectives; and that within the context of effective risk management, its treasury management policies and practices should reflect this.

**Key Recommendation 4** - In order to achieve the above, Bassetlaw District Council will:

- adopt a Treasury Management Policy Statement, as recommended in Section 6 of the Code,
- follow the recommendations in Section 7 of the Code concerning the creation of Treasury Management Practices (TMPs).



2.2 **CLAUSE 2** - Accordingly, Bassetlaw District Council will create and maintain, as the cornerstone for effective treasury management:

- A Treasury Management Policy Statement, stating the policies and objectives of its treasury management activities.
- Suitable TMPs, setting out the manner in which it will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- The Council will receive reports on its treasury management policies, practices and activities, including as a minimum, an annual strategy and plan in advance of the year, and an annual report after its close, in the form prescribed in its TMPs.
- The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Cabinet, and for the execution and administration of treasury management decisions to the Head of Finance and Property Services, who will act in accordance with the Council's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.
- The Council nominates the Audit and Performance Scrutiny Committee to be responsible for ensuring effective scrutiny of the treasury management strategies and policies.

### **3. The Treasury Management Policy Statement**

3.1 Bassetlaw District Council defines its treasury management activities as:

"The management of the Council's cash flows, its banking, money market and capital market transactions; the effective management of the risks associated with these activities; and the pursuit of optimum performance consistent with those risks".

3.2 Bassetlaw District Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council.

3.3 Bassetlaw District Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

### **4. Treasury Management Practices**

4.1 Treasury Management Practices (TMPs) set out the manner in which this organisation will seek to achieve its treasury management policies and objectives and how it will manage and control those activities. The twelve recommended TMPs are as follows:

- TMP 1 Treasury Risk Management
- TMP 2 Best Value and Performance Management
- TMP 3 Decision-Making and Analysis
- TMP 4 Approved Instruments, Methods and Techniques
- TMP 5 Organisation, Clarity and Segregation of Responsibilities and Dealing Arrangements
- TMP 6 Reporting Requirements and Management Information Arrangements
- TMP 7 Budgeting, Accounting and Audit Arrangements
- TMP 8 Cash and Cashflow Management
- TMP 9 Money Laundering
- TMP 10 Staff Training and Qualifications
- TMP 11 Use of External Service Providers
- TMP 12 Corporate Governance



**TREASURY MANAGEMENT PRACTICES (TMP's)****1 TMP 1 – Risk Management****1.1 General Statement**

The Head of Finance and Property will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report annually on the suitability/adequacy thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the Council's policy in this respect, all in accordance with the procedures set out in TMP 6 (*Reporting requirements and management information arrangements*). In respect of the following risks, arrangements that seek to secure these objectives are set out in the schedule to the TMP's.

**1.2 Credit and counterparty risk management**

The Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent approach towards organisations with whom funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in TMP 4 (*Approved instruments, methods and techniques*). It also recognises the need to have, and will therefore maintain, a formal counterparty policy of those organisations from which it may borrow, or with whom it may enter into other financing arrangements.

**1.3 Liquidity risk management**

The Council will ensure that it has adequate cash resources, borrowing arrangements, overdraft facilities to enable it, at all times, to have a sufficient level of funds available for funding its service objectives. The Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities

**1.4 Interest rate risk management**

The Council will manage its exposure to fluctuations in interest rates with a view of containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgets, as amended in accordance with TMP 6 (*Reporting requirements and management information arrangements*).

**1.5 Exchange rate risk management**

This does not currently apply. The Local Government Act 2003 requires investments to be restricted to Sterling, unless approval has been given by the Treasury.

#### 1.6 Refinancing risk management

The Council will ensure that its borrowing arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing which are as favourable to the Council as can reasonably be achieved in the light of market conditions prevailing at the time.

The Council will actively manage its relationships with its counterparties in these transactions in such a manner as to achieve this objective, and will avoid over reliance on any one source of funding if this might jeopardise achievement of the above.

#### 1.7 Legal and regulatory risk management

The Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate, if required to do so, such compliance to all parties with whom it deals in such activities. In framing our credit and counterparty risk management policy we will ensure there is evidence of the counterparties' powers, authority and compliance in respect of the transactions they may effect with the Council, particularly with regard to duty of care and fees charged.

The Council recognises that future legislative or regulatory changes may impact on its treasury management activity and, so far as it is reasonable, will seek to minimise the risk of these impacting adversely on the organisation.

#### 1.8 Fraud, error, corruption and contingency management

The Council will ensure it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, we will employ suitable systems and procedures, and will maintain effective contingency management arrangement to these ends.

Temporary staff are excluded from performing the Treasury Management function.

#### 1.9 Market risk management

This Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from such fluctuations.

### 2. **TMP 2 – Best Value and Performance Management**

2.1 The Council is committed to the pursuit of best value in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework of its Treasury Management Policy Statement.

2.2 Accordingly, the treasury management function will be the subject of ongoing analysis of the value added in support of the Council's stated service

objectives. Regular examinations will take place reviewing alternative methods of service delivery, the availability of fiscal or other grant or subsidy incentives, and the scope for other potential improvements. The performance of the treasury management function will be measured using the criteria set out in the schedule to the TMP's.

**3. TMP 3 - Decision making and analysis**

- 3.1 This Council will maintain full records of its treasury management decisions, and of the processes and practices applied to reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time. The issues addressed and processes and practices to be pursued are detailed in the schedule to the TMP's.

**4. TMP4 - Approved Instruments, Methods and Techniques**

- 4.1 The Council will undertake its treasury management function using only those instruments, methods and techniques detailed in the schedule to the TMP's, and within the parameters outlined in TMP 1 (*Risk Management*).

**5. TMP 5 - Organisation, clarity and segregation of responsibilities and dealing arrangements**

- 5.1 This Council believes it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and there is at all times clarity of treasury management responsibilities.
- 5.2 The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling those policies, particularly with the regard to the execution and transmission of funds, the recording and administering of treasury management decisions and the review of the treasury management function.
- 5.3 If and when the Council intends, for whatever reason, to depart from these principles, the responsible officer will ensure that the reason will be properly reported in accordance with TMP 6, and the implications properly considered and evaluated.
- 5.4 The responsible officer will ensure that there are clear written statements of each post engaged in treasury management, and arrangements for absence cover.
- 5.5 The responsible officer will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds.
- 5.6 The delegations to the responsible officer in respect of treasury management are set out in the schedule to the TMP's. The responsible officer will fulfil all

such responsibilities in accordance with the Council's policy statement and TMP's and, if a CIPFA member, the Standard of Professional Practice on Treasury Management.

**6. TMP 6 Reporting requirements and management information arrangements**

- 6.1 The Council will ensure that regular reports are prepared and considered on its treasury management policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.

- 6.2 As a minimum, the Audit and Performance Scrutiny Committee and the Cabinet will receive;

an annual report on the strategy and plan to be pursued in the coming year,

a mid year review.

quarterly Reporting for scrutiny purposes.

reporting of Treasury Management Performance Indicators.

an annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and of any instance of non-compliance with the Council's treasury management policy statement and TMPs.

The present arrangements and form of these reports are detailed in the schedule to the TMP's.

**7. TMP 7 Budgeting, accounting and audit arrangements**

- 7.1 The Head of Finance and Property will prepare, and this Council will approve and, if necessary from time to time will amend, an annual budget for treasury management, which will bring together all the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at a minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP 1 (*Risk management*), TMP 2 (*Best value and performance measurement*), and TMP 4 (*Approved investments, methods and techniques*). The form this budget will take is set out in the schedule to the TMP's. The Head of Finance and Property will exercise effective control over this budget, and will report upon and recommend any changes required in accordance with TMP 6 (*Reporting requirements and management information arrangements*).

- 7.2 The Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate practices and standards, and with statutory and regulatory requirements in force for the

time being. The present form of accounts is set out in the schedule to the TMP's.

- 7.3 The Council will ensure that its auditors, and those charged with regulatory review, have access to all information and papers supporting the activities of treasury management as are necessary for the proper fulfilment of their roles, and that such information and papers demonstrate compliance with external and internal policies and approved practices. The information made available under present arrangements is disclosed in the schedule to the TMP's.

## **8. TMP 8 Cash and cash flow management**

- 8.1 Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under the control of the Head of Finance and Property, and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the Head of Finance and Property will ensure that these are adequate for the purposes of monitoring compliance with TMP 1 (*1 Liquidity risk management*). The present arrangement for preparing cash flow projections and their form are set out in the schedule to the TMP's.

## **9. TMP 9 Money laundering**

- 9.1 The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the names of counterparties and reporting suspicions, and will ensure that staff are properly trained. The present arrangements including the name of the officer to whom reports should be made, are detailed in the schedule to the TMP's.

## **10. TMP 10 Staff training and qualifications**

- 10.1 The Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. We will therefore ensure that sufficient numbers of finance staff have or obtain sufficient skills, experience and knowledge to allow them to participate in the treasury function of the Council. The Head of Finance and Property will recommend and implement the necessary arrangements.
- 10.2 Those Members tasked with Treasury Management responsibilities should be trained in the areas of their responsibilities.
- 10.3 Those charged with governance recognise their individual responsibility and ensure they have the necessary skills to complete their role effectively.

These arrangements are detailed in the schedule to the TMP's.



## **11. TMP 11 Use of External service providers**

- 11.1 This Council recognises the potential of employing external providers of treasury management services in order to acquire access to specialist skills and resources. When we employ such service providers, we will ensure that we do it for reasons that have been submitted to a full evaluation of the costs and benefits. We will also ensure that the terms of their appointment and the methods by which their value is assessed are properly agreed and documented and subject to regular review. We will ensure, where feasible and necessary, that a spread of service providers is used, to avoid over reliance on a small number of companies. Where services are subject to formal tender arrangements, legislative requirements will always be observed. The Council recognises that responsibility for Treasury Management decisions remains with the Council at all times. The monitoring of these arrangements rests with the Head of Finance and Property and the current details of those arrangements are set out in the schedule to the TMP's.

## **12. TMP 12 Corporate Governance**

- 12.1 Bassetlaw District Council is committed to the pursuit of proper corporate governance throughout its services and to establish the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness, honesty, integrity and accountability.
- 12.2 The Council has adopted and has implemented the key recommendations of the Prudential Code. This, together with the other arrangements detailed in the schedule to the TMP's, are considered vital to the achievement of proper corporate governance in treasury management, and the Head of Finance and Property will monitor and report on the effectiveness of these arrangements.

## **13. TMP Schedules**

- 13.1 The Schedules mentioned within the Treasury Management Practices are not statutorily required to be approved by the Council, as they relate to operational and procedural matters. However, they are available upon request from the Head of Finance and Property.

## **THE PRUDENTIAL INDICATORS AND LIMITS 2010/11 TO 2012/13**

### **The Capital Prudential Indicators 2010/11 – 2012/13**

#### **Introduction**

1. The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code and produce prudential indicators. Each indicator either summarises the expected capital activity or introduces limits upon that activity, and reflects the outcome of the Council's underlying capital appraisal systems. This report updates currently approved indicators and introduces new indicators for 2012/13.
2. Within this overall prudential framework there is an impact on the Council's treasury management activity – as it will directly impact on borrowing or investment activity. As a consequence the Treasury Management Strategy for 2010/11 to 2012/13 is included as Appendix 4 to complement these indicators. Some of the prudential indicators are shown in the treasury management strategy to aid understanding.

#### **The Capital Expenditure Plans**

3. The Council's capital expenditure plans are summarised below and this forms the first of the prudential indicators. A certain level of capital expenditure is grant supported by the Government; any decisions by the Council to spend above this level will be considered unsupported capital expenditure. This unsupported capital expenditure needs to have regard to:
  - Service objectives (e.g. strategic planning);
  - Stewardship of assets (e.g. asset management planning);
  - Value for money (e.g. option appraisal);
  - Prudence and sustainability (e.g. implications for external borrowing and whole life costing);
  - Affordability (e.g. implications for the council tax and rents);
  - Practicality (e.g. the achievability of the forward plan).
4. The revenue consequences of capital expenditure, particularly the unsupported capital expenditure, will need to be paid for from the Council's own resources.
5. This capital expenditure can be paid for immediately (by applying capital resources such as capital receipts, capital grants etc., or revenue resources), but if these resources are insufficient any residual capital expenditure will add to the Council's borrowing need.
6. The key risks to the plans are that the level of Government and other external support has been estimated and is therefore maybe subject to change. Similarly, some estimates for other sources of funding, such as capital receipts, may also be subject to change over this timescale. For instance anticipated asset sales may be postponed due to the impact of the recession on the property market.

7. The Council is asked to approve the summary capital expenditure projections below. This forms the first prudential indicator:

<b>Capital Expenditure £'000</b>	<b>2009/10 Original</b>	<b>2009/10 Revised</b>	<b>2010/11 Estimate</b>	<b>2011/12 Estimate</b>	<b>2012/13 Estimate</b>
Non-HRA	5,242	7,155	15,695	2,811	3,353
HRA	16,735	20,268	16,188	16,950	13,650
<b>Total Capital Expenditure</b>	<b>21,977</b>	<b>27,423</b>	<b>31,883</b>	<b>19,761</b>	<b>17,003</b>
<b>Financed by:</b>					
Capital receipts	4,260	3,233	7,855	2,023	1,075
Capital grants	5,679	7,938	10,708	5,508	6,488
Capital reserves	0	0	0	0	0
Revenue	0	68	0	0	0
Leasing	98	9	0	0	0
<b>Net financing need for the year</b>	<b>11,940</b>	<b>16,175</b>	<b>13,320</b>	<b>12,230</b>	<b>9,440</b>

#### **The Council's Borrowing Need (the Capital Financing Requirement)**

8. The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. The capital expenditure above which has not immediately been paid for will increase the CFR.
9. The Council is asked to approve the CFR projections below:

<b>£'000</b>	<b>2009/10 Original</b>	<b>2009/10 Estimated Out turn Revised</b>	<b>2010/11 Estimate</b>	<b>2011/12 Estimate</b>	<b>2012/13 Estimate</b>
<b>Capital Financing Requirement</b>					
CFR – Non Housing	23,271	24,177	25,936	25,604	24,983
CFR – Housing	51,070	54,070	65,010	76,950	86,390
<b>Total CFR</b>	<b>74,341</b>	<b>78,247</b>	<b>90,946</b>	<b>102,554</b>	<b>111,373</b>
<b>Movement in CFR</b>	<b>11,739</b>	<b>15,645</b>	<b>12,699</b>	<b>11,608</b>	<b>8,819</b>

<b>Movement in CFR represented by</b>					
Net financing need for the year (above)	11,940	16,175	13,320	12,230	9,440
Less MRP/VRP and other financing movements	-201	-530	-621	-622	-621
<b>Movement in CFR</b>	<b>11,739</b>	<b>15,645</b>	<b>12,699</b>	<b>11,608</b>	<b>8,819</b>

10. The Council is required to pay off an element of the accumulated General Fund capital spend each year through a revenue charge (the Minimum Revenue Provision - MRP), although it is also allowed to undertake additional voluntary revenue payments (VRP).

11. CLG Regulations have been issued which require full Council to approve an **MRP Statement** in advance of each year. A variety of options are provided to councils to replace the existing Regulations, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement:

#### **MRP Statement**

12. For capital expenditure incurred before 1 April 2008 or which in the future is Supported Capital Expenditure, the MRP policy will be:
- **Existing practice** - MRP will follow the existing practice outlined in former CLG Regulations (Option 1);
13. From 1 April 2008 for all unsupported borrowing (including Finance Leases) the MRP policy will be :
- **Asset Life Method** – MRP will be based on the estimated life of the assets, in accordance with the proposed regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction) (Option 3);

#### **The Use of the Council's Resources and the Investment Position**

14. The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc). Detailed below are estimates of the year end balances for each resource and anticipated day to day cash flow balances.

<b>Year End Resources £'000</b>	<b>2009/10 Original</b>	<b>2009/10 Estimated Out-turn</b>	<b>2010/11 Estimate</b>	<b>2011/12 Estimate</b>	<b>2012/13 Estimate</b>
Fund balances	4,605	2,316	2,235	1,969	1,810
Capital receipts	9,320	12,881	6,026	4,141	5,378
Earmarked reserves	431	1,051	236	52	52
Etc.	23	51	0	0	0
<b>Total Core Funds</b>	<b>14,379</b>	<b>16,299</b>	<b>8,497</b>	<b>6,162</b>	<b>7,240</b>
Working Capital	-4,947	79	79	79	79
Under(-)/over borrowing	-7,147	-7,091	-4,853	-6,523	-7,405
<b>Expected Investments</b>	<b>2,285</b>	<b>9,287</b>	<b>3,723</b>	<b>-282</b>	<b>-86</b>

Whilst investment rates remain low, we intend to use surplus funds, keeping investments to a minimum, rather than securing new borrowing. The principle of this is that the cost of borrowing far exceeds the current returns on investments. The impact of this results in under borrowing over the term of this strategy. As capital investment increases, revenue balances reduce and capital receipts are expended, new borrowing will be required in future years, thus reducing the under borrowed position.

#### **Affordability Prudential Indicators**

15. The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These

provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

16. **Actual and Estimates of the ratio of financing costs to net revenue stream** – This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

%	2009/10 Original	2009/10 Estimated Out-turn	2010/11 Estimate	2011/12 Estimate	2012/13 Estimate
Non-HRA	7.38	6.04	7.38	7.69	7.24
HRA	53.96	53.99	57.78	64.95	71.74

17. The estimates of financing costs include current commitments and the proposals in this budget report.

18. **Incremental impact of capital investment decisions on the Band D Council Tax**

£	Original 2009/10	Estimated Out-turn 2009/10	Forward Projection 2010/11	Forward Projection 2011/12	Forward Projection 2012/13
Approved 2009/10 Indicator	1.71	1.71	3.70	.28	0
Council Tax - Band D	1.71	4.90	5.14	1.34	1.34

19. This indicator identifies the revenue costs associated with proposed changes to the three year capital programme recommended in this budget report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period

20. **Incremental impact of capital investment decisions Housing Rent levels**

£	Original 2009/10	Estimated Out-turn 2009/10	Forward Projection 2010/11	Forward Projection 2011/12	Forward Projection 2012/13
Weekly Housing Rent levels	0	0	0	0	0

21. Similar to the Council tax calculation this indicator identifies the trend in the cost of proposed changes in the housing capital programme recommended in this budget report compared to the Council's existing commitments and plans, expressed as a discrete impact on weekly rent levels, however, these will be constrained by rent controls. As Housing borrowing is supported there is no impact for the rent payer.

**Treasury Management Strategy 2010/11 – 2012/13**

1. The treasury management service is an important part of the overall financial management of the Council's affairs. The prudential indicators in Appendix 3 consider the affordability and impact of capital expenditure decisions, and set out the Council's overall capital framework. The treasury service considers the effective funding of these decisions. Together they form part of the process which ensures the Council meets its balanced budget requirement under the Local Government Finance Act 1992.
2. The Council's treasury activities are strictly regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management – revised November 2009). This Council adopted the Code of Practice on Treasury Management on 5<sup>th</sup> February 2002, and will adopt the revised Code.
3. As a result of adopting the Code the Council also adopted a Treasury Management Policy Statement, as amended on 2<sup>nd</sup> March 2009. This adoption is the requirements of one of the prudential indicators. However the revised Code of Practice has amended the Treasury Management Policy Statement and this is appended at Appendix 1 for approval.
4. The Constitution – Financial Procedure Rules, require an annual strategy to be reported to Council outlining the expected treasury activity for the forthcoming 3 years. A key requirement of this report is to explain both the risks, and the management of the risks, associated with the treasury service. A further treasury report is produced after the year-end to report on actual activity for the year, and a new requirement of the revision of the Code of Practice is that there is a mid-year monitoring report. The Cabinet has received, a Mid-Year monitoring report since 2008/09 for approval as this was best practice.
5. This strategy covers:
  - The Council's debt and investment projections;
  - The Council's estimates and limits on future debt levels;
  - The expected movement in interest rates;
    - The Council's borrowing and investment strategies;
  - Treasury performance indicators;
  - Specific limits on treasury activities;
  - Local treasury issues.

**Debt and Investment Projections 2010/11 – 2012/13**

6. The borrowing requirement comprises the expected movement in the CFR and any maturing debt which will need to be re-financed. The table below shows this effect on the treasury position over the next three years. The expected maximum debt position during each year represents the Operational Boundary prudential indicator, and so may be different from the year end position. The table also highlights the expected change in investment balances.

£'000	2009/10 Estimated Out-turn	2010/11 Estimated	2011/12 Estimated	2012/13 Estimated
<b>External Debt</b>				
Debt at 1 April	55,313	72,250	85,250	95,188
Expected change in debt	17,000	13,000	9,938	7,937
Debt at 31 March	72,250	85,250	95,188	103,125
<b>Operational Boundary</b>	<b>73,000</b>	<b>86,000</b>	<b>96,000</b>	<b>104,000</b>
<b>Investments</b>				
Total Investments at 31 March	2,143	1,748	1,520	1,392
Investment change	-10,393	-395	-228	-128

7. The related impact of the above movements on the revenue budget are:

£'000	2009/10 Estimated Out-turn	2010/11 Estimated	2011/12 Estimated	2012/13 Estimated
<b>Revenue Budgets</b>				
Interest on Borrowing	2,620	3,269	3,953	4,450
Related HRA Charge	-2,063	-2,552	-3,157	-3,710
<b>Net General Fund</b>	<b>557</b>	<b>717</b>	<b>796</b>	<b>740</b>
<b>Borrowing Cost</b>				
Investment income	-50	-37	-61	-67

Borrowing increases substantially over the term of the strategy to support both the General Fund and Housing Capital programmes. All borrowing to fund Housing Capital expenditure on the Decent Homes scheme is supported by Government Subsidy. Whilst the HRA charge is calculated by statute, and is based on their CFR, rather than actual borrowing, the General Fund has benefitted from reducing surplus funds rather than taking borrowing, hence saving interest on borrowing.

### Limits to Borrowing Activity

- Within the prudential indicators there are a number of key indicators to ensure the Council operates its activities within well defined limits
- For the first of these the Council needs to ensure that its total borrowing net of any investments, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2010/11 and the following two financial years (the relevant comparative figures are highlighted). This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

£'000	2009/10 Estimated Out-turn	2010/11 Estimate	2011/12 Estimate	2012/13 Estimate
Gross Borrowing	72,250	85,250	95,188	103,125
Investments	-2,143	-1,748	-1,520	-1,392
Net Borrowing	70,107	83,502	93,668	101,733
CFR*	<b>78,247</b>	<b>90,946</b>	<b>102,554</b>	<b>111,373</b>

\* - Under the Prudential Code revision, any reductions in the CFR are ignored.

10. The Head of Finance and Property reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.
11. The Authorised Limit for External Debt – A further key prudential indicator represents a control on the overall level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.
12. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although no control has yet been exercised.
13. The Council is asked to approve the following Authorised Limit:

<b>Authorised limit £'000</b>	<b>2009/10 Estimated Out-turn</b>	<b>2010/11 Estimate</b>	<b>2011/12 Estimate</b>	<b>2012/13 Estimate</b>
Borrowing	72,250	85,250	95,188	103,125
Other long term liabilities	0	0	0	0
<b>Total</b>	<b>80,000</b>	<b>97,000</b>	<b>102,000</b>	<b>110,000</b>

The Authorised Limit allows for any potential overdraft position, and any temporary borrowing requirement during the year, as these will be counted against the overall borrowing, it also provides headroom for rescheduling (i.e. borrowing in advance of repayment).

14. Borrowing in advance of need – The Council has some flexibility to borrow funds this year for use in future years. The Head of Finance and Property may do this under delegated power where, for instance, a sharp rise in interest rates is expected, and so borrowing early at fixed interest rates will be economically beneficial or meet budgetary constraints. Whilst the Head of Finance and Property will adopt a cautious approach to any such borrowing, where there is a clear business case for doing so borrowing may be undertaken to fund the approved capital programme or to fund future debt maturities. Borrowing in advance will be made within the constraints that:
- It will be limited to no more than 50% of the expected increase in borrowing need (CFR) over the three year planning period; and
15. Risks associated with any advance borrowing activity will be subject to appraisal in advance and subsequent reporting through the mid-year or annual reporting mechanism.



## Expected Movement in Interest Rates

### Medium-Term Rate Estimates (averages)

Annual Average %	Bank Rate	Money Rates		PWL B Rates*		
		3 month	1 year	5 year	20 year	50 year
2008/09	3.9	5.0	5.3	4.2	4.8	4.5
2009/10	0.5	0.8	1.4	3.2	4.4	4.6
2010/11	1.0	1.5	2.3	4.0	5.0	5.2
2011/12	2.0	2.5	3.3	4.3	5.3	5.3
2012/13	4.5	4.8	5.3	5.3	5.5	5.3

#### \* Borrowing Rates

16. Short-term rates are expected to remain on hold for a considerable time. The recovery in the economy has commenced but it will remain insipid and there is a danger that early reversal of monetary ease, (rate cuts and Quantitative Easing {QE}), could trigger a dip back to negative growth and a W-shaped GDP path.
17. Credit extension to the corporate and personal sectors has improved modestly but banks remain nervous about the viability of counterparties. This is likely to remain a drag upon activity prospects, as will the lacklustre growth of broad money supply.
18. The main drag upon the economy is expected to be weak consumers' expenditure growth. The combination of the desire to reduce the level of personal debt and job uncertainty is likely to weigh heavily upon spending. This will be amplified by the prospective increases in taxation already scheduled for 2010 – VAT and National Insurance. Without a rebound in this key element of UK GDP growth, any recovery in the economy is set to be weak and protracted.
19. The MPC will continue to promote easy credit conditions via QE. QE has been extended to a total of £200bn and there is still an outside chance that it could be expanded further. Whether this has much impact in the near term remains a moot point given the personal sector's reluctance to take on more debt and add to its already unhealthy balance sheet.
20. With inflation set to remain subdued in the next few years, the pressure upon the MPC to hike rates will remain moderate. But some increase will be seen as necessary in 2010 to counter the effects of external cost pressures (as commodity prices begin to rise again) and to avoid damage that sterling could endure if the UK is seen to defy an international move to commence policy exit strategies.
21. Longer term rates are expected to be more volatile. The current 'softness' of gilt yields & PWLB rates may continue for a while yet, given that these are being driven by a benign international backdrop and the effects of QE. Nevertheless this process will come to an end before the close of the financial year.
22. This is likely to herald a return to rising yields for a number of reasons:
  - Net gilt issuance will rise sharply;
  - This will be increased by the extent to which the Bank of England attempts to claw back funds injected to the economy via the QE programme;

- Investors will be looking to place more of their funds in alternative instruments as their risk appetite increases, demand for gilts will weaken as a consequence;
- A decision to leave QE in place will generate inflation concerns and pressurise long yields higher.

The market/BoE is in a lose/lose situation.



**Borrowing Strategy 2010/11 – 2012/13**

23. The uncertainty over future interest rates increases the risks associated with treasury activity. As a result the Council will take a cautious approach to its treasury strategy.
24. Long-term fixed interest rates are at risk of being higher over the medium term, and short term rates are expected to rise, although more modestly. The Head of Finance and Property, under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates at the time, taking into account the risks shown in the forecast above. It is likely that shorter term fixed rates may provide lower cost opportunities in the short/medium term.
25. With the likelihood of long term rates increasing, debt restructuring is likely to focus on switching from longer term fixed rates to cheaper shorter term debt, although the Head of Finance and Property and treasury consultants will monitor prevailing rates for any opportunities during the year.
26. The option of postponing borrowing and running down investment balances will also be considered. This would reduce counterparty risk and hedge against the expected fall in investments returns.

**Investment Strategy 2010/11 – 2012/13**

27. **Key Objectives** - The Council's investment strategy primary objectives are safeguarding the re-payment of the principal and interest of its investments on time first and ensuring adequate liquidity second – the investment return being a third objective. Following the economic background above, the current investment climate has one over-riding risk consideration, that of counterparty security risk. As a result of these underlying concerns officers are implementing an operational investment strategy which tightens the controls already in place in the approved investment strategy.
28. **Risk Benchmarking** – A development in the revised Codes and the CLG consultation paper is the consideration and approval of security and liquidity benchmarks. Yield benchmarks are currently widely used to assess investment performance. Discrete security and liquidity benchmarks are new requirements to the Member reporting, although the application of these is more subjective in nature. Additional background in the approach taken is attached at Appendix 5.
29. These benchmarks are simple targets (not limits) and so may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy depending on any changes. Any breach of the benchmarks will be reported, with supporting reasons in the Mid-Year or Annual Report.
30. **Security** - The Council's maximum security risk benchmark for the current portfolio, when compared to these historic default tables, is:
- 0.03% historic risk of default when compared to the whole portfolio.
31. **Liquidity** – In respect of this area the Council seeks to maintain:
- Bank overdraft - £0.250m
  - Liquid short term deposits of at least £1m available within a week's notice.
  - Weighted Average Life benchmark is expected to be 0.01% years, with a maximum of 0.5 years.
32. **Yield** - Local measures of yield benchmarks are:
- Investments – Internal returns above the 7 day LIBID rate
33. And in addition that the security benchmark for each individual year is:

	<b>1 year</b>	<b>2 years</b>	<b>3 years</b>	<b>4 years</b>	<b>5 years</b>
Maximum	0.5%	0.00%	0.00%	0.00%	0.00%

**Note:** This benchmark is an average risk of default measure, and would not constitute an expectation of loss against a particular investment. The Council does not invest for longer than 364 days in any event, and for a period of 6 months in accordance with the limits.

34. **Investment Counterparty Selection Criteria** - The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle the Council will ensure:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections below.
  - It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.
35. The Head of Finance and Property will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. This criteria is separate to that which chooses Specified and Non-Specified investments as it provides an overall pool of counterparties considered high quality the Council may use rather than defining what its investments are.
36. The rating criteria use the **lowest common denominator** method of selecting counterparties and applying limits. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For instance if an institution is rated by two agencies, one meets the Council's criteria, the other does not, the institution will fall outside the lending criteria. This is in compliance with a CIPFA Treasury Management Panel recommendation in March 2009 and the CIPFA Treasury Management Code of Practice.
37. Credit rating information is supplied by our treasury consultants on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance a negative rating watch applying to a counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.
38. The criteria for providing a pool of high quality investment counterparties (both Specified and Non-specified investments) is:
- **Banks 1 - Good Credit Quality** – the Council will only use banks which:
    - i. Are UK banks; and/or
    - ii. Are non-UK and domiciled in a country which has a minimum Sovereign long term rating of AAA

And have, as a minimum, the following Fitch, Moody's and Standard and Poors credit ratings (where rated):

    - **Short Term** – F1+
    - **Long Term** – A+ (Fitch)
    - **Individual / Financial Strength** – C (Fitch / Moody's only)
    - **Support** – 2 (Fitch only) British Institutions
      - 1 Foreign Countries

- **Banks 2 – Guaranteed Banks with suitable Sovereign Support** – In addition, the Council will use banks whose ratings fall below the criteria specified above if all of the following conditions are met:
  - (a) wholesale deposits in the bank are covered by a government guarantee;
  - (b) the government providing the guarantee is rated “AAA” by all three major rating agencies (Fitch, Moody’s and Standard & Poors); and
  - (c) the Council’s investments with the bank are limited to amounts and maturities within the terms of the stipulated guarantee.
- **Banks 3 – Eligible Institutions** - the organisation is an Eligible Institution for the HM Treasury Credit Guarantee Scheme initially announced on 13 October 2008, with the necessary short and long term ratings required in Banks 1 above. These institutions have been subject to suitability checks before inclusion, and have access to HM Treasury liquidity if needed.
- **Banks 4** – The Council’s own banker for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time.
- **Building Societies** – the Council will use Societies which meet the ratings for banks outlined above.
- **Money Market Funds** – AAA (Moody’s).
- **UK Government** (including gilts and the DMADF).
- **Local Authorities.**

In the interest of security the Council will not use Non-Specified investments.

**Country and sector considerations** - Due care will be taken to consider the country, group and sector exposure of the Council’s investments. In part the country selection will be chosen by the credit rating of the Sovereign state in Banks 1 above. In addition:

- no more than £3m will be placed with any non-UK country at any time;
- limits in place above will apply to Group companies;
- Sector limits will be monitored regularly for appropriateness.

39. **Use of additional information other than credit ratings** – Additional requirements under the Code of Practice now require the Council to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating watches/outlooks) will be applied to compare the relative security of differing investment counterparties.

40. **Time and Monetary Limits applying to Investments** - The time and monetary limits for institutions on the Council's Counterparty List are as follows:

	<u>Minimum Ratings</u>	<u>Money Limit</u>	<u>Time Limit</u>
Banks and Building Societies	F1+/A+ (Fitch)	£1m	6 mths
Money Market Funds	AAA (Moody's)	£3m	Reinvested daily
UK Government Bodies	AAA (Fitch)	£3m	6 mths
Local Authorities	-	£1m	6 mths
Guaranteed Organisations	-	£1m	6mths
Co-op Bank (own bankers)		£1m	Overnight

41. In the normal course of the Council's cash flow operations it is expected that only Specified investments will be utilised for the control of liquidity as both categories allow for short term investments.
42. The use of longer term instruments (greater than one year from inception to repayment) would fall in the Non-specified investment category, therefore no investment will be for over 6 months.
43. **Economic Investment Considerations** - Expectations on shorter-term interest rates, on which investment decisions are based, show likelihood of the current 0.5% Bank Rate remaining flat but with the possibility of a rise in mid-2010. The Council's investment decisions are based on comparisons between the rises priced into market rates against the Council's and advisers own forecasts.
44. There is an operational difficulty arising from the current banking crisis. There is currently little value investing longer term unless credit quality is reduced. Whilst some selective options do provide additional yield uncertainty over counterparty creditworthiness suggests shorter dated investments would provide better security.
45. The criteria for choosing counterparties set out above provide a sound approach to investment in "normal" market circumstances. Whilst Members are asked to approve this base criteria above, under the exceptional current market conditions the Head of Finance and Property may temporarily restrict further investment activity to those counterparties considered of higher credit quality than the minimum criteria set out for approval. These restrictions will remain in place until the banking system returns to "normal" conditions. Similarly the time periods for investments will be restricted.
46. Examples of these restrictions would be the greater use of the Debt Management Deposit Account Facility (DMADF – a Government body which accepts local authority deposits), Money Market Funds, guaranteed deposit facilities and strongly rated institutions offered support by the UK Government. The credit criteria have been amended to reflect these facilities.

#### **Sensitivity to Interest Rate Movements**

47. Future Council accounts will be required to disclose the impact of risks on the Council's treasury management activity. Whilst most of the risks facing the



treasury management service are addressed elsewhere in this report (credit risk, liquidity risk, market risk, maturity profile risk), the impact of interest rate risk is discussed but not quantified. The table below highlights the estimated impact of a 1% increase/decrease in all interest rates to the estimated treasury management costs/income for next year. As all borrowing within the portfolio is for medium/long term, with fixed interest rates, they will not be affected by interest rate changes.

£'000	2010/11 Estimated + 1%	2010/11 Estimated - 1%
<b>Revenue Budgets</b>		
Interest on Borrowing	0	0
Related HRA Charge	0	0
<b>Net General Fund Borrowing Cost</b>	<b>0</b>	<b>0</b>
Investment income	-0.3	0.3

### Treasury Management Limits on Activity

48. There are four further treasury activity limits, which were previously prudential indicators. The purpose of these are to contain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of an adverse movement in interest rates. However if these are set to be too restrictive they will impair the opportunities to reduce costs/improve performance. The indicators are:

- Upper limits on variable interest rate exposure – This identifies a maximum limit for variable interest rates based upon the debt position net of
- Upper limits on fixed interest rate exposure – Similar to the previous indicator this covers a maximum limit on fixed interest rates.
- Maturity structures of borrowing – These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.
- Total principal funds invested for greater than 364 days – This strategy precludes investing for a period longer than 364 days.

49. The Council is asked to approve the limits:

%	2010/11	2011/12	2012/13
<b>Interest rate Exposures</b>			
	<b>Upper</b>	<b>Upper</b>	<b>Upper</b>
Limits on fixed interest rates based on net debt	100	100	100
Limits on variable interest rates based on net debt	20	20	20
Limits on fixed interest rates:			
• Debt only	100	100	100
• Investments only	50	50	50
Limits on variable interest rates			
• Debt only	50	50	50
• Investments only	100	100	100

<b>Maturity Structure of fixed interest rate borrowing 2010/11</b>			
<b>FIXED RATES</b>		<b>Lower</b>	<b>Upper</b>
Under 12 months		0%	25%
12 months to 2 years		0%	25%
2 years to 5 years		0%	25%
5 years to 10 years		0%	40%
10 years and above		0%	85%
<b>VARIABLE RATES</b>		<b>Lower</b>	<b>Upper</b>
Under 12 months		0%	10%
12 months to 2 years		0%	10%
2 years to 5 years		0%	10%
5 years to 10 years		0%	10%
10 years to 20 years		0%	10%
20 years to 30 years		0%	10%
30 years to 40 years		0%	10%
40 years to 50 years		0%	10%
50 years to 60 years		0%	10%
<b>Maximum principal sums invested &gt; 364 days</b>			
Principal sums invested > 364 days	£0	£0	£0

### Performance Indicators

50. The Code of Practice on Treasury Management requires the Council to set performance indicators to assess the adequacy of the treasury function over the year. These are distinct historic indicators, as opposed to the prudential indicators, which are predominantly forward looking. Examples of performance indicators often used for the treasury function are:

- Debt – Borrowing - Average rate of borrowing for the year compared to average available
- Debt – Average rate movement year on year
- Investments – Internal returns above the 7 day LIBID rate

The results of these indicators will be reported in the Treasury Annual Report.

### Treasury Management Advisers

51. The Council uses Butlers as its treasury management consultants. The company provides a range of services which include:

52. Technical support on treasury matters and capital finance issues including:

- Economic and interest rate analysis;
- Debt services which includes advice on the timing of borrowing;
- Debt rescheduling advice surrounding the existing portfolio;
- Generic investment advice on interest rates, timing and investment instruments;
- Credit ratings/market information service comprising the three main credit rating agencies;

In addition to consultancy services, Butlers undertake Training on Treasury Management and Capital Finance for Members and Officers, on an ad hoc basis.

53. Whilst the advisers provide support to the internal treasury function, under current market rules and the CIPFA Code of Practice the final decision on treasury matters remains with the Council. This service is subject to regular review.

#### **Member and Officer Training**

54. The increased Member consideration of treasury management matters and the need to ensure officers dealing with treasury management are trained and kept up to date requires a suitable training process for Members and officers. This Council has addressed this important issue by:

- a. Annual training for Members of the Audit and Performance Scrutiny Committee.
- b. Treasury Officers undertake regular formal training and receive technical updates.
- c. Professional qualification now available in Treasury Management and to be undertaken by Treasury Accountant.

#### **Local Issues**

Investments have reduced to a minimum level and will remain low during the period of this strategy whilst the markets and rates improve. The use of Money Market Funds ensures risk is kept to a minimum, however, no investments are risk free, as evidenced by recent unprecedented events.

**Treasury Management Practice (TMP) 1 (5) – Credit and Counterparty Risk Management**

The Office of the Deputy Prime Minister (now CLG) issued Investment Guidance on 12<sup>th</sup> March 2004, and this forms the structure of the Council's policy below. The CLG is currently consulting over revisions to the Guidance and where applicable the Consultation recommendations have been included within this policy. These guidelines do not apply to either trust funds or pension funds which are under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for Councils to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council adopted the Code on 5<sup>th</sup> February 2002 and will apply its principles to all investment activity. In accordance with the Code, the Head of Finance and Property has produced its treasury management practices (TMPs). This part, TMP 1(5), covering investment counterparty policy requires approval each year.

**Annual Investment Strategy** - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments the Council will use. These are high security (i.e. high credit rating, although this is defined by the Council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Council is:

**Strategy Guidelines** – The main strategy guidelines are contained in the body of the treasury strategy statement.

**Specified Investments** – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments, which would not be defined as capital expenditure with:

1. The UK Government (such as the Debt Management Account deposit facility, UK Treasury Bills or a Gilt with less than one year to maturity).
2. Supranational bonds of less than one year's duration.
3. A local authority.

4. Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency. For category 4 this covers pooled investment vehicles, such as money market funds, rated AAA by Moody's or Fitch rating agencies.
5. A body that is considered of a high credit quality (such as a bank or building society). For category 5 this covers bodies with a minimum short term rating of F1+ (or the equivalent) as rated by Fitch, Moody's or Standard and Poor's, rating agencies.

Within these bodies, and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested in these bodies.

	<b>Minimum Ratings</b>	<b>Money Limit</b>	<b>Time Limit</b>
Banks and Building Societies	F1+/A+ (Fitch)	£1m	6 mths
Money Market Funds	AAA (Moody's)	£3m	Reinvested daily
UK Government Bodies	AAA (Fitch)	£3m	6 mths
Local Authorities	-	£1m	6 mths
Guaranteed Organisations	-	£1m	6mths
Co-op Bank (own bankers)		£1m	Overnight

**Non-Specified Investments** – Non-specified investments are any other type of investment (i.e. not defined as Specified above). The Council will not undertake investments in these types of instruments. However, due to the current rating of the Co-op Bank, our bankers, which does not meet the specified limits above, only in exceptional circumstances will balances be held overnight.

	<b>Non Specified Investment Category</b>	<b>Limit (£ or %)</b>
a.	The Council's own banker if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible.	Overnight and maximum £1m

**The Monitoring of Investment Counterparties** - The credit rating of counterparties will be monitored regularly. The Council receives credit rating information (changes, rating watches and rating outlooks) from Butlers as and when ratings change, and counterparties are checked. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Head of Finance and Property, and if required new counterparties which meet the criteria will be added to the list.

**Security, Liquidity and Yield Benchmarking**

**Benchmarking and Monitoring Security, Liquidity and Yield in the Investment Service** - A proposed development for Member reporting is the consideration and approval of security and liquidity benchmarks.

These benchmarks are targets and so may be breached from time to time. Any breach will be reported, with supporting reasons in the Annual Treasury Report.

**Yield** – These benchmarks are currently widely used to assess investment performance. Local measures of yield benchmarks are :

- Investments – Internal returns above the 7 day LIBID rate

Security and liquidity benchmarks are already intrinsic to the approved treasury strategy through the counterparty selection criteria and some of the prudential indicators. However they have not previously been separately and explicitly set out for Member consideration. Proposed benchmarks for the cash type investments are below and these will form the basis of future reporting in this area. In the other investment categories appropriate benchmarks will be used where available.

**Liquidity** – This is defined as “having adequate, though not excessive cash resources, borrowing arrangements, overdrafts or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives” (CIPFA Treasury Management Code of Practice). In respect of this area the Council seeks to maintain:

- Bank overdraft - £0.250m
- Liquid short term deposits of at least £1m available with a week's notice.

The availability of liquidity and the term risk in the portfolio can be benchmarked by the monitoring of the Weighted Average Life (WAL) of the portfolio – shorter WAL would generally embody less risk. In this respect the proposed benchmark is to be used:

- WAL benchmark is expected to be 6 months, with a maximum of 1 year.

**Security of the investments** – In context of benchmarking, assessing security is a much more subjective area to assess. Security is currently evidenced by the application of minimum credit quality criteria to investment counterparties, primarily through the use of credit ratings supplied by the three main credit rating agencies (Fitch, Moody's and Standard and Poors). Whilst this approach embodies security considerations, benchmarking levels of risk is more problematic. One method to benchmark security risk is to assess the historic level of default against the minimum criteria used in the Council's investment strategy. The table beneath shows average defaults for differing periods of investment grade products for each Fitch long term rating category over the period 1990 to 2007.

Long term rating	1 year	2 years	3 years	4 years	5 years
AAA	0.00%	0.00%	0.00%	0.00%	0.00%
AA	0.00%	0.00%	0.00%	0.03%	0.06%
A	0.03%	0.15%	0.30%	0.44%	0.65%
BBB	0.24%	0.78%	1.48%	2.24%	3.11%

The Council will not invest for a period longer than 364 days, however, the table above shows that the average expectation of default for a one year investment in a counterparty with a “A” long term rating would be 0.03% of the total

investment (e.g. for a £1m investment the average loss would be £300). This is only an average - any specific counterparty loss is likely to be higher - but these figures do act as a proxy benchmark for risk across the portfolio.

The Council's maximum security risk benchmark for the whole portfolio, when compared to these historic default tables, is:

- 0.00% historic risk of default when compared to the whole portfolio.

And in addition that the security benchmark for each individual year is:

	<b>1 year</b>	<b>2 years</b>	<b>3 years</b>	<b>4 years</b>	<b>5 years</b>
Maximum	0.00%	0.00%	0.00%	0.00%	0.00%

These benchmarks are embodied in the criteria for selecting cash investment counterparties and these will be monitored and reported to Members in the Investment Annual Report. As this data is collated, trends and analysis will be collected and reported. Where a counterparty is not credit rated a proxy rating will be applied.

**Treasury Management Clauses to form part of Standing Orders/Financial Regulations/Constitution**

1. This Council will create and maintain, as the cornerstones for effective treasury management:
  - A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
  - Suitable Treasury Management Practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
2. The Council will receive reports on its treasury management policies, practices and activities, including as a minimum, an annual strategy and plan in advance of the year, a mid year review and an annual report after its close, in the form prescribed in its TMPs.
3. The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Audit and Performance Scrutiny Committee, and for the execution and administration of treasury management decisions to the Head of Finance and Property, who will act in accordance with the Council's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.
4. The Council nominates the Audit and Performance Scrutiny Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.





**BASSETLAW DISTRICT COUNCIL**

**CABINET**

**11 FEBRUARY 2010**

**REPORT OF DIRECTOR OF RESOURCES**

**CAPITAL INVESTMENT STRATEGY 2010/11 TO 2014/15**

Cabinet Member: Finance & Property  
Contact: Mike Hill  
Ext: 3174

**1. Public Interest Test**

The author of this report, Mike Hill, has determined that the report is not confidential.

**2. Purpose of the Report**

To seek Cabinet approval to the Capital Investment Strategy 2010/11 to 2014/15.

**3. Background and Discussion**

3.1 A copy of the Capital Investment Strategy is attached at Appendix A.

3.2 The Capital Investment Strategy outlines the principles and framework that shape the Council's capital investment decisions. The principal aim is to deliver a programme of capital investment that contributes to the achievement of the Council's priorities and objectives as set out in the Corporate Plan.

3.3 The Strategy defines at the highest level how the capital programme is to be formulated, it identifies the issues and options that influence capital spending, and sets out how the resources and capital programme will be managed.

**4. Implications**

a) For service users

This report sets the financial framework for capital investment.

b) Strategic & Policy

It links to the policy and strategy documents mentioned in the strategy, in particular the Asset Management Plan and Treasury Management Strategy.

- c) Financial - Ref: 10/103

The financial implications of the approved Capital investment Programme are fully reflected within the Budget report elsewhere on this agenda.

- d) Legal – Ref: 18/02/10

None from this report.

- e) Human Resources

None from this report.

- f) Community Safety, Equalities, Environmental

These are considered as part of the approval of individual capital investment schemes.

- g) This is a key decision, reference number 242.

**5. Options, Risks and Reasons for Recommendations**

The Capital Investment Strategy is a key document that sets out how capital resources will be deployed to meet the priorities of the Council.

**6. Recommendations**

That the Cabinet recommends approval of the Capital Investment Strategy 2010/11 to 2014/15 to full Council on 4<sup>th</sup> March 2010.

**Background Papers**

Capital programme working papers

**Location**

Accountancy office

# CAPITAL INVESTMENT STRATEGY

## BASSETLAW DISTRICT COUNCIL

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# CAPITAL INVESTMENT STRATEGY

## 1. INTRODUCTION

This Capital Investment Strategy outlines the principles and framework that shape the Council's capital investment proposals. The principal aim is to deliver an affordable programme of capital investment consistent with the Council's Financial Strategy and that contributes to the achievement of the Council's priorities and objectives as set out in the Corporate Plan and the vision set out in the Community Strategy.

The Strategy defines at the highest level how the capital programme is to be formulated and designed; it identifies the issues and options that influence capital spending and sets out how the resources and capital programme will be managed.

As well as detailing the approved capital investment programme over the forthcoming five years, the document also sets out the Council's ambitions over the medium to longer term.

The basic elements of the strategy therefore include:

- A direct relationship to the Corporate Plan;
- A framework for the review and management of existing and future assets (the Asset Management Plan);
- An investment programme expressed over the medium to long term;
- A document that indicates the opportunities for partnership working;
- A framework that prioritises the use of capital resources;
- A consideration of the need to pursue external financing (grants, contributions etc), which reconcile external funding opportunities with the Council's priorities and organisational objectives, so that it is the achievement of the latter that directs effort to secure the former.
- A direct relationship with the Treasury Management Strategy and the limitations on activity through the treasury management Prudential Indicators.

This document is intended for the use by all stakeholders to show how the Council makes decisions on capital investment:

- for the Cabinet and Council – to decide on capital investment policy within the overall context of investment need/opportunity and affordability;
- for Councillors – to provide an understanding of the need for capital investment and help them scrutinise policy and management;
- for Officers – to provide an understanding of the Council's capital investment priorities, to assist them in bidding for capital resources and to confirm their role in the management and monitoring arrangements;
- for tax payers – to demonstrate how the Council seeks to prudently manage capital resources and look after its assets;
- for partners – to share with them our vision and help to co-ordinate and seek further opportunities for joint ventures.

# CAPITAL INVESTMENT STRATEGY

The capital programme consists of two elements:

- The Housing capital programme with a proposed budget for 2010/11 of £16.2m, which supports the maintenance of the council's 7,000 council houses;
- The general fund capital programme with a proposed budget for 2010/11 of £15.7m. Of this amount, expenditure on the Council's non-housing assets totals £13.9m, and £1.8m provides renovation grants and disabled facility grants to a significant number of private dwellings each year.

## 2. PRINCIPLES SUPPORTING THE STRATEGY

The capital investment strategy reflects the aspirations included within the Council's main strategic documents - principally the Corporate Plan but also other key planning documents such as the Asset Management Plan, Treasury Management Strategy, Budget Strategy, and the IT Strategy.

The principles that underpin the capital investment strategy include:

### Policy Principles:

- A direct relationship between Council priorities, including our statutory requirements, and a capital programme driven by essential investment needs and prioritised on an authority-wide basis, demonstrating an explicit link with all key strategic planning documents;
- The use of a rational process for assessing the relative importance of potential schemes.

### Financial Principles:

- The overarching commitment to affordability of investments over the longer term;
- A recognition that the Council's own locally generated resources are limited and will only be used to fund those capital priorities that are unlikely to be able to access any other funding sources;
- A commitment to developing partnerships, including the pursuit of joint venture arrangements where appropriate, to achieve the Council's investment aspirations;
- To pursue all available external funding where there is a direct compatibility with the Council priorities;
- Value for money of investments in assets over their full life cycle.

### Asset Management Principles:

- The development of Asset Management Plans and investment plans for the use of all Council assets, be these operational buildings, investment properties, equipment and machinery, Information Technology or infrastructure assets;
- The optimisation of surplus assets by maximising income or application to other purposes informed through the AMP process, with all receipts generated through the sale of surplus property assets being used to fund the capital programme;

# CAPITAL INVESTMENT STRATEGY

- Recognition of the value of surplus properties that are either reallocated to services or gifted by the Council as a contribution to a particular scheme. This value will be treated as capital resources and will have to be assessed against other capital proposals;
- A process of declaring property assets as surplus will be led by the Corporate Property Officer (Property Manager) in consultation with the holding department, who will be able to declare a site surplus to requirements if deemed to be under-utilised or surplus to requirements;
- Wherever possible ensuring active community involvement in informing priorities and engagement in management plans;
- Management of assets to take full account of the Council's wider priorities including its environmental priorities;
- The provision of financial support to schemes that involve site assembly through the Strategic Intervention Fund, and will generate significant capital receipts in the medium term.
- The Property Review process will determine if an asset meets the corporate need in the longer term. If this is the case then investment in the asset will be maintained. Conversely, if it is not required, then the asset is more valuable to the Council as a capital receipt.

## Implementation and Management Principle

- The operation of robust management arrangements for the implementation, updating and review of the strategy.

### 3. CAPITAL INVESTMENT PRIORITIES

The aim of the Council is to make a sustainable improvement to the long-term quality of life of our residents. The Corporate Plan sets out the vision for Bassetlaw. This is:

*"All the Council's efforts are focussed on delivering our long term vision for the area which is:*

*By 2020 Bassetlaw will have:*

- *A strong local identity;*
- *Positive and involved communities;*
- *A safe and attractive environment;*
- *A successful local economy, and*
- *Opportunities to achieve for all.*

*We will achieve our vision through strong partnership working with a focus on local needs."*

This long-term vision requires considerable investment.

Underpinning the Council's contribution to the Corporate Plan vision are four revised strategic themes. These are:

- *Regenerate the area and improve the environment people live in;*
- *Support a vibrant local economy;*
- *Improve the quality of housing and housing choice; and*
- *Improve Customer satisfaction.*

# CAPITAL INVESTMENT STRATEGY

Supporting these key service priorities, running through everything we do, are activities such as customer focus and better community engagement that will improve how the Council does its business in the future. These will help to achieve the outcome of being an efficient and effective Council.

## 4. CAPITAL INVESTMENT – AMBITION, OPPORTUNITY AND NEED

The capital programme for 2010-15 has been formulated to observe the principles contained in this document. The five-year capital programme was agreed at last year's Cabinet, however, further recommendations are being made to Cabinet to allocate funding for major projects. These new capital projects meet the following strategic themes as follows:

### Regenerate the area and improve the environment people live in

Play Area Development and Refurbishments

Localised Recycling Facilities for High Rise Flats

Recycling Initiatives

Canch Project

### Support a vibrant local economy

Memorial Library

Purchase to Pay Invoice Automation System

### Improve the quality of housing and housing choice

Disabled Facilities Grants

Decent Homes Programme - Private Sector

Decent Homes Work - A1 Housing

### Improve Customer satisfaction

Reception Area

Security Fencing and Other Works to Allotment Sites

Other schemes of a minor nature (i.e. less than £100,000) are also included within the capital programme. Further details are available within the individual capital reports.

## 5. FINANCIAL CONTEXT

The Council's financial and service planning process ensures decisions about the allocation of capital and revenue resources are taken to achieve a corporate and consistent approach.

The funding of capital schemes is via the following hierarchy:

- External grants and contributions
- Supported borrowing
- Capital receipts from the disposal of fixed assets
- Leasing finance
- Prudential unsupported borrowing
- Revenue contributions

The following paragraphs examine the current and prospective means of financing projects and the range of choices available.



# CAPITAL INVESTMENT STRATEGY

**External Grants and Contributions** - Some capital projects are financed wholly or partly through external grants and contributions that are specific to projects and cannot be used for other purposes.

Grants from external sources are a valuable source of capital finance for the Council and have enabled the Council to realise a substantial number of capital developments that would otherwise have been unable to progress. Given the scale of the Council's ambitions to improve and add to its asset base much will depend on our ability to secure external funding.

The most significant of grants that the council receives is the Major Repairs Allowance (MRA), which is a direct grant to fund maintenance of council housing. The Council can also generate sizeable Section 106 monies from development sites that are acquired for housing purposes.

**Borrowing** – borrowing is either supported (where the government funds the revenue consequences of the debt) or unsupported/prudential borrowing (where the debt costs have to be funded from the Councils revenue resources). The principle of affordability is a key consideration.

Significant levels of borrowing for housing purposes underpin the capital programme to 2014/15. The Council's ability to sustain annual borrowing requirements of the order set out in the current programme is dependent upon the continued approval of supported borrowing for the ALMO by the government. A total of £62m has been approved in respect of achieving the Decent Homes standard by 2012/13. The council undertakes prudential borrowing for this, and the revenue costs of borrowing are funded through the housing subsidy mechanism.

The planning assumption from 2010/11 is that the Council may use unsupported prudential borrowing for 'long life' assets, as a replacement for leasing, or for an invest to save scheme. This must, however, be proven to be affordable within the revenue budget.

**Capital Receipts** - The Council also generates its own capital resources through the sale of surplus land and buildings and these resources can be used by the Council to invest in new capital projects. However, the Council is not asset rich and the ability to realise significant capital receipts is limited. Moreover, the current economic climate will restrict the capital value of any sale. Decisions to dispose of assets at less than full value should therefore be tested against the opportunity cost of the capital spending given up as a consequence.

The council received general fund capital receipts of £11,851,000 in 2008/09 (estimated at £564,000 in 2009/10), and housing capital receipts of £1,184,000 in 2008/09 (estimated at £454,000 in 2009/10).

Council houses are sold each year under the Right to Buy (RTB) scheme. Since 2004, RTB receipts are pooled by central government, and the Council retains only 25%. It should be made clear that net housing capital receipts are available to fund both housing and general fund capital schemes. In the past, it has been Council policy to ringfence housing capital receipts for council housing and private sector housing purposes only. However, due to the sums involved with regard to disabled facilities grants, these are now being funded from General Fund capital receipts.

The Asset Management Plan includes a capital receipts target, although this is not built into any funding projections. The associated loss of any rental income from such sales is built into the general fund budget.

**Revenue Funding** - The Council can also use revenue resources to fund capital projects, although pressures on the revenue budgets limit the ability to fund schemes from this source.

**Other Sources of Capital Financing** - The Council will continue to explore the potential for developing partnerships and private sector involvement. It also has the opportunity to use leasing as a means of funding capital expenditure on vehicles and other equipment.

# CAPITAL INVESTMENT STRATEGY

In all cases the resulting revenue costs of these sources of funding are tested for relative value for money alongside debt financing.

The Council recognises that certain services have greater potential for attracting capital finance from external sources. The Council aims to ensure that it maximises the opportunities to attract partnership or third party funding where appropriate and will focus the use of its own scarce capital resources to provide public assets where these alternative funding sources are not available.

The table below shows the estimated use of these resources over the five-year period, as presented within the separate general fund and housing capital programme reports.

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
<b>GENERAL FUND</b>					
Grants & Contributions	5,091	895	845	845	845
Capital Receipts	6,741	1,185	1,075	1,075	0
Leasing	1,483	441	1,433	904	0
Unsupported Borrowing	2,380	290	0	0	0
	15,695	2,811	3,353	2,824	845
<b>HOUSING</b>					
Major Repairs Allowance	4,134	4,172	4,210	4,311	4,414
Other Grants & Contributions	0	0	0	0	0
Supported Borrowing	10,940	11,940	9,440	0	0
Capital Receipts	1,114	838	0	0	0
	16,188	16,950	13,650	4,311	4,414
<b>TOTAL:</b>	31,883	19,761	17,003	7,135	5,259

## 6. CAPITAL INVESTMENT PRIORITISATION

Demand for capital resources to meet investment needs and aspirations will exceed the resources available to the Council.

To ensure that capital resources are allocated to the Council's priorities, an objective, structured prioritisation process has been adopted for determining the capital programme.

In moving to a longer term view of priorities the first step in this process is to identify the potential calls on capital. An early filtering out of aspirations which do not sufficiently meet Council priorities to warrant incurring costs of feasibility and option appraisal studies at this time seeks to obviate potentially abortive costs.

From this refined review the process is based on the completion of a Capital Service Bids for each project to be considered for inclusion in the Capital Programme. Each Service Statement is scored against the established methodology. The Regeneration & Property Group scrutinises and moderates the scores and recommends options for a prioritised Capital Programme for the forthcoming period. These are presented to Cabinet, which makes the final recommendations to full Council.

Once full Council has approved the schemes that comprise the capital programme, the project managers develop detailed project plans for each scheme. The project plan forms the basis for monitoring delivery of the critical physical milestones. Each project plan includes:

# CAPITAL INVESTMENT STRATEGY

- The projects objectives and performance indicators (inputs, outputs, and outcome based);
- Key milestone dates for project delivery;
- Responsible officers for delivery of each milestone;
- Resource requirements including full financial breakdown;
- Risk analysis;
- Post project review on completion of each scheme.

The process specifically addresses the key requirements of the Prudential Code, i.e.:

- Affordability, prudence and sustainability - the integration of the capital and revenue planning processes ensures that coherent decision-making takes place on the level of borrowing that is prudent, affordable and sustainable;
- the Council's service objectives - specific relationship to the achievement of the objectives expressed in the Corporate Plan supplemented by reference to relevant strategic, service and/or statutory plans;
- the value for money offered by the plans – as demonstrated by an options appraisal;
- the stewardship of the Council's assets – explicit regard to the Council's emerging asset management plan;
- the practicalities of the capital expenditure plan – i.e. projects are realistically phased and are capable of being delivered in physical terms.

## 7. MANAGING THE CAPITAL PROGRAMME

A key role in the monitoring of the capital programme is undertaken by the Regeneration & Property Group, which meets every month. This group is attended by all responsible officers and is chaired by the Director of Resources. It is a supportive environment in which problem areas are identified and corrective actions agreed and implemented at an early stage to avoid slippage. Each scheme has a nominated project manager who is responsible for the successful completion of the scheme both to time and on budget.

The Council maintains comprehensive and robust procedures for managing and monitoring its capital programme. Ongoing monitoring arrangements for the delivery of the approved programme consist of:

- Project managers are identified for each scheme who are responsible for monitoring progress, spend and income and producing action plans to respond to variations in pace or cost of delivery;
- The Head of Finance & Property co-ordinates high level monthly reporting and detailed quarterly reporting to Management Team, Audit & Performance Scrutiny Committee, and Cabinet;
- The Regeneration & Property Group considers a monthly monitoring statement at each meeting. A standing item of the agenda is an update on the key regeneration sites, where project officers report on performance outputs on the major projects to this group. Variations and unexpected items are discussed and appropriate action taken;
- Heads of Service are responsible for ensuring that project manager monitoring reports are quality assured and challenged and that corporate implications arising from capital monitoring are brought to the attention of the Management Team and Cabinet.

# CAPITAL INVESTMENT STRATEGY

## 8. PROCUREMENT

The Council has adopted a Corporate Procurement Strategy that sets the framework by which the Council will ensure that procurement across the Council delivers excellent value for money. This includes the procurement of assets. The Strategy provides direction, structure and information in respect of the Council's approach to procurement and answers the procurement challenges faced by the Council.

The key procurement objectives are:

- *To define the future direction for procurement activities to develop in line with the Council's corporate aims and objectives, as identified within the Council's Efficiency & Value for Money Strategy;*
- *To establish links to National Agendas to address key issues identified in national reports on procurement by setting out a flexible planning framework that encourages strategic long-term thinking to procurement activity;*
- *To identify value for money and efficiency gains, and to identify outcomes and targets for achievement of potential efficiency savings in the future;*
- *To secure commitment to effective procurement from elected Members and officers at all levels throughout the Council.*

*In support of these objectives, the procurement decisions for the purchase of goods, works and services and the carrying out of works for the Council must exhibit, inter alia, the following characteristics having regard to all internal controls and external checks:*

- *Meet the needs identified;*
- *Represent good value for money (including the process);*
- *Comply with the Council's priorities embraced in the Corporate Plan and all strategies flowing from this;*
- *Keep within approved budgets/cost limitations;*
- *Meet probity and propriety requirements;*
- *Need to meet agreed time targets.*

Delivery of the capital programme is a key element of the Council's Procurement Strategy by ensuring adequate support services are in place at all stages prior to contract award and including subsequent management.

## 9. CAPITAL RECEIPTS

All capital receipts arising from the sale of land and buildings will feed directly into the corporate capital pot for reinvestment. Generally capital receipts will be treated as a corporate resource.

The Council will ring-fence capital receipts to specific schemes where there is a legal requirement to do so whether arising from the terms under which the asset was acquired or from a statutory requirement. An example of the latter would be the sale of an allotment site following Secretary of State approval.

# CAPITAL INVESTMENT STRATEGY

Exceptionally the Council may ringfence receipts where there is a close link between the receipt and reinvestment, for example in using the Strategic Intervention Fund.

## 10. CONCLUSION

The Capital Investment Strategy is a 'live' document which enables the Council to make rational capital investment decisions in order to achieve its corporate priorities and objectives. As a consequence, it provides a framework for determining the relative importance of individual capital projects.

If the council is to achieve its ambitions, it is recognised that a commitment to partnership working with both the private sector and other public sector agencies will play a significant part of the Council's overall approach.

The adoption of a five-year capital planning framework is a significant means of improving programming for major projects and ensuring the longer term sustainability of the borrowing requirement.

The Council aims to ensure that it will maximise the opportunities to attract partnership or third party funding and will focus the use of its own scarce capital resources to provide public assets where these alternative funding sources are not available.

New and innovative ways of generating increased capital finance will continue to be explored as well as adopting a rigorous approach to the identification and disposal of surplus assets.

The Council will maintain comprehensive and robust procedures for managing and monitoring its capital programme.

Any policy or strategy proposed to Council that requires capital investment must be consistent with the Capital Investment Strategy.

The strategy will be revisited annually, to ensure that it is kept up-to-date and is relevant and effective.

## CAPITAL PRIORITISATION PROCESS

### INTRODUCTION AND BACKGROUND

The Government's modernisation agenda includes the review of the process of allocating capital resources to Local Authorities – the Single Capital Pot. As part of this process, it is a requirement that the Capital Strategy details the process by which projects are selected in relation to objectives and service plans. This will demonstrate a level of objectivity in the selection of projects, especially in the context of a strategic planning process.

### FRAMEWORK OF THE PRIORITISATION PROCESS

The process is numerically based, and allocates points to projects dependent upon the categories into which they fall. The aim is to demonstrate how the Council selects projects that will achieve its overall objectives and is not biased towards particular service interests.

The process is in two parts. In Stage 1, projects are placed into **one** of 8 categories, attracting the appropriate points. In Stage 2, additional points may be acquired if projects satisfy one or more criteria. Equally, points can be deducted if, for example, the project results in increased revenue costs. The aggregate of these two stages will result in a list of projects in priority order.

Projects above £500,000 will be considered separately. This is because above £500,000 a project will consume such a large proportion of the likely resources available as to make the process ineffective for the remaining bids and it is recommended that bids of this order should be prioritised and considered separately. Projects of this scale make comparison in the context of a prioritisation process very difficult. In a case where a project of such size is put forward, it could be decided that all cash available for the year should be allocated to this one project or if the project is high value and spans a number of years, the annual allocation would be topsliced prior to allocating remaining funds identified through the normal prioritisation process.

A lower limit of £10,000 has been set because this is considered small enough to be met from revenue budgets.

### HOW THE PROCESS OPERATES

It is intended that this process should be undertaken first by the Regeneration & Property Group to determine a long list based on Stage 1 of the prioritisation process. This will be considered by the Management Team resulting in a shortened list being produced. Service Managers will then be invited to complete a more detailed capital bid which will be scored against categories A to M to determine a final score, and enable prioritisation to be achieved.

# CAPITAL INVESTMENT STRATEGY

## STAGE 1: INITIAL PRIORITISATION

Categories A and B carry the maximum of 12 points reflecting the importance of carrying out the project either because the Council is under an obligation which it cannot avoid or because it is necessary to maintain the existing asset base and hence the current level of service. Category C, (10 points), reflects the need for the Council to respond to Government expectations which, whilst they may not be statutory, might invite criticism if not undertaken. Category D, (10 points), reflects the position where capital investment today will make ongoing savings in the future i.e. invest to save schemes. Category E, (8 points), responds to the commitments arising from the S106 agreements but carries a lower value because the Council does not have the option of not undertaking the project in which case the project would be returned to the contributor. Category F, (8 points), relates to the occasions where there is significant funding available from a partner indicating a heavy commitment on the Council to proceed. Categories G, (6 points), and H, (4 points), relate to those projects which the Council may wish to undertake but for which there is neither an overriding requirement nor a need to replace the asset to maintain the service. Category G attracts more points because if there is an existing strategy for the service, there is more confidence that the project will fulfil its long-term aims, which have been previously approved by the Council. Category H indicates a shorter-term view. **Projects that do not fall within any of these categories would not be considered for inclusion in the Capital Programme.**

CATEGORY	CRITERIA	POINTS
A	There is a mandatory legal requirement to provide the service or asset that enables the service to be provided and that obligation cannot be met in any other way	12
B	There is a demonstrable priority need to replace the asset/service on an essentially like for like basis, (save for improvements in technology), as the existing asset is at the end of its useful life	12
C	There is an expectation by the Government that the Council should undertake a particular course although it may not be currently statutory and there is a likelihood of some form of sanction being applied against the Council if that expectation is not met.	10
D	Project is based on the principle that investment in a service will result in savings in the future.	10
E	Funding is required to supplement a S106 agreement and that funding must be met during the year in question	8
F	Matched funding is available of at least 50% of the project cost	8
G	Project meets objective(s) in one of the Council's approved strategy statements, (other than the Capital Strategy)	6
H	Project meets service plan objective(s) or has been previously approved to be put forward as a bid by Members	4

# CAPITAL INVESTMENT STRATEGY

## STAGE 2: CRITERIA FOR ADDING/DEDUCTING ADDITIONAL POINTS

Stage 2 modifies the initial categorisation by taking account of particular attributes of projects. Category I recognises the importance of a project in achieving Council objectives – the more objectives it contributes towards, the more points. Category J reflects the advantage of additional investment rather than pure replacement on a like for like basis. Category K recognises that some projects have an added importance as a result of health and safety requirements. Category L adds or deducts a weighting if the project has a positive or negative effect on future revenue budgets, and is an incentive for projects to achieve revenue savings or additional income. Finally, category M reflects the need for the Council to build partnerships and demonstrate its commitment to working jointly with the wider community.

CATEGORY	CRITERIA		POINTS
I	<b>Council Objectives</b>		
	Additional points for projects adding value to the Council's Objectives, (add 1 point for each)		
<b>Regeneration &amp; Environment</b>	R1	Sub theme to be determined by Cabinet	
	R2	Sub theme to be determined by Cabinet	
	R3	Sub theme to be determined by Cabinet	
	R4	Sub theme to be determined by Cabinet	
<b>Vibrant Local Economy</b>	E1	Sub theme to be determined by Cabinet	
	E2	Sub theme to be determined by Cabinet	
	E3	Sub theme to be determined by Cabinet	
	E4	Sub theme to be determined by Cabinet	
<b>Housing</b>	H1	Sub theme to be determined by Cabinet	
	H2	Sub theme to be determined by Cabinet	
	H3	Sub theme to be determined by Cabinet	
	H4	Sub theme to be determined by Cabinet	
<b>Customer Satisfaction</b>	C1	Sub theme to be determined by Cabinet	
	C2	Sub theme to be determined by Cabinet	
	C3	Sub theme to be determined by Cabinet	
	C4	Sub theme to be determined by Cabinet	



# CAPITAL INVESTMENT STRATEGY

J	<b>Improvement/Betterment</b>		
	Improvement beyond the essential requirement to deliver an existing service, (i.e. to a standard beyond that necessary to replace an existing asset which is no longer useable), where there is a proven need and a demonstrable benefit in doing so. (Add 2 points).		
K	<b>Health &amp; Safety (Non-Statutory)</b>		
	Relating to Council property, the project is considered necessary for the health and safety of the Council's employees or the general public, and has been identified as such. (Add 2 points).		
L	<b>Revenue Implications</b>		
	i	Projects result in a reduction in the revenue budget from the date of completion, (after any repayment to reserves). (Add 1 point per estimated £10,000).	
	ii	Projects result in increased net revenue costs. (Deduct 1 point per estimated £10,000).	( )
M	<b>Partnership</b>		
	Projects that enhance the relationship with the Council's partners and in doing so achieve the Council's Objectives. (Add 2 points).		

**BASSETLAW DISTRICT COUNCIL**

**CABINET**

**11 FEBRUARY 2010**

**REPORT OF THE DIRECTOR OF RESOURCES**

**PROPERTY ASSET MANAGEMENT PLAN 2010/11 TO 2014/15**

**Cabinet Member:** Finance and Property

**Contact:** Mike Hill

**Ext:** 3174

**1. Public Interest Test**

The author of this report, Mike Hill, has determined that the report is not confidential.

**2. Purpose of the Report**

- 2.1 For Members to approve the attached Property Asset Management Plan.

**3. Background and Discussion**

- 3.1 In order to ensure that the Council is managing its assets more effectively, an up to date Asset Management Plan is essential.
- 3.2 This Asset Management Plan sets out how the Council's Property Portfolio will contribute to the Council's main aims/key priorities identified in the Corporate Plan.

**4. Implications**

- a) For Service Users

By adopting the Property Asset Management Plan the service delivery to customers of the authority will be enhanced.

- b) Strategic and Policy

The Asset Management Plan is a five year plan which will be reviewed annually.

- c) Financial – Ref: 10/555

At this point in time, there are no immediate financial implications arising from this report. However, over the next financial year, it is envisaged that assets will be acquired and disposed of, whereby further reports will be brought to Cabinet for approval with the full financial implications outlined.

- d) Legal – Ref: 19/02/10

No implications.

- e) Human Resources

None contained in this report.

- f) Community Safety, Equalities, Environmental

This is outlined in the Asset Management Plan. The Council's non-operational assets are occupied by a variety of organisations on a contractual basis. The Council seeks to eliminate access discrimination through its access to services (DDA) capital programme.

- g) This is a key decision, reference number 243.

## 5. Options, Risks and Reasons for Recommendations

- 5.1 The Asset Management Plan is a key document that sets out how the Council effectively manages its assets to support the efficient delivery of its priorities and objectives.

## 6. Recommendations

- 6.1 That the Cabinet recommends approval of the Asset Management Plan 2010/11 to 2014/15 to full Council on 4<sup>th</sup> March 2010.

**Background Papers**  
Asset Management Plan

**Location**  
Estates Unit

# ASSET MANAGEMENT PLAN

## BASSETLAW DISTRICT COUNCIL

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## 1 INTRODUCTION

The 2010-2015 Asset Management Plan sets out how the Council's Property Portfolio will contribute to the Council's main aims/key priorities identified in the Corporate Plan 2010-2013.

Bassetlaw District Council operates a substantial property portfolio comprising of 1,092 Operational Properties and 61 Investment Properties with a total combined asset value of £52 million.

With such a large property portfolio, Asset Management planning is essential in order to ensure that Council properties are fulfilling strategic goals adopted by the Council. The Council's property portfolio performs four key functions:-

- 1 Development and Regeneration- As a consequence of our major district-wide landholding the Council is in a fortunate position to influence a number of major development schemes which deal with not just site specific but district-wide issues. Key projects to bring forward include development schemes in Worksop and Retford town centres.
- 2 Operational Property – Ensuring that operational properties are fit for purpose and are in the right location to serve the people of Bassetlaw. This year will see the introduction of a new five year planned maintenance programme alongside projects to provide improved accommodation for front line services.
- 3 Managing Investment Properties – Bassetlaw District Council is in the fortunate position of owning a varied and substantial investment property estate bringing in revenue funds for the Council which increase year on year. It is essential to preserve and maximise this income stream by pro-active property management to minimise letting voids within the estate.
- 4 Capital Receipts – In order to provide funds for capital projects, capital receipts from property sales are essential. Over five years the combined capital receipts target is £5.7 million.

The Asset Management Plan sets out key priorities for each of the above work areas.

This Asset Management Plan identifies property management systems that are in place at Bassetlaw District Council to ensure that the Council's property portfolio is performing and managed effectively and adopts a performance structure to measure success.

In an increasingly challenging climate of change/market volatility the Asset Management Plan is essential in order to fully understand the impact of future changes on our assets in order to develop a sustainable strategy in the long term. In addition to this each of the above work areas are interrelated and decision made in one area can impact elsewhere for example, disposing of a property may impact on the investment property revenue stream therefore it is essential that this process is managed strategically.

The plan looks to further develop an Asset Management process, which was rated as level 3 in the last Use of Resources assessment in 2007/08.

### Bassetlaw District Council's Strategic Plan

The Council's Corporate Plan covers the period 2010 to 2013. This Plan is reviewed annually and outlines the Council's direction for future years. The Council's mission is 'to secure the best quality of life for everyone in Bassetlaw' whilst delivering services in the most cost effective way.

The Council believes that its prime duty is to seek to deliver either by direct action or by working with partners, sustainable improvements in the economic, social and environmental well-being of the citizens of Bassetlaw.

This Corporate Plan is the primary corporate plan for the authority. It is supported by:

Document	Purpose
5 Year Financial Strategy	How we will make crucial financial savings and carefully spend the money that is available to us over the next 5 years in a way that provides value for money to residents
Capital Strategy	How the Council will finance significant investment in services over the next few years
Asset Management Plan	How the Council will use its land and buildings to maximum effect
Human Resources and Training Strategy	How the Council will develop staff to ensure excellent services are delivered to customers
Climate Change Strategy	How the Council will reduce carbon emissions and promote sustainability in the district.

### Council's Revised Strategic themes 2010 - 2013

The Council has identified the following priorities in the Corporate Plan 2010 - 2013:

- Regenerate the area and improve the environment people live in;
- Support a vibrant local economy;
- Improve the quality of housing and housing choice; and
- Improve customer satisfaction.

The Council has also adopted a number of flagship projects which are linked directly to the delivery of the above four priorities and should be of more interest to the general public. Flagship number three is particularly relevant to the Asset Management Plan as it includes regeneration initiatives for town centres.

### Link Between the Strategic Plan and Asset Management Plan

The Asset Management Plan adopts a corporate asset policy which identifies priority actions which link directly to the main aims/priorities listed in the Strategic Plan. The Asset Management Plan is also prepared alongside the Capital Investment Strategy in order to ensure that our plans are financially sustainable.

### 3. OVERVIEW OF ASSETS

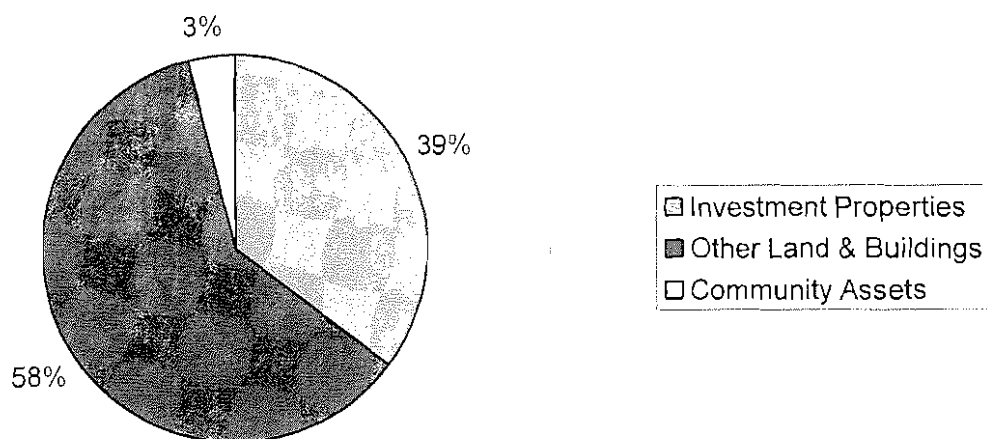
#### Property Portfolio

The Council's property portfolio largely falls under two main categories: Operational Property and Investment Property.

The breakdown of property categories is shown below:-

Category	Number	Asset Value (31/3/09)
Investment Properties	61	£21,011,000
Operational Assets	1092	£31,165,000
Community Assets	146	£ 1,856,000

Property Categories by Value



#### Investment Portfolio Breakdown

The investment portfolio has a total asset value of £21,011,000 and generates an annual revenue stream of £366,000 per year.

The investment property sectors are listed in the table below:-

<b>Investment Type</b>	<b>Number of Properties</b>
Miscellaneous Properties	10
Shops	29
Industrial Estates	7
Ground lease Industrial	1
Residential Development Sites	12
Markets	2

### **Operational Property Breakdown**

The Councils operational estate which is held for service delivery purposes has an asset value of £31,165,000 and is broken down as shown below:-

<b>Property Type</b>	<b>No of Properties</b>
Office/Depots	11
Depots	3
Car Parks	25
Toilets	7
Shopmobility	2
Community Centres	14
Cemetery Buildings	3
TIC	2
Leisure Centres	3
Garages and garage sites	Numerous



## 4. CORPORATE ASSET POLICY

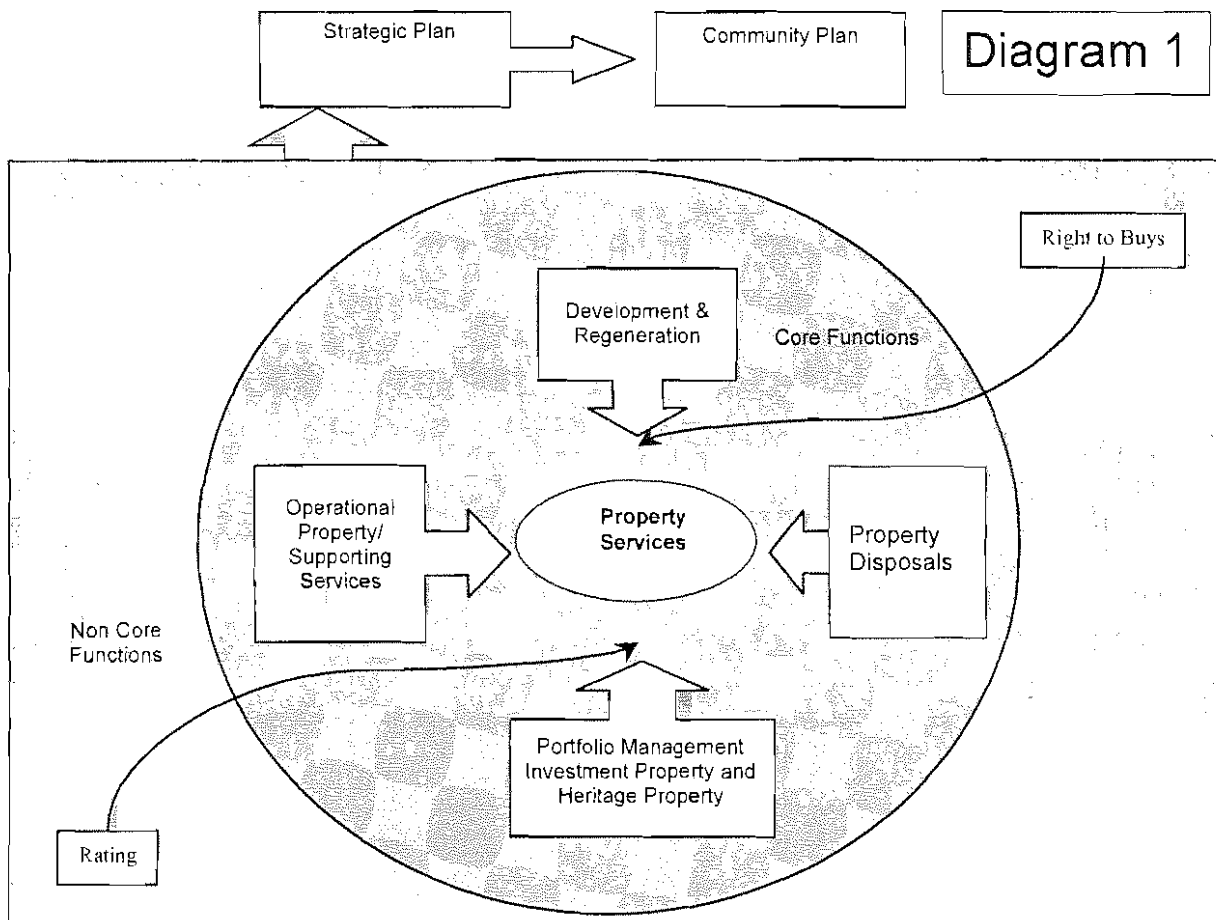
### Introduction

The corporate asset policy identifies how the Council's property portfolio will meet the Council's strategic objectives over the next five years.

In order to achieve our corporate vision, four key work areas have been established for Asset Management and associated strategies developed (see diagram 1 below), these are:-

- i Development and Regeneration
- ii Property Disposals
- iii Portfolio Management – Investment Property
- iv Managing Operational Property/Supporting Front Line Services

An important part of the Property Service business model is the ability to raise external fees from disposals and day-to-day management, which allows Property services to focus on the above core areas through outsourcing. Disposal fees are currently between 1%-5% dependent on the level of work required to bring sales forward, such fees are charged separately from the disposal price.



## DEVELOPMENT & REGENERATION

### **Mission Statement**

To pursue regeneration and development projects which meet the Council's Strategic Aims and Objectives to bring about priority area improvements using existing property resources combined with strategic funds when required and to provide new property assets for the Council.

### **Current Position**

#### Key Strengths

- Extensive commercial landholding particularly in Worksop town centre providing the Council with significant influence in future regeneration projects.
- Land bank of residential development sites (see disposals strategy).

#### Areas for Improvement

- Worksop town centre requires improvement to underpin retail offer and improve quality of town centre.
- Residential sites should be brought forward to meet identified need.

#### Key Opportunities

- Worksop Town Centre Redevelopment Projects.
- New Housing Sites
- Opportunity Purchases

#### Key Threats

- Failure to regenerate key sites in Worksop may affect vitality and viability of town centre.
- Availability of funding to pump-prime the key development projects
- Phasing strategy required in order to maximise opportunities
- Lack of business start up space
- Market Volatility

### **Key Objectives**

- To deliver schemes which are identified as priorities in the Council's Corporate Plan/Economic Development Strategy. Schemes should be brought forward as part of the local development framework and accord to the latest strategic studies for example: retail capacity studies, employment land availability study etc.

- Ensure that development schemes take into account whole life costing and comply with the Council's Climate Change Strategy objectives.
- To identify opportunity purchases to assist the Council in meeting its strategic objectives, and to bring forward schemes which deliver new assets for the Council's property portfolio.
- To be fully aware of market changes/influences to maximise the effectiveness of the Council's property review exercise.
- To minimise the Council's exposure to project risk through use of sensitivity analysis in project appraisal.
- Manage schemes to predicted timescale and cost in accordance with formal project management approach.

### **Development and Regeneration Workplan**

A workplan has been developed which details priority actions under this Strategy.

## **PROPERTY DISPOSALS**

### **Mission Statement**

To meet the capital receipts targets set out in the five year financial strategy and housing business plan, whilst minimising the impact on the Council's operational buildings, its investment portfolio and delivering on the Council's wider strategic property objectives.

### **Current Position**

#### Key Strengths

- Landbank of high quality housing development sites available for disposal.

#### Areas for Improvement

- Housing Sites with existing allocation in the Local Plan should be brought forward for delivery as priority.

#### Key Opportunities

- Opportunity to generate sales from General fund service properties through property review exercise.

#### Key Threats

- The General fund sites are either operational or held for investment purposes and therefore increased receipts in the programme will either require accommodation reviews to identify surplus assets or the Council will lose investment income. This has been budgeted at 6% of capital receipt.

- The effect of not achieving anticipated capital receipts has a major effect on the delivery/development of the Council's capital programme, therefore where targets are identified a weighting system should be adopted to reflect uncertainty and therefore reduce the impact of influences outside the Council's control.

## Key Objectives

- To achieve the General Investment Capital Receipts Target / Allowable income loss as summarised below:-

	2010/11 £	2011/12 £	2012/13 £	2013/14 £	2014/15 £
<b>Capital Receipts Target</b>	<b>1,000,000</b>	<b>50,000</b>	<b>250,000</b>	<b>50,000</b>	<b>50,000</b>
<b>Loss of Rental Revenue Stream</b>	<b>0</b>	<b>4,000</b>	<b>0</b>	<b>3,000</b>	<b>3,000</b>

- To generate housing revenue account capital receipts as outlined below:-

	2010/11 £	2011/12 £	2012/13 £	2013/14 £	2014/15 £
<b>Property Disposals</b>	<b>87,500</b>	<b>987,500</b>	<b>2,150,000</b>	<b>950,000</b>	<b>150,000</b>

- To focus on the sale of non-income generating assets to minimise income loss as far as possible in the early stages of the programme and then through a robust property review exercise.
- As the supply of surplus property and development land comes to an end, future disposals will be prioritised based on investment performance as identified in the performance management framework.
- Investment and disposal decisions are based on thorough option appraisal and whole life costs.
- Achieve Efficiency savings through disposal of surplus operational property.

The Council's capital receipt target should be agreed between the Head of Finance and Property and the Corporate Property Officer in order to ensure that the programme is sustainable in the long term and the impact of any new targets is fully assessed.

## Disposals Workplan

A workplan has been developed which details priority actions under this strategy.

## PORTFOLIO MANAGEMENT – INVESTMENT PROPERTY

### Mission Statement

To manage the Council's Investment portfolio to ensure revenue income targets are achieved and additional income is generated where possible through pro-active property management and seeking out new investment opportunities

The Council's key investment budgets are:

Industrial Estates	£190,900
Miscellaneous Properties	£87,100
Shops	£88,000
<b>Total Revenue Stream</b>	<b>£366,000</b>

### Current Position

#### Key Strengths

- Varied Portfolio with relatively low void rates historically.

#### Areas for Improvement

- Due to staff changes there are a wide variety of occupancy agreements and a standard approach is required.
- The stock has remained static over the last five years and there is significant potential through ring fencing to adopt a disposal/re-investment strategy to increase income and provide new assets.
- A planned maintenance regime is required in order to ensure that investment assets are fit for purpose.
- Management software is not fit for purpose.

#### Key Opportunities

- The opportunity exists to purchase new assets to provide the Council with investment return and security.
- A number of properties fall within identified redevelopment areas.

#### Threats

- Market volatility
- Property condition

## **Key Objectives**

- Property management to maximise investment return in line with market conditions.
- Minimise Letting Voids through pro-active property management.
- Performance is challenged continuously and poorly performing properties are identified through benchmarking/performance measures. Assessments are made in respect of further investment or disposal.
- Undertake maintenance on a planned basis to maintain asset life, repairs to take into account whole life costing.
- To acquire new properties which generate a financial return for the Council greater than that obtained for alternative non-property investments held by the Council to enhance the income streams outlined above.

## **Portfolio Management Investment Property Workplan**

A workplan has been developed which details priority actions under this strategy.

## **MANAGING OPERATIONAL PROPERTY/SUPPORTING FRONT LINE SERVICES**

### **Mission Statement**

To provide operational property which is fit for the purpose and work to enhance the quality of operational property through innovative solutions.

### **Current Position**

#### Key Strengths

- Administrative buildings have been maintained on a planned programme.
- Health and Safety arrangements are in place and access audits.

#### Areas for Improvement

- A number of properties are maintained by Council services outside of Estates and would benefit from centralised management.
- New management software is currently being implemented for estates.
- Planned maintenance surveys require revision and should cover all properties where the Council has a direct repairing obligation.

### Key Opportunities

- Opportunities exist to rationalise underused properties or high maintenance properties which are not fit for purpose through the property review process to bring forward general fund receipts.
- Opportunity to secure new accommodation through development projects.
- Invest to save opportunities in-line with the Council's Climate Change Strategy.

### Threats

- Maintenance budget must be adequate for meet five year programme.

### **Key Objectives**

- To understand the needs/requirements of Services to ensure that their property holding is suitable for their requirements and is adequate for future service delivery.
- To ensure the majority of repairs are carried out under a five-year planned maintenance programme and that repairs take into account whole life costing.
- To minimise energy running costs and reduce CO2 emissions in accordance with the Council's Climate Change Strategy through energy management.
- To improve assets where opportunities allow for disposals/ reinvestment.
- To evaluate opportunities for joint working with partners to achieve efficiency savings.
- Acquire new Properties where a service need has been identified and as a solution to resolve issues identified in first round suitability surveys.

### **Operational Property/Supporting Services Workplan**

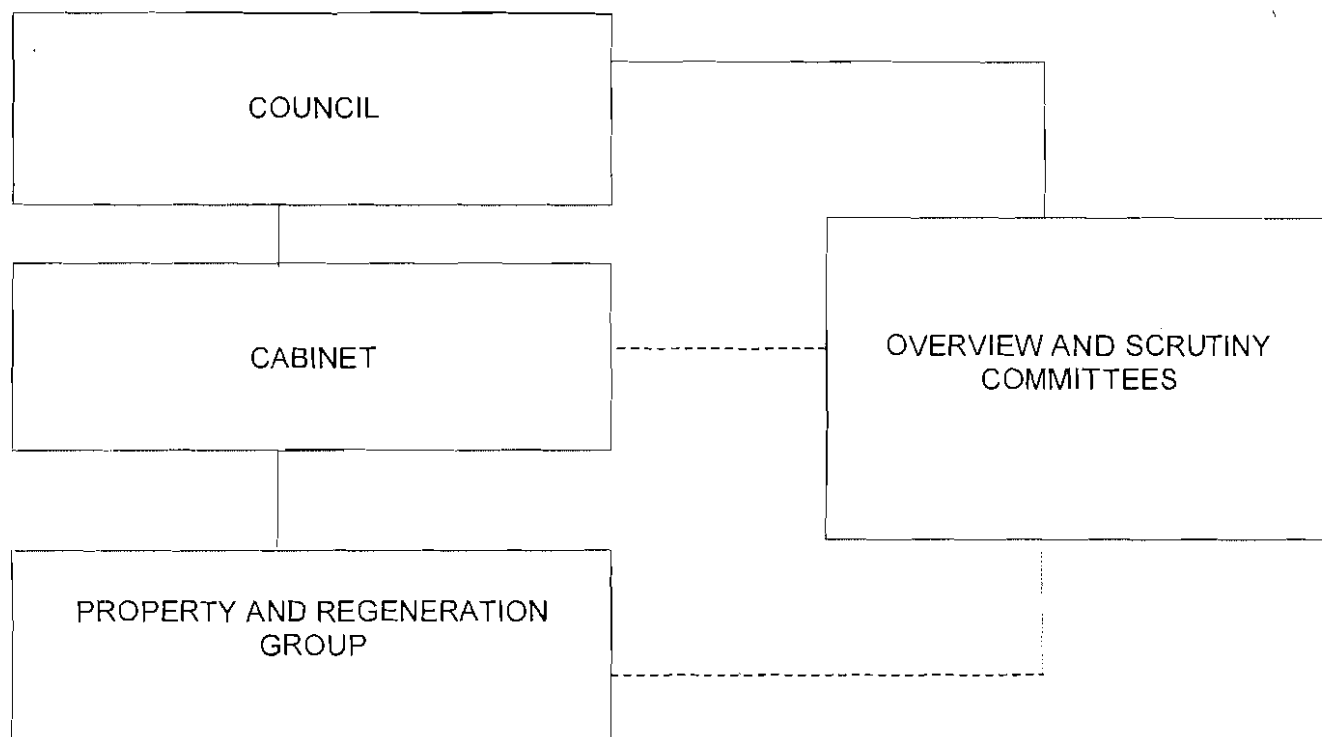
A workplan has been developed which details priority actions under this Strategy.

## 5 ORGANISATIONAL ARRANGEMENTS FOR CORPORATE ASSET MANAGEMENT PLANNING

### Introduction

This section of the Plan aims to explain the Council's political and officer structures for managing its property assets.

### Political Corporate Asset Management Structure



### The Council

The Council has responsibility for agreeing the Asset Management Plan, Capital Strategy, and Capital and Revenue budgets.

### Cabinet

Cabinet has responsibility for the preparation of the Asset Management Plan, Capital Strategy and the overall budget, along with the agreement of capital projects and the delivery of the same.

### Property and Regeneration Group

The Property and Regeneration Group has the following Terms of Reference:

1. To plan, recommend and monitor the Authority's Capital Programme to ensure the best coordination of resources and delivery of agreed budgets within



timescales. This will include the compilation of the recommended projects, their resourcing and monitoring throughout the relevant financial year.

2. To review the Council's land and property holdings with emphasis on their use and relevance to the needs of the Council.
3. To review the Council's land and property requirements and ensure that land and property matters are dealt with efficiently and corporately.
4. To make recommendations for further investment in and safeguarding of the Council's land and property holdings.
5. To contribute towards the selection of potentially saleable land and property.
6. To consider matters relating to strategic sites within Bassetlaw to maximise town centre regeneration and external funding opportunities related to land and property considerations.
7. To promote value for money in all capital projects and the whole-life implications of new and existing assets.
8. To consider the land and property aspects of all projects being prepared in accordance with the Council's approved budget and be aware of wider considerations such as:-
  - the availability of sites and premises within the District irrespective of ownership
  - the demand for sites and premises
  - the availability of external resources to bring forward new sites and premises
  - the increasing role of the Local Authority as a facilitator and enabler
  - the development of regeneration programmes within the District,
  - The approval of the Asset Management Plan.

The Group meets every month throughout the year, membership of the Group is as follows:

Director of Resources (Chairman)  
Head of Finance and Property  
Head of Community Prosperity  
Property Manager  
Senior Housing Manager  
Environment Services Manager  
Economic Development Manager  
Planning Policy and Conservation Manager  
Principal Building Control Surveyor  
Senior Accountant  
Sustainability Officer  
Principal Engineering Services Manager

## **Scrutiny Committees**

The Council has two main scrutiny committees whose terms of reference include the monitoring and review of property related policies, projects and processes.

### **Corporate Property Officer**

The Property Manager as the Corporate Property Officer has specific responsibility as the Council's most senior property professional for management of the property portfolio. The specific responsibilities of the Corporate Property Officer are set out below:

- The implementation of the asset management process across the Council to produce the requisite outcomes and performances;
- Providing advice to the Authority in respect of all property issues;
- To review the Council's Corporate Plan, service plans and the community plan to identify property implications;
- Forward planning to ensure the Authority's property assets support the delivery of corporate and service objectives;
- Assessing corporate drivers for future change and their implication for asset management;
- Annual interviews with Heads of Service to discuss asset management and property suitability issues in relation to specific services;
- To maintain close links with service review lead officers to identify at an early stage any implications for assets;
- Developing and implementing performance measures including the utilisation of local and national performance indicators.

The Corporate Property Officer or his nominated representative attend all working groups and regularly advises Members at the Property & Regeneration Group.

## Overview

An essential part of Asset Management is for an effective planned maintenance policy and a thorough understanding of the condition of the property portfolio in order that strategic decisions can be made with full information.

## Maintenance Backlog

A second round survey of all properties excluding housing assets managed by A1 Housing will be undertaken this year. A five-year planned maintenance programme will be developed for each property taking into account repairs and maintenance, fire risk recommendations, access improvements and essential health and safety work. The surveys will be carried out for properties where the Council has a direct repairing obligation.

The aim of the programme is to ensure that the Council's assets remain fit for purpose and to shift to focus of maintenance closer to the RICS best practice ratio of 60% (Planned) – 40% (responsive) where sufficient funds exist. Overall, this approach should reduce the cost of maintenance over the life of the programme.

The five-year planned maintenance programme will be monitored annually to assess the true maintenance backlog for Council properties. The identified backlog for each property will be the difference in work carried out in year against the identified programme.

## Approved Action to be taken to Reduce Maintenance Backlog

In order to assist with the cost of ensuring that property assets are fit for purpose the following action will be taken.-

- 1) Cabinet approved a capital bid of £500,000 in last year's budget process which will be spent in 2010/11. Further resources of £75,000 per annum from 2011/12 is included in the new Capital Programme elsewhere on this Agenda. This budget will assist in meeting the cost of work identified through revised condition surveys.
- 2) The revenue repairs and maintenance budget for 2010/11 has been confirmed at £280,700.
- 3) Property reviews will take into account the cost of future repairs identified through revised condition surveys with a view to disposing of assets with a high maintenance cost and low suitability/financial return.
- 4) Innovative partnership agreements to reduce the Council's repairing liabilities for example: Regal Cinema/Kilton Youth Centre where a peppercorn lease

arrangement has been agreed in return for tenants achieving community objectives and obtaining funding for property maintenance.

- 5) Whole life costing model used as part of maintenance process. The CIPFA IPF strategic model will be adopted by Property Services to consider major property repair items.
- 6) Applications for external funding to match fund capital monies provided by the Council. Significant potential exists to lever match funding for the Council heritage properties.
- 7) Invest to save bids will be submitted to carry out energy efficiency improvements to Council property.

### **Methodology for Corporate Prioritisation of Projects**

With the current financial constraints and competing pressures on the Council it remains important that the Council adheres to its methodology for prioritising between potential projects and schemes, which are based on both corporate and service based priorities. Attention is also focussed on the revenue implications of any capital expenditure to ensure the Council will not inherit a legacy of increased revenue costs. Therefore, only whole life costs are considered.

The Asset Management Plan plays a vital role, through a co-ordinated and sustainable asset disposal/retention process, in releasing capital resources to help fund the programme.

The prioritisation process is numerically based, and allocates points to projects dependent upon the categories into which they fall. The aim is to demonstrate how the Council selects projects that will achieve its overall objectives and is not biased towards particular service interests.

The process is in two parts. In Stage 1, projects are placed into one of 8 categories, attracting the appropriate points (example: categories include legal requirement to provide service or asset/match funding is available to meet part of the cost). In Stage 2, additional points may be acquired if projects satisfy one or more criteria. Equally, points can be deducted if, for example, the project results in increased revenue costs. The aggregate of these two stages will result in a list of projects in priority order.

Projects above £500,000 will be considered separately. This is because above £500,000 a project will consume such a large proportion of the likely resources available as to make the process ineffective for the remaining bids and it is recommended that bids of this order should be prioritised and considered separately. Projects of this scale make comparison in the context of a prioritisation process very difficult. In a case where a project of such size is put forward, it could be decided that all cash available for the year should be allocated to this one project or if the project is high value and spans a number of years, the annual allocation would be top sliced prior to allocating remaining funds identified through the normal prioritisation process.

A lower limit of £10,000 has been set because this is considered small enough to be met from revenue budgets.

### **Co-ordination of Asset Management Information and Its Integration with Relevant organisational Financial Information**

Due to the importance of capital receipts funding the above capital programme and receiving revenue income to meet predicted targets, it is essential that asset management information is co-ordinated and integrated with relevant financial information.

The asset register is the corporate record of properties and maintained throughout the year in accordance with CIPFA / RICS red book requirements.

Asset management information is reported as a standing item to Property and Regeneration Group, which meets monthly. This information includes progress on capital receipts target, revenue income generated and any rent loss associated with disposals.

In addition to the above, property services staff receive monthly budget reports from financial services in order that progress can be monitored and are involved in forecasting predicted income for future years.

## **Risk Management**

Under Bassetlaw District Council's Corporate approach to managing risk the above asset management/financial risks have been assessed. Ability to achieve capital receipts target scored as an amber (medium risk), and therefore ongoing review and monitoring is necessary as identified above. In the Corporate Property Strategy – Disposals Policy, it is identified that the CPO should be closely involved in setting the capital receipts target in order to mitigate risk and ensure that the capital receipts target is sustainable.

In respect of revenue income generated from investment property, the risk of not achieving the target is rated as green (low risk) due to the likelihood of any variance being in the region of less than £50k based on past performance and also property services staff are heavily involved in forecasting the budget.

A key area which requires review is in respect of Health and Safety arrangements for council properties which has been assessed as an amber risk as existing systems are in place to manage key areas for example: legionella, asbestos, electrical safety and condition. A review of controls will be carried out this year alongside the implementation of the new property management system.

## **Overview**

Performance monitoring is essential to ensure that the property portfolio is achieving strategic outputs. New indicators will be implemented this year, which are directly linked to the main aims of the Council. The performance indicators are reported annually to the Audit and Performance Scrutiny Committee in a report which describes and evaluates how the Council's asset base contributes to the strategic plan objectives.

## **Performance Indicators**

It is recognised that an effective performance management framework is essential in delivering a well run Asset Management Service.

The Council are collecting the new COPROP performance management national property performance indicators. These are in summary:

### ***PMI 1 Condition and Required Maintenance***

This indicator highlights maintenance backlog and indicates the percentage of planned maintenance which the authority is undertaking. The emphasis of this measure is to ensure that property assets are fit for purpose.

### ***PMI 2 Environmental Property Issues***

Measurement of running costs for property (Gas, electricity and water) and assess the level of CO2 emissions generated from Property.

### ***PMI 3 Suitability Surveys***

In line with ensuring that premises meet the requirements of service users, suitability surveys are used to highlight service user issues with buildings in order that an action plan can be formulated.

Local/Corporate Property Performance Indicators as summarised below:-

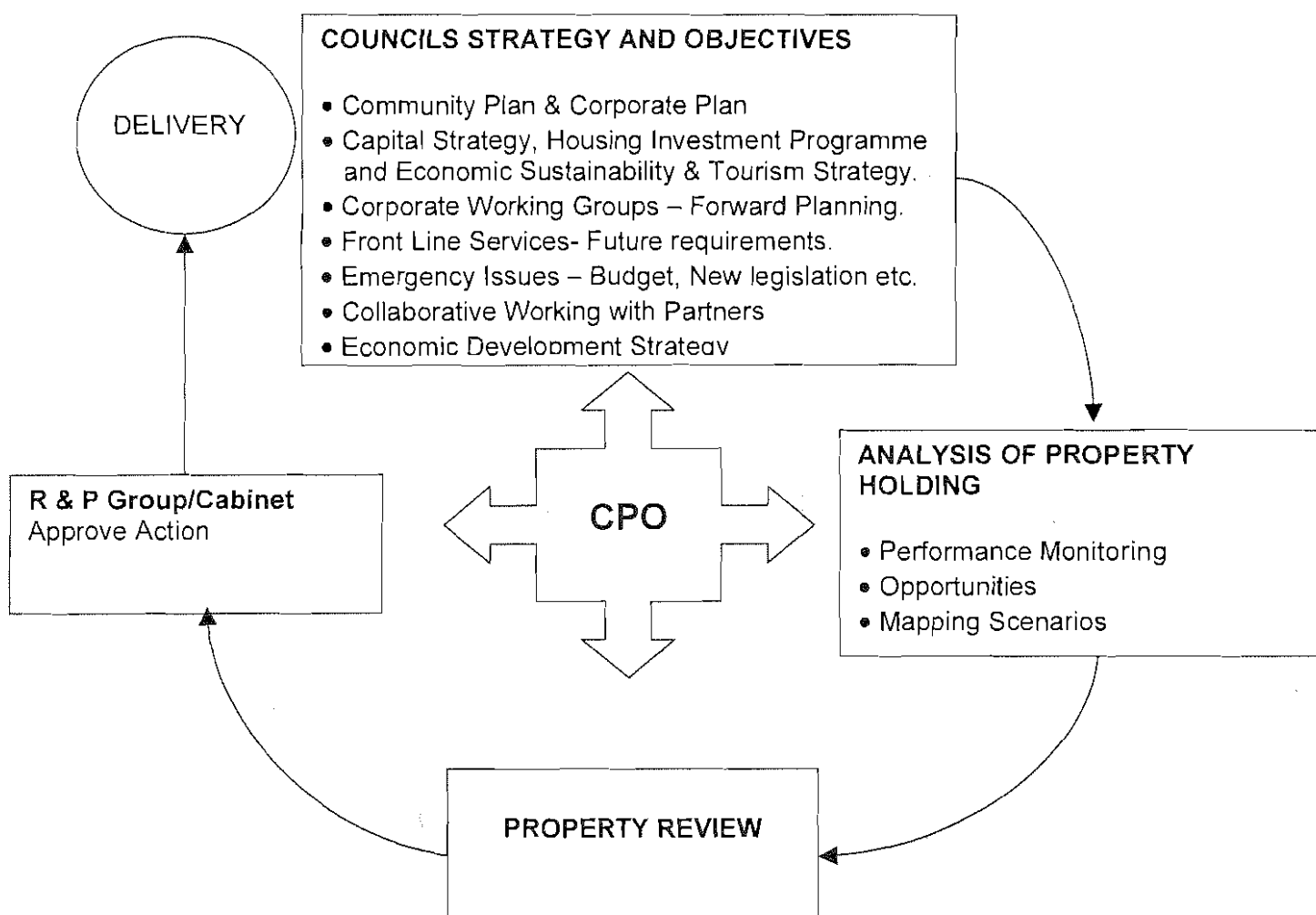
Ref	Indicator	Definition	Corporate Link
LPI 1	Performance of capital disposals against target set	% of financial value achieved against financial target	Efficient and Effective
LPI 2	Annual Rental Growth (Investment Property)	Used to identify good / poor performance within the Property Portfolio	Efficient and Effective
LPI 3	% Revenue Income achieved against target	Used to highlight annual investment property performance	Efficient and Effective
LPI 4	Voids	No of lettable units void as a % of the total units	Efficient and Effective
LPI 5	Jobs Created	Net gains for key property transactions	Jobs and Enterprise
LPI 6	No of new Affordable Housing Units delivered directly or indirectly	As stated	Safe and Strong



### Property Review/Suitability

A robust property review exercise is fundamental in developing an effective asset management strategy. The Council's second round review programme is currently underway and continuously challenges whether our current property holdings are achieving the Council's aims and objectives.

The review process is outlined below:



The property review process ensures that the Council's reason for holding property is clear and relevant. The review takes into account the Council's future property requirements, strategic issues, performance measures outlined in Section 8, and future maintenance liabilities. The standard property review sheet is included in Appendix 1.

For operational properties the views of the service managers are vital in understanding whether service properties are fit for purpose and are able to meet the future requirements of the Authority. The method of obtaining this feedback is through suitability surveys and structured interviews with service managers. In addition to more formal methods of consultation the CPO interacts daily with front line services and has a full understanding of their requirements. The standard suitability survey is also attached in Appendix 1. The results of the survey are then used to complete the suitability matrix as part of the property review exercise.

As part of the liaison process with front line services the CPO regularly attends Portfolio Holder meetings to discuss property issues through a workshop style process.

### **Future Requirements**

As shown in the Property Review process model above, the CPO plays an active role in strategy formulation in addition to a financial role in ensuring that sufficient monies are generated to fund the Council's Corporate Plan commitments and Housing Investment Programme.

The CPO attends the working groups outlined below and provides a direct corporate link to Property and Regeneration Group. The future requirements of the Authority can then be translated into Asset Management Policy.

- i A1 Housing Project Board – To determine Housing Strategy in Bassetlaw
- ii Regular property meetings with Nottinghamshire County Council, Bassetlaw PCT and Nottinghamshire Police – Regular meetings held at officer level to discuss property issues with a view to collaborative working.
- iii Bassetlaw LDF Group – Considering regeneration issues as part of the LDF.
- iv Bassetlaw Newark and Sherwood Crime Partnership - Property input required to improve crime hotspot areas.
- v Sustainability Group

Attendance at the above Working Groups is essential to providing a corporate understanding of property issues. Property input has been the catalyst for new delivery solutions as evidenced below:-

- Bassetlaw PCT recently contacted Estates with a requirement to purchase/ lease a site for the construction of a 24 hour doctors surgery in Manton. A site was identified by the Council as is currently under consideration by the PCT.

### **National Links**

An important part of the Asset Management process and keeping up to date with latest information is membership of the CIPFA Asset Management Planning Network.

Through this Group the CPO is made aware of future changes which affect Asset Management and the Council benchmarks performance information with member authorities.

The Network is a valuable source of information and member authorities share information on a number of issues.

## **APPENDIX 1**

### **Property Review / Suitability**

## PROPERTY HOLDINGS REVIEW - ASSESSMENT SHEET

1. PROPERTY
2. PROPERTY CATEGORY
3. DESCRIPTION
4. FLOOR AREAS/SITE AREA

*INSERT PHOTO*

### 5. CONTRIBUTION TO COUNCIL'S MAIN AIMS/OBJECTIVES

	Low	Medium	High
Creating a Better Environment			
Crime and Community Safety			
Promoting Social Inclusion			
Transport and Access			
Addressing Housing Needs			
Lifelong Learning			
Jobs and Regeneration			
Promoting Healthy Communities			
Leisure and Culture			
Investment Property			
Operational Property			

## **6. TENURE DETAILS**

## **7. MAINTENANCE**

7.1 Current Condition:

7.2 Actual Maintenance Cost(last Financial Year) : £

7.3 Provisional Allocation in Planned Maintenance Budget - £

7.4 Planned Maintenance Requirements:

Year 1            £

Year 2            £

Year 3            £

Year 4            £

Year 5            £

**Total            £**

## **8. RUNNING COSTS/ENERGY USE**

8.1 Water:

8.2 Gas:

8.3 Electric:

8.4 Business Rates:

8.5 Management Issues:

## **9. COMMITTEE - Executive**

## 10. PLANNING -

## 11. PERFORMANCE MEASUREMENTS

11.1 Capital Value

11.2 Income:

11.3 Frequency of Review/Next Review

11.4 Annual Rental Growth Rate:

11.5 Internal Rate of Return:

11.6 Investment Performance Matrix

Good Performance	B	A
	D	C
Poor Performance	High Investment	Low Investment

11.7 Suitability Matrix (Operational Properties Only)

High suitability	B	A
	D	C
Low Suitability	High Investment	Low Investment

**12. COMMITTEE - Executive**

**13. OPTIONS Corporate/Financial/Service Considerations)**

- 1 Retain
- 2 Dispose of Freehold
- 3 Lease the site to generate rental income

**Corporate**

**Financial**

**Service Considerations**

**14. OTHER COMMENTS**

**15. RECOMMENDATION**



### Suitability Questionnaire

Date:

Property:

Suitability Score 0 (Worst: Not Suitable) – 10 (Best: Very Suitable)

Suitability Elements	Score
1) Location of Premises	
2) Amount of Floor space/Land	
3) Quality of Facilities	
4) Car Parking	
5) Layout	
6) Running Costs	
7) DDA Compliant	
8) Corporate Image	
9) Adaptability	
10) Potential to meet future Requirements.	
11) Staff Satisfaction	
12) Customer satisfaction	
TOTAL	
<b>Other comments from Service Provider</b>	

Scores of less than 60 generally require action to address Property Issues either through new Property solutions or work to address key suitability elements outlined above.

Action Plan would be identified in Property Review process.

**BASSETLAW DISTRICT COUNCIL**

**CABINET**

**11 FEBRUARY 2010**

**REPORT OF HEAD OF FINANCE & PROPERTY**

**ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES**

Cabinet Member: Finance & Property  
Contact: Mike Hill  
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**1. Public Interest Test**

The author of the report, Mike Hill, has determined that the report is not confidential.

**2. Purpose of the Report**

- 2.1 Sections 25 and 26 of the Local Government Act 2003 require a report from the Chief Finance Officer to be submitted to Members at the time the budget for the coming year is being set.
- 2.2 The purpose of the report is firstly, to advise Members about the robustness of the estimates being considered; and secondly, to comment on the adequacy of the Council's reserves.

**3. Background and Discussion**

**Robustness of Estimates**

- 3.1 Under Section 25 of the Local Government Act 2003 the Section 151 Officer is required to provide a commentary assessing the robustness of the estimates when Cabinet and Council are considering the budget proposals. The key strategic risks in considering the 2010/11 revenue budget proposals and capital programme in the context of the Medium Term Financial Plan are:
  - The continuing credit crisis has added uncertainty about the current economic environment, and this has exacerbated the future effects on the Council in terms of debt collection rates, housing benefits, and the public's capacity to spend on various Council services. The income estimates have therefore been reduced to counteract the implication of lower consumer disposable income.

- The near collapse of the international financial markets in 2008 has presented a challenging time for the Council, with future timescales and amounts of returns from the four affected Icelandic bank investments yet to be determined. However it must be noted that Heritable bank and KSF bank have made payments to the Council of £0.584m (28.79%) and £0.312m (30%) respectively, (including a share of interest). The government's recent decision not to extend the impairment deadline past 2010/11, coupled with their reluctance to confirm the availability of capitalisation requests for impairment during 2010/11 has forced the Council to apply for capitalisation during the current year (2009/10).
- Pay thresholds have now been capped at 1% for the next two years, and this presents a level of certainty, which has been built into those particular budgets. In addition to this, the vacancy factor has been reduced for 2010/11 onwards to a more reasonable target of 2.5% (from 5%), as the impact of service reviews takes hold.
- The transfer of leisure services to BPL is expected during early 2010, however in the interests of prudence, the budget has been left at current levels.
- Funding for capital schemes, particularly in later years, remains subject to generating capital receipts and being successful in bidding for grants. In the absence of that funding some schemes will likely not be affordable. However, it is proposed to use Prudential Borrowing for 'long life' assets to meet the escalating costs of Disabled Facilities Grants. This additional pressure on the Minimum Revenue Provision (MRP) has been built into the revenue budgets.
- The impact of the new International Financial Reporting Standards are currently being determined by Finance Officers, and may have an impact on opening balances and future MRP calculations in respect of accounting for finance leases.
- Investment income interest rate assumptions have been set at 1.5%, which is believed to be prudent given market forecasts.
- Cabinet has already approved the Fees and Charges in December. They have been set in accordance with the Corporate Charging Policy, and realistic estimates have been included within the budget based on estimated usage of each service.
- The Council's level of employer superannuation contributions from 1 April 2010 for the General Fund are based on figures provided by the Pensions Authority and are determined until 2012/13.
- A1 Housing continues to review its Service Level Agreements with the Council. No changes are expected during 2010/11.
- The proposals for the Council Tax increase contained in the report have had regard to the Secretary of State's announcement of his expectations with regards to capping.

- The Council has sound Financial Management arrangements in place as evidenced by the Use of Resources Assessment for *Managing Finances*, where under the new scheme, the Council has been assessed as being at Level 2 for 2008/09.
- The Capital Programme is set out in a separate report. In summary, the borrowing used to fund the Capital Programme is accounted for in the 2010/11 revenue budget.
- Concessionary Travel is administered by Nottinghamshire County Council on behalf of all the Districts in the County. Now that accurate usage figures are available to the County Council, the estimated costs given to each district council should be robust. These have been built into the budgets, and should be adequate to cover all known cost pressures.
- Job evaluation is ongoing within the Council, and paycales have yet to be applied to the scoring system. The Cabinet has already approved the creation of a dedicated Job Evaluation Reserve to mitigate the costs for any level of backdating and support.
- The effects of major flooding within the district became a reality in 2007 and may happen again. During 2007/08 the Council was able to withstand the arising costs of the floods without a serious impact on balances. Since that time measures have been instigated in response to the Pitt Review that should reduce the risk. These schemes are ongoing, and further resources are being committed as part of the Capital Programme for 2010/11 and future years.

### **Adequacy of Reserves**

- 3.2 The Local Government Finance Act 2003 also requires authorities to have regard to the level of reserves when calculating their budget requirements. Professional guidance is set out to assist in this deliberation (guidance note on Local Authority Reserves and Balances – LAAP Bulletin 77 – November 2008). In consideration of this guidance, the Council is maintaining its minimum working balance of £1.0m for the General Fund, and £0.75m for the Housing Revenue Account.
- 3.3 The resulting levels of general reserves and balances from the proposed 2010/11 budget (i.e. at 31<sup>st</sup> March 2011) are summarised below. Further details are available in the budget report elsewhere on this agenda.

	<b>£'000</b>
<b>General Fund Revenue</b>	
Minimum Working Balance	1,000
General Reserve	60
Other Revenue Reserves	52
	<u>1,112</u>
	<b>£'000</b>
<b>Housing Revenue</b>	
Minimum Working Balance	750
General Reserve	605
	<u>1,355</u>
<b>Capital</b>	
Capital Reserves	<u>0</u>

#### 4. Implications

- (a) For service users

None arising directly from this report

- (b) Strategic & Policy

The Revenue Budget process supports the Medium Term Financial Plan in delivering the Council's objectives of being efficient and effective.

- (c) Financial - Ref: 10/166

The Head of Finance & Property, as designated the Council's Section 151 Officer, has outlined his opinion on the robustness of the estimates and adequacy of reserves.

In summary, the Head of Finance & Property is satisfied that the advice given to Members satisfies his statutory fiduciary duty as required under Section 25 of the Local Government Act 2003.

- (d) Legal – Ref: 23/02/10

The Local Government Act 2003 places duties on Local Authorities with regard to financial management. When an Authority is deciding on its annual budget and Council Tax level it will have to take into account a report from its Chief Finance Officer on the robustness of the budget and the adequacy of the Authority's reserves.

Members should be aware that also under the Local Government Act 2003, the Authority is under a duty to monitor its budgets during the year and consider what action to take if deterioration is identified.

(e) Human Resources

None arising directly from this report.

(f) Community Safety, Equalities, Environmental

None arising directly from this report.

(g) This is not a key decision.

## 5. **Options, Risks and Reasons for Recommendations**

5.1 The LAAP bulletin 77 states that:

*"Account should be taken of the key financial assumptions underpinning the budget and financial strategy alongside a consideration of the authority's financial management arrangements."*

5.2 The following table therefore represents the Head of Finance & Property's judgement of the residual risks of there being variances (over or underspending) from the budget, after taking account of the measures discussed in paragraph 3.1 above:

AREA OF RISK	RISK FACTOR	ACTIONS TAKEN
Volatility of grant income	Low	This is the third year of the three year settlement as reflected within the MTFP.
Income achievement	Medium	Rigorous budget monitoring throughout the year. Budget accountability clearly identified. Corporate Charging policy introduced for fees and charges.
Achieving Star Chamber savings	Low	Already removed from the base budget. Rigorous budget monitoring throughout the year. Accountability clearly identified.
Achieving vacancy rate	Medium	Vacancy target reduced to 2.5%. Budget accountability clearly identified. Managed via budget monitoring process.
Interest Rate changes	Medium	Cash balances for investment assessed prudently, plus impact of using investments as an avoidance of borrowing.

Achieving target spending for capital programme	Medium	Property & Regeneration Working Group monitors and co-ordinates capital programme. Accountability clearly identified.
Revenue spending above/below budget	High	Rigorous budget monitoring throughout the year should ensure that variances in budgets are identified early during the year and actions put in place to address the problems. Budget holder financial training undertaken during 2009/10. Accountability clearly identified.
Change in priorities	Low	New Corporate Plan from April 2010 with strategic themes already agreed by Cabinet. Medium term view taken.
Complying with grant requirements	Low	Very few grants in operation. No adverse audit commentary received.

- 5.3 The one area above where risk was previously judged to be high was the Council's record of persistent underspending on its revenue budget over several years. The Star Chamber process has hopefully addressed the majority of this 'excess', and therefore the occurrence of significant under/overspending has now been reduced.

## 6. Conclusions

- 6.1 Having considered the above risks, the Section 151 Officer regards the levels of reserves and balances forecasted to be held at 31<sup>st</sup> March 2011 as adequate. The Section 151 Officer is able to state that in his opinion the estimates are sufficiently robust to allow the Council to set the budget, capital programme and council tax for 2010/11 and provide indicative figures for 2011/12 and 2012/13.

## 7. Recommendations

- 7.1 That the Cabinet notes this report.

**Background Papers**  
Budget working papers

**Location**  
Accountancy office