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**BASSETLAW**

DISTRICT COUNCIL  
NORTH NOTTINGHAMSHIRE

# **BUDGET BOOK 2011/2012**



# **BUDGET BOOK 2011/12**

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**BASSETLAW DISTRICT COUNCIL**

**COUNCIL**

**3 MARCH 2011**

**REPORT OF THE DIRECTOR OF RESOURCES**

**BUDGET HEADLINES 2011/12**

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 10<sup>th</sup> February 2011 to assist the Council in determining its call upon the Collection Fund and hence the level of the Council Tax for 2011/12.

**2. Background**

**General Fund Revenue Budget**

- 2.1. The overall grant settlement saw a decrease of £2,041,300 before adjustments for Concessionary Fares. RSG amounts to £2,188,900 with the NNDR element being £7,081,500.
- 2.2. The General Fund net budget for 2010/11, as agreed by Cabinet is £16,672,300 after funding Service Improvement Bids (£41,100), Parish Precepts (£810,300), and the use of balances (£0). This provides for a Council Tax increase of 0%.

**Parishes**

- 2.3. The Parish Precepts for 2010/11 total £810,300 (rounded to nearest £100), an average Band D increase of 1.87%.
- 2.4. The District Council has no special expenses. This is confirmed in the Council Tax Resolution.

**General Fund Reserves and Balances**

- 2.5. 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**

- 2.6. The Council Tax base (Band D equivalent) has increased from 35,991.63 to 36,217.26.

### **Bassetlaw District Council Tax For 2011/12**

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

	<b>£'000</b>	<b>Council Tax Band D Equiv. £</b>
General Fund Total Expenditure	16,672	460.34
Transfer from Reserves	0	0
	<hr/> 16,672	<hr/> 460.34
<b><u>LESS</u></b>		
Parish Precepts	-810	-22.37
Revenue Support Grant	-2,189	-60.44
National Non-Domestic Rates distribution	-7,081	-195.53
Other Grants	-1,057	-29.18
To be met from Collection Fund	<hr/> 5,535	<hr/> 152.82
<b><u>LESS</u></b> reductions due to better than expected local tax collection	0	0
	<hr/> 5,535	<hr/> 152.82

### **Housing Revenue Account**

- 2.8. The Housing Revenue Account estimates for 2011/12 include an average weekly rent increase of £3.81 per week on a 52-week collection basis as from 4<sup>th</sup> April 2011 in respect of all dwellings. This provides for an average rent increase of 6.27%. Within the HRA, the Council will hold £0.75m as a minimum working balance.

### **Capital Budget**

- 2.9. The CIPFA Prudential Code governs the Authority's Capital Expenditure. This is limited to the amount the Council can afford after allowing for grants, the availability of capital receipts, revenue contributions and leasing.
- 2.10. The recommended Capital Budget for 2011/12 (including the previous years approvals) totals £22,005,000 of which £13,347,000 is for Housing, and the remaining £8,658,000 is for the General Fund.

### **Total Council Tax for 2011/12**

- 2.11. 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.

2.12. 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	0
Nottinghamshire Combined Fire Authority (i.e. Fire & Rescue Service)	69.69	0
Parish Councils and Charter Trustees	22.37	1.87
<b>TOTAL</b>	<b>1,598.17</b>	<b>0.03%</b>

**Precept Requirements for 2011/12**

2.13 The position may be summarised as follows:

	<b>Band D Council Tax £</b>
Bassetlaw District Council	5,534,722
Nottinghamshire County Council	43,213,710
Nottinghamshire Police Authority	5,798,746
Nottinghamshire Combined Fire Authority (i.e. Fire & Rescue Service)	2,523,981
Parish Councils and Charter Trustees	810,315
<b>TOTAL</b>	<b>57,881,474</b>

**3. Recommendations from the budget reports presented to Cabinet on 10<sup>th</sup> February 2011**

The Council is recommended to approve for 2011/12: -

General Fund Budget 2011/12, Financial Strategy and Medium Term Financial Plan 2011/12 to 2013/14

- a) The General Fund net budget of £15,862,000 (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 Service Improvement Bids totalling £41,100.
- e) The declaration of a nil surplus on the Collection Fund.

Housing Revenue Account Budget 2011/12 and Future Years to 2013/14

- f) The HRA budget of £30,783,300 (gross expenditure) and £30,745,100 (gross income).
- g) An average rent increase of 6.27% to £64.62 per week on a 52-week collection basis as from the 4<sup>th</sup> April 2011 in respect of all dwellings.
- h) That the average rent be applied at an individual property level as calculated using the Government Rent Restructuring model.
- i) The use of reserves of £38,200 to fund the budget.

General Fund Capital Programme 2011/12 to 2015/16

- j) The new additions to the Capital Programme totalling £2,170,000.

Housing Capital Programme 2011/12 to 2015/16

- k) The Housing Capital Programme totalling £37,604,000 (subject to confirmation of Decent Homes funding by the HCA).

Treasury Management Policy and Strategy

- l) The Treasury Management Strategy, incorporating the Borrowing Strategy and the Annual Investment Strategy.
- m) The Minimum Revenue Provision Statement.
- n) The Prudential Indicators and Limits.
- o) The Authorised Limit Prudential Indicator.

Capital Investment Strategy 2011/12 to 2015/16

- p) The approval of the Capital Investment Strategy.

Property Asset Management Plan 2011/12 to 2015/16

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

Robustness of Estimates and Adequacy of Reserves

- r) The Council notes the report.



**BASSETLAW DISTRICT COUNCIL**

**CABINET**

**10<sup>th</sup> FEBUARY 2011**

**REPORT OF DIRECTOR OF RESOURCES**

**GENERAL FUND BUDGET 2011/12,**  
**FINANCIAL STRATEGY AND**  
**MEDIUM TERM FINANCIAL PLAN 2011/12 TO 2013/14**

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

**1. Public Interest Test**

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

**2. Purpose of the Report**

- 2.1 To make projections about the long term financial sustainability of the Council in conjunction with current issues and the financial support required for Bassetlaw's priorities in the Corporate Plan.
- 2.2 For Cabinet to consider the budget for the next financial year, and make the appropriate recommendations to Council on the 3rd March 2011 to set the budget and council tax levels for 2011/12.

**3. Background and Discussion**

- 3.1 Bassetlaw's Financial Strategy and Medium Term Financial Plan is a major corporate document, which is allied to the Corporate Plan and shapes the Council's policy. The objectives of the Medium Term Financial Plan are:
- To ensure that the Council's Strategic Aims and Objectives can be delivered;
  - To ensure commitments do not exceed forecast resources over the period and for each individual year;
  - To manage the resources available effectively and to ensure the budget agreed is aligned with the Council's priorities;
  - To ensure local council tax increases are not excessive and capping is avoided;
  - To ensure the Council maintains a realistic level of general reserves to meet unforeseen events.
- 3.2 The backdrop to this year's budget and those covering the remaining Comprehensive Spending Review are well versed. The public sector is being reduced as a matter of Government policy to reduce the national deficit, and the Coalition will be providing councils with substantially less Formula Grant as part of this process.

### Key Issues

3.3 Bassetlaw faces three broad issues:

- Significantly lower levels of central government funding;
- High levels of Council and community ambition to regenerate the district;
- An ongoing organisational improvement agenda.

### **Reserves & Balances**

3.4 At the start of 2010/11 the Council had the following Revenue Reserves at its disposal:

<b>General Fund:</b>	<b>1 April 2010 £'000</b>	
Minimum Working Balance	1,000	This is the agreed minimum balance to sustain financial viability.
General Reserve	149	To be used to fund shortfalls in future years budgets and in-year variations.
Job Evaluation Reserve	815	Set aside until the outcome of Job Evaluation.
Regeneration Initiatives Reserve	125	To be used per agreed Cabinet programme.
Treasury Management Reserve	770	To be used to fund the financial impacts of interest rate fluctuations on the budget.
Insurance Reserve	69	Required for self-insured risks and to pay for all insurance excesses.
<b>TOTAL</b>	<b>£2,928</b>	

<b>Housing Revenue Account:</b>	<b>1 April 2010 £'000</b>	
Working Balance	750	The agreed minimum balance to sustain financial viability.
HRA Reserve	847	To be used to fund shortfalls in future years budgets and in-year variations.
<b>TOTAL</b>	<b>£1,597</b>	

3.5 Members have been successful in their aim of using the Council's resources for the benefit of the community, rather than retaining balances and not utilising them. This position, however means that Bassetlaw now has to "pay as it goes" i.e. if there are savings to be made or any new initiatives approved then they have to come out of existing resources.

3.6 Other earmarked resources are for specific issues which will ensure major events such as Job Evaluation are dealt with without impacting on services.

3.7 General Fund Revenue Reserves and Balances at 1 April 2010 constitute 17.0% of Bassetlaw's £17.2m net expenditure in 2010/11. Whilst the new Government has abandoned the Use of Resources, Bassetlaw cannot abandon its spirit as certain elements of the assessment will still figure in the external audit opinion of the Council for "Financial Resilience" under the new value for money assessment.

## The 2010/11 Financial Year

- 3.8 Members were informed at the November 2010 Cabinet about the current moratorium on non-committed expenditure due to the projected overspend of £0.587m (before utilisation of reserves) in 2010/11. The two principal reasons are:

- Lower levels of fee income from car parking, planning, building control and land charges;
- Increased costs of borrowing due to changes in Housing Subsidy that effectively means the HRA pays less than anticipated to the General Fund.

These issues have been dealt with in establishing the new base budget position for 2011/12.

### Formula Grant

- 3.9 The backdrop to this budget comprise the successive announcements from the Chancellor in his Emergency Budget in June 2010; and the new Comprehensive Spending Review in October 2010, which announced a 28% reduction in Local Government funding in the 2011/12 to 2014/15 period. In December 2010, the Communities' Secretary published the Provisional Local Government Finance Settlement, but this only provided the details for 2011/12 and 2012/13, with the promise of a Local Government Resource Review commencing in January 2011. Members have already been briefed about these, and as a result, Bassetlaw's share of Revenue Support Grant and National Non-Domestic Rates will fall as follows:

	2010/11 £'000	Reduction £'000	2011/12 £'000	Reduction £'000	2012/13 £'000
<b>Provisional:</b>					
RSG	1,434	737	2,171	*	0
NNDR	9,877	(2,842)	7,035	*	8,200
<b>Total</b>	<b>£11,311</b>	<b>(£2,105)</b>	<b>£9,206</b>	<b>(£1,006)</b>	<b>£8,200</b>
<b>Final:</b>					
RSG	1,434	755	2,189	*	0
NNDR	9,877	(2,796)	7,081	*	8,193
<b>Total</b>	<b>£11,311</b>	<b>(£2,041)</b>	<b>£9,270</b>	<b>(£1,077)</b>	<b>£8,193</b>

\* Note: the split between RSG and NNDR for 2012/13 has not been announced.

- 3.10 This is the most significant change in funding for a generation, as the Government sets about achieving its declared aims of:
- reducing the size of the public sector; and
  - delegating more responsibility to more local levels for decision making.
- 3.11 The following is a list of specific revenue grants that the Council received in 2010/11, some of which have now been amalgamated into the above general Formula Grant for 2011/12:

	Budget	Settlement	Reduction
	2010/11	2011/12	
Revenue Funding:	£'000	£'000	£'000
Area Based Grant	398.8	0	(398.8)
Service Budgets:			
Housing & Council Tax Benefit Admin	825.8	820.3	(5.5)
Benefit Subsidy Admin - Economic Downturn	77.4	82.8	5.4
Business Rates Cost of Collection*	166.0	166.0	0
Homelessness	45.0	92.5	47.5
Places for Change (Homelessness)	55.0	0	(55.0)
Parenting Practitioner	50.0	0	(50.0)
Planning Delivery	83.0	0	(83.0)
Housing Delivery	95.3	0	(95.3)
Free Swimming	90.8	0	(90.8)
	<b>£1,887.1</b>	<b>£1,161.6</b>	<b>(£725.5)</b>

\*Announcement not known and assumed to remain for the purposes of this report.

- 3.12 All these changes compound the underlying change to the Formula Grant, as the Government have also used 2011/12 to change the funding arrangements for major issues such as concessionary fares and transferred them to upper tier authorities, in this case Nottinghamshire County Council.
- 3.13 Dealing with a £1.2m loss in central government funding (after adjusting for the Concessionary fares budget) or a 10% change in any organisation's main source of income is a major challenge, but from the work put in during 2010, Members have prepared for the 2011/12 budget as well as they are able. However, as can be seen from the Table in para 3.9 above there will be an ongoing need to find at least a £1.0m from the 2011/12 base budget to deal with just the grant loss in 2012/13.
- 3.14 Since the Comprehensive Spending Review announcement on the 20th October 2010, the Department for Work & Pensions (DWP) have also announced some long term changes to benefit administration. From 2013, over a four year period, the Government will introduce a new scheme of Universal Credits which will remove the existing functions for rent allowances (private sector rents) and housing benefit (council house rents) from local authority administration and transfer them to the DWP.
- 3.15 Bassetlaw has a current benefit administration staff of 23 fte, with case loads of:
- Council tax benefit 10,089 cases
  - Rent rebates (council housing) 4,556 cases
  - Rent allowances (private sector) 2,958 cases

This is currently offset by the amount of Housing Benefit Administration Grant the Council receives in 2011/12, some £0.9m. In contrast in 2013/14, the Government intends to establish a local scheme for council tax benefit. These new local schemes will save 10% of existing costs and will not be subject to national criteria or inspection. The responsibility will transfer from a national scheme set by Ministers, to local councillors who will establish these local schemes. Councils may also take over responsibility for hardship grants from the DWP.

- 3.16 The Communities Secretary has said (LGC 29 July, 2010) *"In the second two-year settlement I will start the changes to block grant"*. More emphasis will be placed on an incentive method of distributing government grant, and making neighbourhoods or place-based budgets, rather than councils being the recipients of Government funding. This Medium Term Financial Plan therefore can only work with any certainty in the 2011/12 and 2012/13 financial years. The move to place-based budgets, rather than specific funding for each council is a further major change.
- 3.17 In the Comprehensive Spending Review announcement, it was said that the headline figure for funding for local government will be reduced by 7.25% in real terms each year for four years, starting on the 1 April 2011, a total of 29%. On this basis, by 2014/15 up to £3.3m will have gone from Bassetlaw's Formula Grant. However, as can be clearly seen from the Provisional Settlement, this has been superseded by 'frontloading' the grant cuts in the earlier years.

### **Concessionary Fares**

- 3.18 This is a major area that has been signalled for change for some time. Currently the County Council administers the scheme and charges Bassetlaw £1.232m for the use made of it by local residents. The Council received £0.297m special grant in 2010/11 for the extended scheme that gave free travel, but the integral Revenue Support Grant for the core costs of the scheme is an unknown factor now, as it has evolved over such a long time. The settlement reflects the fact that responsibilities for concessionary travel will from April 2011 rest with Nottinghamshire.

### **Staffing Costs and Job Evaluation**

- 3.19 Staffing makes up 48% of Bassetlaw's budget profile, excluding the transfer payments for housing benefits and internal accountancy adjustments, so inflationary pressures here are important. As Members know on the 22nd June 2010, the Chancellor announced a two year pay freeze for all public sector staff earning more than £21,000 on a full time basis. Some 325 staff earn less than this figure and their pay bill equates to some £4.3m. The impact of inflation for these staff totals £63,700, and this has been built into the base budgets from 2011/12. The unknown factor will be the arrangements after this pay freeze stops, and the impact this will have on the Medium Term Financial Plan. If the Pay Policies of the 1970's are remembered, the increases after the freezes ended were larger to compensate for the period of control.
- 3.20 In the last six years Bassetlaw has reduced its establishment of full time equivalent posts, by over 80 posts. This has been done by reviewing each vacant post and using the Council's redeployment policies as effectively as possible to minimise the impact to existing Members of staff:

<b>Year</b>	<b>Posts</b>
2005	25
2006	2
2007	-
2008	34
2009	8
2010	12

- 3.21 The Council has therefore adapted to its new environment, and prepared for lower levels of resources without recourse to any stop/start policies. The issuing of redundancy notices in January for example, to balance the budget in the following April have been avoided in Bassetlaw. This is in part due to the good relations with the staff

side, and a realisation that the Council needs to modernise and be at least a year ahead in its budget planning. This allows any changes that are achieved to have the minimum amount of turmoil for staff.

- 3.22 Job Evaluation is progressing, but discussions with staff's representatives are understandably delicate. This is more so in the current climate, where there is a recognition of the need for a financially sustainable organisation if staff jobs are to be maintained. If agreement is reached with the union side, staff will be balloted on the proposals. The projected costs are estimated to be containable when taking other issues into account like travel arrangements etc, so there is no change in the projections for 2011/12 to 2013/14. Any protection arrangements or initial salary increases will be met from the earmarked reserve established for that purpose.

### Efficiency Savings & Value for Money

- 3.23 The third annual cycle of Star Chambers with Heads of Service was held during the week of 25th October 2010, and also built on the service challenges conducted for Community Engagement & Performance, and Support Services earlier in the year, plus the bulk of the Phase 3 Modernisation and Improvement exercise for Revenues & Customer Services which was completed in September 2010. In total the savings achieved are:

	2011/12 Reduction £'000	% of budget reduced in 2011/12	Total Reductions since 2005/06 £'000
Finance & Property	323.9	11.9%	1,107.6
Revenues & Customer Services	120.5	5.5%	925.8
Community Engagement & Performance	210.8	12.3%	575.1
Corporate Management	67.0	6.7%	854.6
Support Services	147.4	5.6%	598.0
Community Prosperity	445.6	8.2%	1,106.0
Environment & Housing	249.7	3.0%	839.1
Human Resources	18.6	4.5%	69.2
<b>Total</b>	<b>£1,583.5</b>	<b>6.5%</b>	<b>£6,075.4</b>

- 3.24 As the figures show, Bassetlaw has developed a progressive and proactive approach to value for money. Managers are reviewing their services continually now, in preparation for the next budget round, and this makes the savings targets required to balance the budgets easier to achieve. An example of this is that in the above table the following vacant posts will not be funded in 2011/12:

- 1.0 post - Finance & Property
- 2.0 posts - Revenues & Customer Services
- 3.4 posts - Community Engagement & Performance
- 1.0 post - Corporate Management
- 1.0 post - Support Services
- 1.0 post - Community Prosperity
- 0.5 post - Human Resources

- 3.25 Further reports will be forthcoming next year in the Support Services and Community Engagement & Performance service areas. Any savings that are agreed in these areas can be taken in preparation for the 2012/13 Budget. In addition there is the £136,500 savings from the renegotiation of the Consilium contract, which was reported to Cabinet in October 2010, and will take effect from 2012/13. So, the Council is already taking a longer view about its finances and preparing for the lower levels of income the Government have announced.
- 3.26 Members should be under no illusions that the Council will have to deal with the following in each of the next three financial years:
- i) Lower levels of Government support;
  - ii) Ongoing inflationary pressures;
  - iii) Limited opportunities for anything but moderate council tax increases;
- Plus;
- iv) A review of the purpose and distribution of the Formula Grant mechanism.
- 3.27 The core of the 2011/12 budget savings were achieved from the transfer of the Council's leisure services to the BPL trust and also the insurance re-tender which generated savings of £0.13m. These sort of programmes take time to reach fruition, the Council therefore needs to adopt longer timescales to achieve them and remain one year ahead to deal with what the future holds. The projections on Appendix 1 point to an overall £1.3m shortfall in 2012/13. To deal with this and keep Bassetlaw financially sound, Members may like to consider a segmented approach to meeting this financial challenge next year, as the Star Chamber process, whilst successful, is bottom up in its approach. An example would be a £0.2m target from each of the following segments:
- Voluntary establishment reduction
  - Fees & charges strategy
  - Shared services
  - Specific service target i
  - Specific service target ii
  - Specific service target iii
  - General savings target – the Star Chamber Process
- 3.28 By adopting this sort of strategy, with each segment designed to achieve a £0.2m saving, the Council will be able to target its efforts and reach the £1.3m figure. It will be a matter of political choice if Members wish to place more emphasis on one segment or another, but this will have a displacement elsewhere on other segments. Savings of £1.3m could not be achieved by reliance on the Star Chamber process alone, and as this process has been running for a number of years the easiest savings have already been made. Members will therefore have to make some difficult choices and need to start thinking about their priorities now, so that after the next local election, progress can start to be made. It will take time to achieve this magnitude of change.

#### **Fees & Charges Income**

- 3.29 This is a key area of attention for Bassetlaw. In the past three years actual income levels have reduced as follows:

	2007/08	2008/09	2009/10	Total Income Reduction
	£'000	£'000	£'000	£'000
Building Control	321.6	300.2	236.9	(84.7)
Car Parking	797.4	*593.4	*513.2	(284.2)
Development Control	723.7	721.6	528.2	(195.5)
Local land charges	207.9	111.6	115.1	(92.8)
	<b>£2,050.6</b>	<b>£1,726.8</b>	<b>£1,393.4</b>	<b>(£657.2)</b>

\* Reflects the transfer of New St car park in Retford to NCC, and the closure of Memorial Avenue car park in Worksop to build the CHUB.

- 3.30 This Table emphasises how important locally generated income is to balancing the Council's budget. This level of resource is equivalent to nearly twice the level Bassetlaw spends on its Recreation & Sport budget in 2010/11, or a 12% council tax increase. Bassetlaw has not only contained this lower income pressure, but held its council tax below any capping limits with increases in council tax of 2.5% in both 2008/09 and 2009/10, and then a zero increase in 2010/11.
- 3.31 All local authorities have been affected by a number of developments in building control and local land searches, which have further eroded the Council's income sources. To ensure the budget profile remains in balance, Bassetlaw needs to reduce its costs for trading services, so that expenditure and activity levels reflect demand and income. In Building Control for example, two posts out of 11 have been frozen in recent years, and two posts out of 11 have been reduced in Development Control.

### Council Tax

- 3.32 Ministers have said they wish to freeze council tax increases for 2011/12 and possibly for 2012/13. If councils wish to volunteer to match this commitment they will be paid the equivalent of a 2.5% increase on their 2010/11 taxbase as a grant. If Members wish to do this in Bassetlaw then the council tax increase in the first instance will have to be limited to the 2.5%. A central Government grant of £138,300 has been built into the budget profile for 2011/12. A zero increase on council tax has been assumed for 2012/13 and 2013/14 in the appendices to the report. (A 2.5% increase would lower the gap in the deficit to c£1.2m in 2012/13.)

### Capital Strategy Capital Financing

- 3.33 Bassetlaw's Capital Financing Requirement at 31st March 2011 is estimated at some £93.4m in the quarter three *Budget Monitoring and Capital Programme Update Report*. In comparison, the forecasted amount of actual borrowing is £81.2m, so there is approximately £12.2m of additional prudential borrowing Members could undertake to support further capital investment in Bassetlaw's infrastructure if they wished. For every £1m spent however, there will be a revenue implication of c£95,000 in Minimum Revenue Provision and interest repayment costs. As revenue budgets become more constrained this would not be a recommended course of action unless the resources were needed to complete a major commitment or existing project.
- 3.34 The level of Bassetlaw's capital resources will recede during the period of this plan – the level of capital receipts will be understandably less after the Turner Road money is allocated, and supported borrowing becomes less and less meaningful as the level of Formula Grant reduces. Members will need to take into account the level of mandatory grants the Council is expected to make for Disabled Facilities Grants. In the last five years the grant to pay for these compared to the amount paid out is significant:



	2005/06 £'000	2006/07 £'000	2007/08 £'000	2008/09 £'000	2009/10 £'000
Amount Paid	645	946	847	977	1,240
Grant	259	214	336	353	345
Shortfall	386	732	511	624	895

- 3.35 A continuation of commitments at this level, with grant covering just 28% of the amount paid will have a significant impact on the future capital plan for community improvements, as all the resources have to go to assist individual households in this manner.
- 3.36 As Members will know a number of significant schemes are drawing to a conclusion: Worksop's cinema, the Canch projects, the relocation of the market in Worksop and the improvements to the Market Square in Retford. If Members wish to continue to invest in improving the district's infrastructure, the next batch of schemes need to be costed and matched with the resources to pay for them. Again, Bassetlaw will need capital receipts to "pay as it goes". The Asset Management Plan sets out the estimated capital receipts that may be received each year that could be used to fund future investment.

#### **Icelandic Bank Investments**

- 3.37 The two British based subsidiaries, Kaupthing, Singer, Friedlander and Heritable have already repaid approximately 53p and 50p in the pound respectively through their administration procedures. As a result Bassetlaw has received £0.55m and £1.02m respectively from the combined £3m originally invested with these two institutions.
- 3.38 Draft submissions have been prepared by the LGA's legal team to establish whether local authorities are entitled to priority creditor status for the other two investments that are at risk: the £3m with Landesbanki and the £2m with Glitners. These hearings started in September 2010 and it is clear that the legal process will take some time to complete.
- 3.39 As part of the 2009/10 final accounts process, Members were informed that Bassetlaw had secured an additional borrowing allocation of £2.66m to cover any financial impairment to the Council's investments.
- 3.40 These resources will only be used if required, and obviously there needs to be a matching up of the ongoing assessment of the final level of impairment and any use of the borrowing allocations.

#### **A1 Housing Arms Length Management Organisation & Support Services**

- 3.41 Ministers have said that the current Housing Revenue Account arrangements will cease from the 1 April 2012, however no details are available as yet. However, this will form part of a wider review of council housing with the ending of the current subsidy arrangements, and a transfer of the national housing debt to local authorities. There will also be reductions in Decent Homes funding and the consequences of that, plus, less Ministerial targeting.
- 3.42 In the last year A1 Housing has continued to review its SLA reviews for the services the Council provides for Customer Services, IT and Support Services. These are a major factor in Bassetlaw's budget profile as all the services paid for by A1 still total c£1.77m.

## Manton Community Alliance

- 3.43 The Pathfinder funding for this project is due to end in December 2011, however, the recent Financial Settlement has raised some uncertainty about future support for this funding beyond 2010/11. As the responsible accounting body, Bassetlaw will estimate what the level of redundancy costs will be at the end of the scheme. The Council will retain these resources so that the scheme will have sufficient funds to meet its commitments on winding up.

## The Big Society

- 3.44 Bassetlaw currently makes the following available to the third sector and local Parish Councils:

<b>Revenue:</b>	<b>£'000</b>
Age Concern	1.5
Chesterfield Canal Partnership	5.0
Cemetery Grants	9.2
Retford Little Theatre	10.3
BCVS	12.1
Retford Action Centre	15.4
Street Cleaning Grant	21.0
RCAN Rural Officer	32.0
North Notts Arena (max for 4 years)	40.0
Councillor Community Grants	48.0
Concurrent Functions Grant	48.9
Bassetlaw CAB	78.0
	<b>321.4</b>
<b>Capital:</b>	<b>£'000</b>
Parish Councils – Play Area Capital Support	<b>50.0</b>

- 3.45 Bassetlaw also provides support for the following under NNDR reliefs:

	<b>Number of Beneficiaries</b>	<b>Gross Cost £'000</b>	<b>Cost to BDC £'000</b>
Discretionary Rate Relief	45	99.0	24.7
Village shops	53	41.2	10.4
Mandatory relief top-ups	101	76.8	25.6
		<b>£217.0</b>	<b>£60.7</b>

- 3.46 In total, this means that £0.432m is provided to support Parish Councils, local groups, shops and facilities in the district.

## **Inflation**

- 3.47 VAT increased to 20% in the first week in January, and this adjusted will be applied to all future applicable fees and charges income. The key point to note is that unless Bassetlaw uplifts its fee levels, there will be, in effect, a 2.5% decrease in the Council's income.
- 3.48 The Consumer Prices Index was increased to 3.3% at the end of November and this level of increase is reflected in the uplifts to RPI-based contracts currently in operation. All other council-controlled budgets have not been inflated and remain at 2010/11 levels.

## **Service Improvements**

- 3.49 As part of the Star Chamber process the following service improvements were identified, and these have been included in the budget for 2011/12 only. Given that the Council has invested £1.054m in service improvements since 2008/09 there have been fewer bids for the 2011/12 budget round. In addition spending officers have responded to the more austere financial situation and asked to consider fewer new initiatives, which were supported by Members during the Star Chamber process:

	£'000
Revenues & Customer Services:	10.0
Purchase of additional Macfarlane licences to extend Switchboard services	
Human Resources:	16.5
Extension of the First Care service into a second year	
Community Engagement & Performance:	14.6
Increase post of Web Editor from part-time to full-time	
<b>TOTAL</b>	<b>41.1</b>

## **Collection Fund**

- 3.50 The Council is statutory obliged on 15th 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.
- 3.51 Collections to 31st March 2010 were in line with the budgeted rate and resulted in a surplus of £0.293m carried forward. A review of collection levels in 2010/11 and the current fiscal difficulties for taxpayers concluded that it would be prudent to assume a nil surplus in-year for 2011/12. For similar reasons, the council taxbase report to Cabinet recommended that the estimated collection rate remain at 98.5%. The Collection Fund estimates are provided at Appendix 3.

## **Customer Satisfaction & Participatory Budgeting**

- 3.52 In 2010, Bassetlaw carried out a full participatory budget exercise with the specialist firm Research For Today, and the recommendations from the company are that the findings of that exercise are valid for three years. Bassetlaw's current Corporate Plan

runs until March 2013. Members may wish to consult on its replacement as part of a wider exercise to engage with residents on the changes the Council will have to make as part of its approach to the structural changes that will be required after the Finance Settlement.

### **Emerging Issues**

3.53 Members will also know about a number of the other new initiatives Ministers are considering. Without the full detail these cannot be assessed fully as part of this financial plan, but they include:

- A New Homes bonus, which is top-sliced from the overall grant settlement and replaces the previous planning delivery grant mechanism. Bassetlaw has assumed a grant of £0.285m in the 2011/12 to 2013/14 budget, the calculation of which is based on the Government's provisional model.
- The changes to the structure of benefits and Universal Credits from 2014, plus the localisation and 10% reduction in the cost of council tax benefit.
- Business rates reform.
- Community budgeting which will pool budgets from health, education, council and criminal justice.
- A general power of competence.
- A review of the Housing Revenue Account and its relationship with General Fund expenditure.
- The impact of Local Enterprise Partnerships.
- Tax increment finance to enhance services to businesses and local economies.
- New value for money and financial resilience judgements by external auditors.

## **4. Implications**

- a) For service users – the ethos of what public services should be provided, and the manner in which they should be provided has been fundamentally challenged in the last nine months by the incoming Government, and the financial decisions that follow from this have been significant as a result. Whilst the first two-year Settlement announcements place major challenges on Bassetlaw. It is the nature of the second two year settlements that will possibly have the most impact if there is a move to community, or place-based budgeting, and as a result the Council has to negotiate with partners what resources it should get, and the merit of these vis a vis other agencies, and perhaps third sector bodies.
- b) Strategic & Policy – Bassetlaw has been successful in meeting its strategic objectives from the Corporate Plan. But, the scale of change that councils are facing will mean that the next Corporate Plan will have to be structured differently or be curtailed as the Council deals with far lower levels of Government resources.

- c) Financial - Ref: 11/397 - These are set out in the report, and notably in Appendix 1.
- d) Legal – Ref: 280/01/11. As contained within the report.
- e) Human Resources – These are set out in para 3.19 – 3.22 and 3.24.
- f) Community Safety, Equalities, Environmental – Ref: 8/10. This report sets the overall context against which future decisions will have to be made. The equality and diversity issues will be subject to more detailed assessments by service managers as part of the development and implementation of their budget proposals.
- g) This is key decision number 254.

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

- 5.1 Bassetlaw needs to review its Financial Strategy and Medium Term Financial Plan each year to ensure income equals expenditure, and where it doesn't, or is projected not to, corrective action needs to be identified and put in hand

Risk	Impact	Comments
Time	Medium	The Council has in place a proactive strategy for savings and saved a total of £1.6m through the Star Chamber process for 2011/12. A suggested approach is also outlined for 2012/13 in para 3.27. Appendix 1 shows that Bassetlaw needs to find £1.3m to achieve a balanced budget during the next budget round.
Viability	Medium	The budget is made up of hundreds of different service components and any movements in the financial plan, which is what a budget is, need to be offset if any one of them changes. For example, the Council has reduced its income budgets in successive years as a result of the economic downturn as para 3.29 shows.
Finance	Medium	The achievement of a zero council tax increase in 2011/12 and the £138,300 grant to meet it is an integral part of the 2011/12 budget. It is currently unclear if this grant will continue into 2012/13. Sound budget monitoring will also be an important issue for 2011/12.
Profile	High	The services that Bassetlaw provides are important to residents, and how the Council discharges its functions is important to maintain the Council's reputation. An example of this is the positive judgement made by the Audit Commission in the Annual Audit Letter for securing value for money. This budget is challenging, but future rounds will be more so, as the four year span of the Comprehensive Spending Review shows.

## 6) Conclusions

6.1 After any lengthy period of one party in national government, major changes are to be expected once there is a change of power. The new Coalition has taken some major steps already: the Comprehensive Area Assessment has been scrapped, the Audit Commission will be abolished in 2012/13, inspection regimes have been abandoned, and new value for money workstreams are already being developed with the LGA:

- Adult Social Care (upper tier authorities only);
- Children's Services (upper tier authorities only);
- Data and transparency;
- Democratic Leadership;
- Procurement, capital and shared assets;
- Shaping Markets, new models for service delivery;
- Shared services across areas, tiers and partnerships;
- Tackling Government Barriers and Burdens;
- Workforce and skills.

6.2 In the future the Council will be judged on two key criteria:

- Financial resilience - ensuring it has the resources to continue as a going concern; and
- The prioritisation of the resources it does have within tighter budgets to ensure residents get the maximum benefit for the taxes they pay.

6.3 The concept of Localism - communities doing things for themselves, rather than having services provided for them by the public sector will be promoted by increased transparency. A new Localism Bill has been published, and some key concepts which will impact on services are:

- Local referendums and the opportunity to veto excessive council tax increases;
- Community right to challenge and buying local assets;
- Local powers of competence;
- Housing growth and charges on developers;
- Planning and local development.

6.4 Bassetlaw will need to respond to these initiatives as they unfold. The Council has already published all its transactions over £500 on the website, as per the request from the Communities' Secretary.

6.5 The Comprehensive Spending Review outlined that local government would face significant reductions to its funding and this report outlines the impact of that trend. Bassetlaw is fairly well placed to deal with these pressures in 2011/12, given all the preparatory work completed during 2009 and 2010. Looking to the future though it is clear that further savings of a similar magnitude will need to come from every aspect of what the Council undertakes:

- Ongoing reviews of what the community's priorities are, and expenditure reductions in areas that are not of value to them;
- The shared services initiative with Newark & Sherwood DC;
- Further shared initiatives for other services;
- ICT efficiencies and modernisation;
- Accommodation costs;
- Stronger links between activity and income, for some areas, e.g. planning;

- Further “Systems” initiatives which reduces cost through elimination of “failure demand” and more focus on customer value.

6.6 Over time all local authorities will evolve into these new roles. The new freedoms have been provided, but this is within a significantly smaller framework of resources. It is for this reason that this report has placed far more emphasis on resources as they reduce, rather than a more pronounced balance between resources and service delivery. The balance has been changed significantly and is unlikely to reach equilibrium.

## 7) **Recommendations**

Cabinet is recommended to agree the following recommendations to Full Council on 3rd March 2011:

- 7.1 That Cabinet considers the budget for 2011/12 and the Medium Term Plan for 2012/13 and 2013/14 as set out in Appendix 1 of the report, together with the associated comments from Audit & Performance Scrutiny Committee on 8th February 2011, and to recommend their approval.
- 7.2 That Cabinet recommends a council tax increase of 0% for 2011/12, and in line with best practice, also recommends indicative increases of 0% for both 2012/13 and 2013/14.
- 7.3 That Cabinet approves the Service Improvements of £41,100 as summarised in para 3.49.
- 7.4 That Cabinet approves the declaration of a nil surplus on the Collection Fund for 2011/12 as summarised in paras 3.50 and 3.51, and detailed in Appendix 3 of this report.
- 7.5 That Cabinet delegates authority to the Cabinet Member for Finance & Property for addressing any issues coming out of the Business Ratepayers' meeting in February 2011.
- 7.6 That Cabinet notes the position regarding the Manton Community Alliance budgets (para 3.43) and delegates authority to the Director of Resources to deal with the termination of the scheme during 2011.
- 7.7 Delegated authority be given to the Director of Resources to deal with amendments to the budget with regard to Revenue Support Grant, Drainage Board invoices, New Homes bonus and parish precepts, all of which will not affect the Council Tax Resolution.

### **Background Papers:**

Previous Year's Budget Reports	Director of Resources
Local Authority Financial Settlement Data	Director of Resources

**COUNCIL BUDGET 2011/12 AND FUTURE YEARS**

Approved Budget 2010/11		Budget 2011/12	Budget 2012/13	Budget 2013/14
£		£	£	£
<b>SERVICE BUDGETS</b>				
1,394,400	Community Engagement & Performance	1,212,700	1,216,700	1,222,500
4,273,500	Community Prosperity	4,257,800	4,249,100	4,368,400
805,100	Corporate Management	846,300	804,300	807,600
6,430,500	Environment & Housing	7,439,600	7,541,500	7,745,100
1,945,500	Finance & Property	702,600	706,000	701,800
1,267,600	Revenues & Customer Services	1,066,800	1,119,900	1,128,800
43,800	Support Services	97,400	90,300	91,000
<b>16,160,400</b>	<b>Total Net Cost of Services</b>	<b>15,623,200</b>	<b>15,727,800</b>	<b>16,065,200</b>
<b>OTHER BUDGETS</b>				
(1,322,500)	Asset Rents	(2,846,400)	(2,907,400)	(3,180,400)
0	Capital Grants	633,000	0	0
175,000	Provisions - Corporate Contingency	100,000	100,000	100,000
50,000	Provisions - Bad Debts	50,000	50,000	50,000
227,000	Participative Budgeting	0	0	0
1,293,300	Net interest and borrowing costs	1,742,600	1,850,300	1,904,000
175,000	Service Improvement bids	41,100	0	0
452,500	Concurrent functions & drainage board levies	518,500	529,400	540,600
790,300	Parish/Town Precepts	810,300	830,600	851,400
<b>1,840,600</b>	<b>Total Other Budgets</b>	<b>1,049,100</b>	<b>452,900</b>	<b>265,600</b>
0	Savings Target	0	(1,337,100)	(1,466,400)
0	Transfer to/(from) Earmarked Reserves	0	0	0
0	Transfer to/(from) General Reserve	0	0	0
<b>18,001,000</b>	<b>Total Council Net Budget</b>	<b>16,672,300</b>	<b>14,843,600</b>	<b>14,864,400</b>
<b>FUNDED BY:</b>				
(1,434,300)	Revenue Support Grant	(2,188,900)	(8,193,300)	(8,193,300)
(9,877,400)	Business Rates	(7,081,500)	0	0
(398,800)	Area Based Grant	0	0	0
0	Council Tax Freeze Grant	(138,300)	0	0
0	New Homes Burden Grant	(285,600)	(285,000)	(285,000)
0	Capital Grants Received	(633,000)	0	0
0	Collection Fund Deficit/(Surplus)	0	0	0
(5,500,200)	Council Tax - BDC	(5,534,700)	(5,534,700)	(5,534,700)
(790,300)	Council Tax - Parishes/Towns	(810,300)	(830,600)	(851,400)
<b>(18,001,000)</b>	<b>Total Funding</b>	<b>(16,672,300)</b>	<b>(14,843,600)</b>	<b>(14,864,400)</b>
<b>35,991.63</b>	<b>Tax Base</b>	<b>36,217.26</b>	<b>36,217.26</b>	<b>36,217.26</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>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>
<b>Movement in year</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Balance @ 31 March</b>		<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>



**GENERAL FUND**

**SUMMARY**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
	<b><u>EXPENDITURE</u></b>			
13,275,000	Employees	12,382,700	12,475,700	12,549,800
1,779,000	Premises	1,776,900	1,818,800	1,829,700
1,499,400	Transport	1,487,400	1,488,100	1,494,600
7,704,700	Supplies and Services	6,086,400	5,974,100	6,133,900
3,583,400	Third Party Payments	3,109,600	3,100,300	3,110,000
35,696,100	Transfer Payments	38,370,100	37,713,000	37,659,200
11,626,600	Internal Services Recharged	11,034,600	11,130,100	11,237,200
5,459,800	Capital Financing Costs	6,348,100	7,116,300	7,858,800
<b>80,624,000</b>	<b>TOTAL EXPENDITURE</b>	<b>80,595,800</b>	<b>80,816,400</b>	<b>81,873,200</b>
	<b><u>INCOME</u></b>			
(18,778,600)	Internal Services Recharges	(19,440,900)	(20,265,700)	(21,245,400)
(36,854,000)	Grants	(38,173,400)	(37,999,200)	(37,892,900)
(6,952,800)	Customer & Client Receipts	(6,290,600)	(6,351,600)	(6,384,100)
(37,600)	Interest	(18,600)	(19,200)	(20,000)
0	Revenue Appropriations	0	(1,337,100)	(1,466,400)
<b>(62,623,000)</b>	<b>TOTAL INCOME</b>	<b>(63,923,500)</b>	<b>(65,972,800)</b>	<b>(67,008,800)</b>
<b>18,001,000</b>	<b>NET BUDGET</b>	<b>16,672,300</b>	<b>14,843,600</b>	<b>14,864,400</b>

## DIRECTORATE OF CORPORATE SERVICES

## COMMUNITY ENGAGEMENT &amp; PERFORMANCE

BUDGET 2010/11	DIVISION	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
180,100	Community Safety	195,700	198,100	199,200
681,300	Democratic Representation & Support	638,300	639,600	642,500
285,700	Elections	301,700	301,800	303,400
104,900	Community Strategy & Engagement	25,000	25,000	25,000
109,300	Public Relations	45,000	45,200	45,400
12,400	Service & Corporate Management	7,000	7,000	7,000
20,700	Miscellaneous	0	0	0
<b>1,394,400</b>	<b>TOTAL</b>	<b>1,212,700</b>	<b>1,216,700</b>	<b>1,222,500</b>

**DIRECTORATE OF CORPORATE SERVICES**

**COMMUNITY ENGAGEMENT AND PERFORMANCE**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b>EXPENDITURE</b>			
854,200	Employees	687,000	692,700	697,400
33,300	Premises	9,600	9,600	9,600
58,500	Transport	50,600	50,600	50,600
606,900	Supplies and Services	574,100	574,100	574,100
164,500	Third Party Payments	18,200	18,200	18,200
0	Transfer Payments	0	0	0
695,600	Internal Services Recharged	641,200	645,600	653,800
21,200	Capital Financing Costs	0	0	0
<b>2,434,200</b>	<b>TOTAL EXPENDITURE</b>	<b>1,980,700</b>	<b>1,990,800</b>	<b>2,003,700</b>
	<b>INCOME</b>			
(905,500)	Internal Services Recharges	(727,100)	(733,200)	(740,300)
(80,400)	Grants	(700)	(700)	(700)
(53,900)	Customer & Client Receipts	(40,200)	(40,200)	(40,200)
<b>(1,039,800)</b>	<b>TOTAL INCOME</b>	<b>(768,000)</b>	<b>(774,100)</b>	<b>(781,200)</b>
<b>1,394,400</b>	<b>NET BUDGET</b>	<b>1,212,700</b>	<b>1,216,700</b>	<b>1,222,500</b>

Director of Corporate Services: Ros Theakstone

**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 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
21.60	Expenditure per Resident	17.75	17.84	17.95
(9.23)	Income per Resident	(6.88)	(6.94)	(7.00)

DIRECTORATE OF CORPORATE SERVICES
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COMMUNITY SAFETY
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BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
	<b>EXPENDITURE</b>			
124,400	Employees	120,500	122,400	122,700
0	Premises	0	0	0
8,500	Transport	8,500	8,500	8,500
24,900	Supplies and Services	13,800	13,800	13,800
74,900	Third Party Payments	7,200	7,200	7,200
0	Transfer Payments	0	0	0
52,100	Internal Services Recharged	70,700	71,200	72,000
0	Capital Financing Costs	0	0	0
<b>284,800</b>	<b>TOTAL EXPENDITURE</b>	<b>220,700</b>	<b>223,100</b>	<b>224,200</b>
	<b>INCOME</b>			
0	Internal Services Recharges	0	0	0
(79,700)	Grants	0	0	0
(25,000)	Customer & Client Receipts	(25,000)	(25,000)	(25,000)
<b>(104,700)</b>	<b>TOTAL INCOME</b>	<b>(25,000)</b>	<b>(25,000)</b>	<b>(25,000)</b>
<b>180,100</b>	<b>NET BUDGET</b>	<b>195,700</b>	<b>198,100</b>	<b>199,200</b>

Responsible Budget Holder: Gill Blenkinsop

#### BRIEF DESCRIPTION OF SERVICE

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

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
2.53	Expenditure per Resident	1.98	2.00	2.01
(0.93)	Income per Resident	(0.22)	(0.22)	(0.22)

**DIRECTORATE OF CORPORATE SERVICES**

**DEMOCRATIC REPRESENTATION & SUPPORT**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b>EXPENDITURE</b>			
173,800	Employees	108,900	109,800	110,900
400	Premises	700	700	700
42,800	Transport	34,800	34,800	34,800
401,000	Supplies and Services	396,300	396,300	396,300
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
244,200	Internal Services Recharged	221,700	222,600	225,600
21,200	Capital Financing Costs	0	0	0
<b>883,400</b>	<b>TOTAL EXPENDITURE</b>	<b>762,400</b>	<b>764,200</b>	<b>768,300</b>
	<b>INCOME</b>			
(201,400)	Internal Services Recharges	(121,800)	(122,300)	(123,500)
(700)	Grants	(700)	(700)	(700)
0	Customer & Client Receipts	(1,600)	(1,600)	(1,600)
<b>(202,100)</b>	<b>TOTAL INCOME</b>	<b>(124,100)</b>	<b>(124,600)</b>	<b>(125,800)</b>
<b>681,300</b>	<b>NET BUDGET</b>	<b>638,300</b>	<b>639,600</b>	<b>642,500</b>

**Responsible Budget Holder:** Gill Blenkinsop

**BRIEF DESCRIPTION OF SERVICE**

Services council, cabinet and other statutory and non statutory meetings.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
7.84	Expenditure per Resident	6.83	6.85	6.88
(1.79)	Income per Resident	(1.11)	(1.12)	(1.13)

**DIRECTORATE OF CORPORATE SERVICES**

**ELECTIONS**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b><u>EXPENDITURE</u></b>			
62,500	Employees	120,500	119,800	120,200
24,100	Premises	8,900	8,900	8,900
0	Transport	1,000	1,000	1,000
80,000	Supplies and Services	81,600	81,600	81,600
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
120,300	Internal Services Recharged	90,900	91,700	92,900
0	Capital Financing Costs	0	0	0
<b>286,900</b>	<b>TOTAL EXPENDITURE</b>	<b>302,900</b>	<b>303,000</b>	<b>304,600</b>
	<b><u>INCOME</u></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>285,700</b>	<b>NET BUDGET</b>	<b>301,700</b>	<b>301,800</b>	<b>303,400</b>

**Responsible Budget Holder:** Stephen Phillips

**BRIEF DESCRIPTION OF SERVICE**

Promotes electoral awareness both in terms of electoral registration and democratic participation in elections.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
2.55	Expenditure per Resident	2.71	2.72	2.73
(0.01)	Income per Resident	(0.01)	(0.01)	(0.01)

**DIRECTORATE OF CORPORATE SERVICES**

**COMMUNITY STRATEGY & ENGAGEMENT**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
	<b>EXPENDITURE</b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
16,700	Supplies and Services	11,100	11,100	11,100
84,600	Third Party Payments	9,000	9,000	9,000
0	Transfer Payments	0	0	0
3,600	Internal Services Recharged	4,900	4,900	4,900
0	Capital Financing Costs	0	0	0
<b>104,900</b>	<b>TOTAL EXPENDITURE</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</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>104,900</b>	<b>NET BUDGET</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>

**Responsible Budget Holder:** Gill Blenkinsop

**BRIEF DESCRIPTION OF SERVICE**

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 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
0.93	Expenditure per Resident	0.22	0.22	0.22
0.00	Income per Resident	0.00	0.00	0.00

**DIRECTORATE OF CORPORATE SERVICES**

**PUBLIC RELATIONS**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
	<b>EXPENDITURE</b>			
111,000	Employees	81,700	83,000	84,200
0	Premises	0	0	0
900	Transport	700	700	700
53,100	Supplies and Services	52,800	52,800	52,800
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
106,000	Internal Services Recharged	48,000	48,600	49,300
0	Capital Financing Costs	0	0	0
<b>271,000</b>	<b>TOTAL EXPENDITURE</b>	<b>183,200</b>	<b>185,100</b>	<b>187,000</b>
	<b>INCOME</b>			
(145,000)	Internal Services Recharges	(125,800)	(127,500)	(129,200)
0	Grants	0	0	0
(16,700)	Customer & Client Receipts	(12,400)	(12,400)	(12,400)
<b>(161,700)</b>	<b>TOTAL INCOME</b>	<b>(138,200)</b>	<b>(139,900)</b>	<b>(141,600)</b>
<b>109,300</b>	<b>NET BUDGET</b>	<b>45,000</b>	<b>45,200</b>	<b>45,400</b>

**Responsible Budget Holder:** Jonathon Brassington

**BRIEF DESCRIPTION OF SERVICE**

Informs the people of Bassetlaw about the council, the services we provide and how to contact us.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
2.40	Expenditure per Resident	1.64	1.66	1.68
(1.43)	Income per Resident	(1.24)	(1.25)	(1.27)



**DIRECTORATE OF CORPORATE SERVICES**

**SERVICE & CORPORATE MANAGEMENT**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
	<b>EXPENDITURE</b>			
382,500	Employees	255,400	257,700	259,400
0	Premises	0	0	0
6,300	Transport	5,600	5,600	5,600
19,300	Supplies and Services	18,500	18,500	18,500
5,000	Third Party Payments	2,000	2,000	2,000
0	Transfer Payments	0	0	0
169,400	Internal Services Recharged	205,000	206,600	209,100
0	Capital Financing Costs	0	0	0
<b>582,500</b>	<b>TOTAL EXPENDITURE</b>	<b>486,500</b>	<b>490,400</b>	<b>494,600</b>
	<b>INCOME</b>			
(559,100)	Internal Services Recharges	(479,500)	(483,400)	(487,600)
0	Grants	0	0	0
(11,000)	Customer & Client Receipts	0	0	0
<b>(570,100)</b>	<b>TOTAL INCOME</b>	<b>(479,500)</b>	<b>(483,400)</b>	<b>(487,600)</b>
<b>12,400</b>	<b>NET BUDGET</b>	<b>7,000</b>	<b>7,000</b>	<b>7,000</b>

**Responsible Budget Holder:** Gill Blenkinsop

**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 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
5.17	Expenditure per Resident	4.36	4.39	4.43
(5.06)	Income per Resident	(4.30)	(4.33)	(4.37)

<b>DIRECTORATE OF CORPORATE SERVICES</b>
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<b>MISCELLANEOUS</b>
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BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
	<b>EXPENDITURE</b>			
0	Employees	0	0	0
8,800	Premises	0	0	0
0	Transport	0	0	0
11,900	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>20,700</b>	<b>TOTAL EXPENDITURE</b>	<b>0</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
<b>0</b>	<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>20,700</b>	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

Responsible Budget Holder: Gill Blenkinsop

BRIEF DESCRIPTION OF SERVICE
Cross-cutting services outside the exclusive remit of the Head of Community Engagement and Performance.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
0.18	Expenditure per Resident	0.00	0.00	0.00
0.00	Income per Resident	0.00	0.00	0.00

## DIRECTORATE OF COMMUNITY SERVICES

## COMMUNITY PROSPERITY

BUDGET 2010/11	DIVISION	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
1,121,900	Leisure -Service Management & Support	1,268,200	1,238,400	1,266,800
18,100	Leisure - Miscellaneous	51,000	51,000	51,000
74,900	Culture & Heritage	73,300	73,400	73,500
350,900	Recreation & Sport	301,800	322,600	323,600
26,800	Tourism	45,100	44,900	45,000
123,500	Markets & Fairs	282,000	290,600	383,100
(314,500)	Parking Services	(320,400)	(319,700)	(319,000)
76,500	Christmas Lighting	64,500	64,600	64,700
167,400	Museums & Galleries	185,700	180,100	181,600
596,500	Planning Policy & Conservation	568,500	581,000	544,900
451,500	Planning	534,700	532,900	542,500
22,500	Planning - Service Management & Support	0	1,000	0
278,400	Economic Development	201,600	174,700	172,000
57,800	Community Development	199,900	204,700	205,100
275,500	CCTV Schemes	190,700	190,800	190,900
0	Economic Regeneration SMS	8,800	8,800	8,900
0	Regeneration SMS	0	0	0
295,000	Manton Community Alliance	0	0	0
12,000	Environmental Projects	12,200	12,000	12,000
469,600	Building Control / Dangerous Structures	373,000	376,600	377,200
97,200	Shopmobility	107,600	109,500	131,700
72,000	Tourist Information Centres	109,600	111,200	112,900
<b>4,273,500</b>	<b>TOTAL</b>	<b>4,257,800</b>	<b>4,249,100</b>	<b>4,368,400</b>

**DIRECTORATE OF COMMUNITY SERVICES**

**COMMUNITY PROSPERITY**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
	<b><u>EXPENDITURE</u></b>			
2,859,600	Employees	2,503,400	2,515,800	2,517,300
488,400	Premises	529,300	529,300	532,100
117,100	Transport	107,400	107,400	107,400
1,546,700	Supplies and Services	669,600	679,200	663,100
683,800	Third Party Payments	1,254,200	1,232,300	1,230,900
	Transfer Payments			
2,529,400	Internal Services Recharged	2,364,500	2,360,100	2,377,500
107,800	Capital Financing Costs	494,900	510,700	530,700
<b>8,332,800</b>	<b>TOTAL EXPENDITURE</b>	<b>7,923,300</b>	<b>7,934,800</b>	<b>7,959,000</b>
	<b><u>INCOME</u></b>			
(1,421,500)	Internal Services Recharges	(1,192,100)	(1,198,900)	(1,206,300)
(337,300)	Grants	(187,700)	(170,300)	(64,000)
(2,300,500)	Customer & Client Receipts	(2,285,700)	(2,316,500)	(2,320,300)
<b>(4,059,300)</b>	<b>TOTAL INCOME</b>	<b>(3,665,500)</b>	<b>(3,685,700)</b>	<b>(3,590,600)</b>
<b>4,273,500</b>	<b>NET BUDGET</b>	<b>4,257,800</b>	<b>4,249,100</b>	<b>4,368,400</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.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
73.94	Expenditure per Resident	71.00	71.10	71.32
(36.02)	Income per Resident	(32.84)	(33.03)	(32.17)

**DIRECTORATE OF COMMUNITY SERVICES**

**LEISURE SERVICE MANAGEMENT & SUPPORT**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
	<b><u>EXPENDITURE</u></b>			
48,000	Employees	48,100	48,100	48,100
145,900	Premises	166,200	166,200	168,900
2,600	Transport	2,600	2,600	2,600
936,900	Supplies and Services	56,300	56,300	56,300
0	Third Party Payments	788,300	758,400	757,000
0	Transfer Payments	0	0	0
206,500	Internal Services Recharged	132,500	132,500	132,600
0	Capital Financing Costs	212,200	211,500	211,500
<b>1,339,900</b>	<b>TOTAL EXPENDITURE</b>	<b>1,406,200</b>	<b>1,375,600</b>	<b>1,377,000</b>
	<b><u>INCOME</u></b>			
(127,200)	Internal Services Recharges	(110,200)	(110,200)	(110,200)
(90,800)	Grants	(27,800)	(27,000)	0
0	Customer & Client Receipts			
<b>(218,000)</b>	<b>TOTAL INCOME</b>	<b>(138,000)</b>	<b>(137,200)</b>	<b>(110,200)</b>
<b>1,121,900</b>	<b>NET BUDGET</b>	<b>1,268,200</b>	<b>1,238,400</b>	<b>1,266,800</b>

**Responsible Budget Holder:** Peter Clark

**BRIEF DESCRIPTION OF SERVICE**

The management, administration and development of Leisure Centres, Kilton Forest Golf Course Sports Development. The management of parks open spaces, play development and Community Park Ranges.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
11.89	Expenditure per Resident	12.60	12.33	12.34
(1.93)	Income per Resident	(1.24)	(1.23)	(0.99)

**DIRECTORATE OF COMMUNITY SERVICES**

**LEISURE - MISCELLANEOUS**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
	<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	45,200	45,200	45,200
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
12,900	Internal Services Recharged	5,800	5,800	5,800
0	Capital Financing Costs	0	0	0
<b>18,100</b>	<b>TOTAL EXPENDITURE</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</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>18,100</b>	<b>NET BUDGET</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</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.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
0.16	Expenditure per Resident	0.46	0.46	0.46
0.00	Income per Resident	0.00	0.00	0.00

**DIRECTORATE OF COMMUNITY SERVICES**

**CULTURE & HERITAGE**

<b>BUDGET 2010/11</b>	<b>GROUP</b>	<b>BUDGET 2011/12</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2012/13</b>	<b>2013/14</b>
	<b><u>EXPENDITURE</u></b>			
28,900	Employees	29,300	29,400	29,400
0	Premises	0	0	0
0	Transport	0	0	0
15,500	Supplies and Services	16,100	16,100	16,100
16,900	Third Party Payments	16,900	16,900	16,900
0	Transfer Payments	0	0	0
13,600	Internal Services Recharged	11,000	11,000	11,100
0	Capital Financing Costs	0	0	0
<b>74,900</b>	<b>TOTAL EXPENDITURE</b>	<b>73,300</b>	<b>73,400</b>	<b>73,500</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>74,900</b>	<b>NET BUDGET</b>	<b>73,300</b>	<b>73,400</b>	<b>73,500</b>

**Responsible Budget Holder:** Peter Clark

**BRIEF DESCRIPTION OF SERVICE**

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

<b>BUDGET 2010/11</b>	<b>UNIT COSTS</b>	<b>BUDGET 2011/12</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2012/13</b>	<b>2013/14</b>
0.66	Expenditure per Resident	0.66	0.66	0.66
0.00	Income per Resident	0.00	0.00	0.00

<b>DIRECTORATE OF COMMUNITY SERVICES</b>
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<b>RECREATION &amp; SPORT</b>
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BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b>EXPENDITURE</b>			
358,700	Employees	228,500	215,000	215,500
7,100	Premises	500	500	500
21,200	Transport	19,400	19,400	19,400
56,900	Supplies and Services	47,700	42,300	42,300
5,500	Third Party Payments	5,100	13,100	13,100
0	Transfer Payments	0	0	0
95,300	Internal Services Recharged	80,200	80,500	81,000
0	Capital Financing Costs	0	0	0
<b>544,700</b>	<b>TOTAL EXPENDITURE</b>	<b>381,400</b>	<b>370,800</b>	<b>371,800</b>
	<b>INCOME</b>			
0	Internal Services Recharges	0	0	0
(147,800)	Grants	(49,200)	(17,000)	(17,000)
(46,000)	Customer & Client Receipts	(30,400)	(31,200)	(31,200)
<b>(193,800)</b>	<b>TOTAL INCOME</b>	<b>(79,600)</b>	<b>(48,200)</b>	<b>(48,200)</b>
<b>350,900</b>	<b>NET BUDGET</b>	<b>301,800</b>	<b>322,600</b>	<b>323,600</b>

Responsible Budget Holder: T. Wright

BRIEF DESCRIPTION OF SERVICE
<p>Priority area sports coaching programmes. Sports education and training programmes. Specific sport and physical activity programs for people with a disability and for socially excluded young people in specific deprived areas of Bassetlaw. The delivery of the Exercise on Referral scheme for residents of Bassetlaw.</p>

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
4.83	Expenditure per Resident	3.42	3.32	3.33
(1.72)	Income per Resident	(0.71)	(0.43)	(0.43)



<b>DIRECTORATE OF COMMUNITY SERVICES</b>
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<b>TOURISM</b>
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BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b>EXPENDITURE</b>			
2,100	Employees	0	0	0
400	Premises	0	0	0
0	Transport	0	0	0
20,800	Supplies and Services	22,200	22,200	22,200
1,400	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
1,600	Internal Services Recharged	25,400	25,700	25,800
500	Capital Financing Costs	500	0	0
<b>26,800</b>	<b>TOTAL EXPENDITURE</b>	<b>48,100</b>	<b>47,900</b>	<b>48,000</b>
	<b>INCOME</b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
0	Customer & Client Receipts	(3,000)	(3,000)	(3,000)
<b>0</b>	<b>TOTAL INCOME</b>	<b>(3,000)</b>	<b>(3,000)</b>	<b>(3,000)</b>
<b>26,800</b>	<b>NET BUDGET</b>	<b>45,100</b>	<b>44,900</b>	<b>45,000</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 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
0.24	Expenditure per Resident	0.43	0.43	0.43
0.00	Income per Resident	(0.03)	(0.03)	(0.03)

**DIRECTORATE OF COMMUNITY SERVICES**

**MARKETS & FAIRS**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b><u>EXPENDITURE</u></b>			
190,800	Employees	259,700	262,800	266,000
70,200	Premises	66,800	66,800	66,800
5,100	Transport	5,000	5,000	5,000
77,500	Supplies and Services	69,600	69,600	158,300
19,500	Third Party Payments	19,500	19,500	19,500
0	Transfer Payments	0	0	0
75,400	Internal Services Recharged	95,600	96,100	96,700
11,400	Capital Financing Costs	99,900	104,900	104,900
<b>449,900</b>	<b>TOTAL EXPENDITURE</b>	<b>616,100</b>	<b>624,700</b>	<b>717,200</b>
	<b><u>INCOME</u></b>			
(500)	Internal Services Recharges	0	0	0
0	Grants	0	0	0
(325,900)	Customer & Client Receipts	(334,100)	(334,100)	(334,100)
<b>(326,400)</b>	<b>TOTAL INCOME</b>	<b>(334,100)</b>	<b>(334,100)</b>	<b>(334,100)</b>
<b>123,500</b>	<b>NET BUDGET</b>	<b>282,000</b>	<b>290,600</b>	<b>383,100</b>

Responsible Budget Holder: D. Atkinson

**BRIEF DESCRIPTION OF SERVICE**

The organisation, management and promotion of weekly provisions and Antiques and Collectors markets. The organisation and management of fairs and circuses.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
3.99	Expenditure per Resident	5.52	5.60	6.43
(2.90)	Income per Resident	(2.99)	(2.99)	(2.99)

**DIRECTORATE OF COMMUNITY SERVICES**

**PARKING SERVICES**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b>EXPENDITURE</b>			
26,500	Employees	27,400	27,400	27,400
164,800	Premises	158,300	158,300	158,300
1,000	Transport	1,000	1,000	1,000
48,400	Supplies and Services	46,300	46,300	46,500
174,600	Third Party Payments	175,500	175,500	175,500
0	Transfer Payments	0	0	0
106,600	Internal Services Recharged	58,000	58,700	59,200
24,900	Capital Financing Costs	25,300	25,300	25,300
<b>546,800</b>	<b>TOTAL EXPENDITURE</b>	<b>491,800</b>	<b>492,500</b>	<b>493,200</b>
	<b>INCOME</b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
(861,300)	Customer & Client Receipts	(812,200)	(812,200)	(812,200)
<b>(861,300)</b>	<b>TOTAL INCOME</b>	<b>(812,200)</b>	<b>(812,200)</b>	<b>(812,200)</b>
<b>(314,500)</b>	<b>NET BUDGET</b>	<b>(320,400)</b>	<b>(319,700)</b>	<b>(319,000)</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.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
4.85	Expenditure per Resident	4.41	4.41	4.42
(7.64)	Income per Resident	(7.28)	(7.28)	(7.28)

<b>DIRECTORATE OF COMMUNITY SERVICES</b>
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<b>CHRISTMAS LIGHTING</b>
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BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b><u>EXPENDITURE</u></b>			
0	Employees	0	0	0
400	Premises	200	200	200
0	Transport	0	0	0
26,900	Supplies and Services	26,700	26,700	26,700
34,300	Third Party Payments	34,300	34,300	34,300
0	Transfer Payments	0	0	0
24,900	Internal Services Recharged	13,300	13,400	13,500
0	Capital Financing Costs	0	0	0
<b>86,500</b>	<b>TOTAL EXPENDITURE</b>	<b>74,500</b>	<b>74,600</b>	<b>74,700</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>76,500</b>	<b>NET BUDGET</b>	<b>64,500</b>	<b>64,600</b>	<b>64,700</b>

Responsible Budget Holder:      Robert Wilkinson

BRIEF DESCRIPTION OF SERVICE
To provide funding for Christmas Lighting.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
0.77	Expenditure per Resident	0.67	0.67	0.67
(0.09)	Income per Resident	(0.09)	(0.09)	(0.09)

**DIRECTORATE OF COMMUNITY SERVICES**

**MUSEUMS & GALLERIES**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b><u>EXPENDITURE</u></b>			
87,300	Employees	84,100	85,100	86,100
44,000	Premises	59,200	59,200	59,300
1,100	Transport	1,100	1,100	1,100
18,100	Supplies and Services	18,000	18,000	18,000
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
51,000	Internal Services Recharged	23,800	24,000	24,400
9,800	Capital Financing Costs	9,800	3,000	3,000
<b>211,300</b>	<b>TOTAL EXPENDITURE</b>	<b>196,000</b>	<b>190,400</b>	<b>191,900</b>
	<b><u>INCOME</u></b>			
(27,900)	Internal Services Recharges	0	0	0
(5,700)	Grants	0	0	0
(10,300)	Customer & Client Receipts	(10,300)	(10,300)	(10,300)
<b>(43,900)</b>	<b>TOTAL INCOME</b>	<b>(10,300)</b>	<b>(10,300)</b>	<b>(10,300)</b>
<b>167,400</b>	<b>NET BUDGET</b>	<b>185,700</b>	<b>180,100</b>	<b>181,600</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 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
1.87	Expenditure per Resident	1.76	1.71	1.72
(0.39)	Income per Resident	(0.09)	(0.09)	(0.09)

**DIRECTORATE OF COMMUNITY SERVICES**

**PLANNING POLICY AND CONSERVATION**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b><u>EXPENDITURE</u></b>			
294,700	Employees	298,200	302,200	304,200
0	Premises	0	0	0
6,800	Transport	6,800	6,800	6,800
29,500	Supplies and Services	105,900	135,900	30,900
37,100	Third Party Payments	13,000	13,000	13,000
0	Transfer Payments	0	0	0
230,400	Internal Services Recharged	196,600	190,100	192,000
0	Capital Financing Costs	0	0	0
<b>598,500</b>	<b>TOTAL EXPENDITURE</b>	<b>620,500</b>	<b>648,000</b>	<b>546,900</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0	0	0
0	Grants	(50,000)	(65,000)	0
(2,000)	Customer & Client Receipts	(2,000)	(2,000)	(2,000)
<b>(2,000)</b>	<b>TOTAL INCOME</b>	<b>(52,000)</b>	<b>(67,000)</b>	<b>(2,000)</b>
<b>596,500</b>	<b>NET BUDGET</b>	<b>568,500</b>	<b>581,000</b>	<b>544,900</b>

**Responsible Budget Holder:** Richard Schofield

**BRIEF DESCRIPTION OF SERVICE**

Local Development Framework; Planning Policy, Heritage and Trees. All aspects of Local Development Framework; collection and collation of planning data; co-ordination and liaison on major development issues, highways, public transport and other physical environment issues; and preparation of reports and advice on other town planning matters. To gain approval, print and publish the Local Development Framework, and to implement the necessary procedures. Management of Heritage service including: provision of expert advice on heritage applications; management of grant schemes and historic environment regeneration schemes; production of Conservation Area Appraisals and professional Guidance. Management of tree service, including provision of expert advice on tree applications and surveying & creation of Tree Preservation Orders.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
5.31	Expenditure per Resident	5.56	5.81	4.90
(0.02)	Income per Resident	(0.47)	(0.60)	(0.02)

**DIRECTORATE OF COMMUNITY SERVICES**

**PLANNING**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
	<b>EXPENDITURE</b>			
474,600	Employees	445,500	449,700	453,100
0	Premises	0	0	0
20,800	Transport	20,800	20,800	20,800
100	Supplies and Services	400	400	400
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
605,800	Internal Services Recharged	677,800	671,800	678,000
	Capital Financing Costs	0	0	0
<b>1,101,300</b>	<b>TOTAL EXPENDITURE</b>	<b>1,144,500</b>	<b>1,142,700</b>	<b>1,152,300</b>
	<b>INCOME</b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
(649,800)	Customer & Client Receipts	(609,800)	(609,800)	(609,800)
<b>(649,800)</b>	<b>TOTAL INCOME</b>	<b>(609,800)</b>	<b>(609,800)</b>	<b>(609,800)</b>
<b>451,500</b>	<b>NET BUDGET</b>	<b>534,700</b>	<b>532,900</b>	<b>542,500</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.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
9.77	Expenditure per Resident	10.26	10.24	10.33
(5.77)	Income per Resident	(5.46)	(5.46)	(5.46)

**DIRECTORATE OF COMMUNITY SERVICES**

**PLANNING - SERVICE MANAGEMENT & SUPPORT**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b>EXPENDITURE</b>			
309,400	Employees	276,300	279,600	283,100
0	Premises	900	900	900
9,700	Transport	7,200	7,200	7,200
151,000	Supplies and Services	49,100	49,100	49,100
47,700	Third Party Payments	20,400	20,400	20,400
0	Transfer Payments	0	0	0
148,500	Internal Services Recharged	176,900	176,900	177,000
17,500	Capital Financing Costs	3,900	3,900	3,900
<b>683,800</b>	<b>TOTAL EXPENDITURE</b>	<b>534,700</b>	<b>538,000</b>	<b>541,600</b>
	<b>INCOME</b>			
(554,800)	Internal Services Recharges	(496,200)	(498,500)	(503,100)
(83,000)	Grants	0	0	0
(23,500)	Customer & Client Receipts	(38,500)	(38,500)	(38,500)
<b>(661,300)</b>	<b>TOTAL INCOME</b>	<b>(534,700)</b>	<b>(537,000)</b>	<b>(541,600)</b>
<b>22,500</b>	<b>NET BUDGET</b>	<b>0</b>	<b>1,000</b>	<b>0</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 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
6.07	Expenditure per Resident	4.79	4.82	4.85
(5.87)	Income per Resident	(4.79)	(4.81)	(4.85)



<b>DIRECTORATE OF COMMUNITY SERVICES</b>
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<b>ECONOMIC DEVELOPMENT</b>
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BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b>EXPENDITURE</b>			
54,200	Employees	101,900	104,300	90,600
36,300	Premises	66,900	66,900	66,900
0	Transport	800	800	800
36,200	Supplies and Services	67,300	67,300	67,300
52,300	Third Party Payments	31,300	31,300	31,300
0	Transfer Payments	0	0	0
142,100	Internal Services Recharged	130,100	131,400	131,900
0	Capital Financing Costs	0	0	0
<b>321,100</b>	<b>TOTAL EXPENDITURE</b>	<b>398,300</b>	<b>402,000</b>	<b>388,800</b>
	<b>INCOME</b>			
0	Internal Services Recharges	0	0	0
0	Grants	(50,700)	(51,300)	(37,000)
(42,700)	Customer & Client Receipts	(146,000)	(176,000)	(179,800)
<b>(42,700)</b>	<b>TOTAL INCOME</b>	<b>(196,700)</b>	<b>(227,300)</b>	<b>(216,800)</b>
<b>278,400</b>	<b>NET BUDGET</b>	<b>201,600</b>	<b>174,700</b>	<b>172,000</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.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
2.85	Expenditure per Resident	3.57	3.60	3.48
(0.38)	Income per Resident	(1.76)	(2.04)	(1.94)

**DIRECTORATE OF COMMUNITY SERVICES**

**COMMUNITY DEVELOPMENT**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
	<b>EXPENDITURE</b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
0	Supplies and Services	25,400	10,400	10,400
0	Third Party Payments	22,700	22,700	22,700
0	Transfer Payments	0	0	0
56,300	Internal Services Recharged	67,500	68,300	68,700
6,200	Capital Financing Costs	84,300	103,300	103,300
<b>62,500</b>	<b>TOTAL EXPENDITURE</b>	<b>199,900</b>	<b>204,700</b>	<b>205,100</b>
	<b>INCOME</b>			
(4,700)	Internal Services Recharges	0	0	0
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
<b>(4,700)</b>	<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>57,800</b>	<b>NET BUDGET</b>	<b>199,900</b>	<b>204,700</b>	<b>205,100</b>

Responsible Budget Holder: Robert Wilkinson

**BRIEF DESCRIPTION OF SERVICE**

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

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
0.55	Expenditure per Resident	1.79	1.83	1.84
(0.04)	Income per Resident	0.00	0.00	0.00

<b>DIRECTORATE OF COMMUNITY SERVICES</b>
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<b>CCTV SCHEMES</b>
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BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
	<b><u>EXPENDITURE</u></b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
25,700	Supplies and Services	25,600	25,600	25,600
208,800	Third Party Payments	108,800	108,800	108,800
0	Transfer Payments	0	0	0
21,000	Internal Services Recharged	13,200	13,300	13,400
20,000	Capital Financing Costs	43,100	43,100	43,100
<b>275,500</b>	<b>TOTAL EXPENDITURE</b>	<b>190,700</b>	<b>190,800</b>	<b>190,900</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
<b>0</b>	<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>275,500</b>	<b>NET BUDGET</b>	<b>190,700</b>	<b>190,800</b>	<b>190,900</b>

<b>Responsible Budget Holder:</b> <b>David Armiger</b>
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<b>BRIEF DESCRIPTION OF SERVICE</b>
Enhancing the safety and the confidence of the local community.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
2.44	Expenditure per Resident	1.71	1.71	1.71
0.00	Income per Resident	0.00	0.00	0.00

**DIRECTORATE OF COMMUNITY SERVICES**

**ECONOMIC REGENERATION SMS**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
	<b>EXPENDITURE</b>			
238,800	Employees	205,200	207,600	207,700
0	Premises	0	0	0
3,200	Transport	3,200	3,200	3,200
42,600	Supplies and Services	18,000	18,000	18,000
30,700	Third Party Payments	2,000	2,000	2,000
0	Transfer Payments	0	0	0
99,700	Internal Services Recharged	112,800	114,000	115,700
0	Capital Financing Costs	0	0	0
<b>415,000</b>	<b>TOTAL EXPENDITURE</b>	<b>341,200</b>	<b>344,800</b>	<b>346,600</b>
	<b>INCOME</b>			
(415,000)	Internal Services Recharges	(332,400)	(336,000)	(337,700)
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
<b>(415,000)</b>	<b>TOTAL INCOME</b>	<b>(332,400)</b>	<b>(336,000)</b>	<b>(337,700)</b>
<b>0</b>	<b>NET BUDGET</b>	<b>8,800</b>	<b>8,800</b>	<b>8,900</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.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
3.68	Expenditure per Resident	3.06	3.09	3.11
(3.68)	Income per Resident	(2.98)	(3.01)	(3.03)

<b>DIRECTORATE OF COMMUNITY SERVICES</b>
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<b>REGENERATION SMS</b>
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BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b><u>EXPENDITURE</u></b>			
95,400	Employees	91,900	91,900	91,900
0	Premises	0	0	0
1,600	Transport	1,600	1,600	1,600
100	Supplies and Services	100	100	100
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
164,500	Internal Services Recharged	151,200	152,100	153,200
0	Capital Financing Costs	0	0	0
<b>261,600</b>	<b>TOTAL EXPENDITURE</b>	<b>244,800</b>	<b>245,700</b>	<b>246,800</b>
	<b><u>INCOME</u></b>			
(261,600)	Internal Services Recharges	(244,800)	(245,700)	(246,800)
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
<b>(261,600)</b>	<b>TOTAL INCOME</b>	<b>(244,800)</b>	<b>(245,700)</b>	<b>(246,800)</b>
<b>0</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.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
2.32	Expenditure per Resident	2.19	2.20	2.21
(2.32)	Income per Resident	(2.19)	(2.20)	(2.21)

DIRECTORATE OF COMMUNITY SERVICES
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MANTON COMMUNITY ALLIANCE
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BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
	<b>EXPENDITURE</b>			
216,500	Employees	0	0	0
9,000	Premises	0	0	0
4,100	Transport	0	0	0
22,300	Supplies and Services	0	0	0
38,600	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
4,500	Internal Services Recharged	0	0	0
0	Capital Financing Costs	0	0	0
<b>295,000</b>	<b>TOTAL EXPENDITURE</b>	<b>0</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
<b>0</b>	<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>295,000</b>	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

Responsible Budget Holder: A Shaw
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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.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
2.62	Expenditure per Resident	0.00	0.00	0.00
0.00	Income per Resident	0.00	0.00	0.00

**DIRECTORATE OF COMMUNITY SERVICES**

**ENVIRONMENTAL PROJECTS**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
	<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
0	Transfer Payments	0	0	0
400	Internal Services Recharged	600	600	600
11,600	Capital Financing Costs	11,600	11,400	11,400
<b>12,000</b>	<b>TOTAL EXPENDITURE</b>	<b>12,200</b>	<b>12,000</b>	<b>12,000</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>12,000</b>	<b>NET BUDGET</b>	<b>12,200</b>	<b>12,000</b>	<b>12,000</b>

**Responsible Budget Holder:** D Armiger

**BRIEF DESCRIPTION OF SERVICE**

Capital financing expenses relating to previous works.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
0.11	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 STRUCTURES**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b><u>EXPENDITURE</u></b>			
328,000	Employees	306,500	309,100	307,600
500	Premises	500	500	500
31,300	Transport	31,300	31,300	31,300
4,400	Supplies and Services	5,000	5,000	5,000
16,400	Third Party Payments	16,400	16,400	16,400
0	Transfer Payments	0	0	0
443,700	Internal Services Recharged	306,700	307,700	309,800
0	Capital Financing Costs			
<b>824,300</b>	<b>TOTAL EXPENDITURE</b>	<b>666,400</b>	<b>670,000</b>	<b>670,600</b>
	<b><u>INCOME</u></b>			
(29,800)	Internal Services Recharges	(8,500)	(8,500)	(8,500)
0	Grants	0	0	0
(324,900)	Customer & Client Receipts	(284,900)	(284,900)	(284,900)
<b>(354,700)</b>	<b>TOTAL INCOME</b>	<b>(293,400)</b>	<b>(293,400)</b>	<b>(293,400)</b>
<b>469,600</b>	<b>NET BUDGET</b>	<b>373,000</b>	<b>376,600</b>	<b>377,200</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.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
7.31	Expenditure per Resident	5.97	6.00	6.01
(3.15)	Income per Resident	(2.63)	(2.63)	(2.63)



**DIRECTORATE OF COMMUNITY SERVICES**

**SHOP MOBILITY**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b><u>EXPENDITURE</u></b>			
54,200	Employees	54,100	55,900	57,800
5,600	Premises	5,700	5,700	5,700
8,500	Transport	6,500	6,500	6,500
19,300	Supplies and Services	18,400	18,400	18,400
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
4,900	Internal Services Recharged	19,800	19,900	20,200
4,700	Capital Financing Costs	3,500	3,500	23,500
<b>97,200</b>	<b>TOTAL EXPENDITURE</b>	<b>108,000</b>	<b>109,900</b>	<b>132,100</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
0	Customer & Client Receipts	(400)	(400)	(400)
<b>0</b>	<b>TOTAL INCOME</b>	<b>(400)</b>	<b>(400)</b>	<b>(400)</b>
<b>97,200</b>	<b>NET BUDGET</b>	<b>107,600</b>	<b>109,500</b>	<b>131,700</b>

**Responsible Budget Holder:** Richard Blagg

**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 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
0.86	Expenditure per Resident	0.97	0.98	1.18
0.00	Income per Resident	(0.00)	(0.00)	(0.00)

**DIRECTORATE OF RESOURCES**

**TOURIST INFORMATION**

BUDGET 2010/11	DIVISION	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b><u>EXPENDITURE</u></b>			
51,500	Employees	46,700	47,700	48,800
4,200	Premises	4,100	4,100	4,100
100	Transport	100	100	100
9,300	Supplies and Services	6,300	6,300	6,300
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
19,800	Internal Services Recharged	65,700	66,300	66,900
1,200	Capital Financing Costs	800	800	800
<b>86,100</b>	<b>TOTAL EXPENDITURE</b>	<b>123,700</b>	<b>125,300</b>	<b>127,000</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
(14,100)	Customer & Client Receipts	(14,100)	(14,100)	(14,100)
<b>(14,100)</b>	<b>TOTAL INCOME</b>	<b>(14,100)</b>	<b>(14,100)</b>	<b>(14,100)</b>
<b>72,000</b>	<b>NET BUDGET</b>	<b>109,600</b>	<b>111,200</b>	<b>112,900</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.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
0.76	Expenditure per Resident	1.11	1.12	1.14
(0.13)	Income per Resident	(0.13)	(0.13)	(0.13)

CHIEF EXECUTIVE
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CORPORATE MANAGEMENT
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BUDGET 2010/11	DIVISION	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
214,800	Corporate Finance	420,000	420,000	420,000
590,300	Corporate Management	261,500	219,400	222,700
0	Human Resources	0	0	0
0	Unions	0	0	0
0	Corporate Training	0	0	0
0	Major Grants	164,800	164,900	164,900
805,100	<b>TOTAL</b>	<b>846,300</b>	<b>804,300</b>	<b>807,600</b>

**CHIEF EXECUTIVE**

**CORPORATE MANAGEMENT**

BUDGET 2010/11 £	GROUP	BUDGET 2011/12 £	FORECAST	
			2012/13 £	2013/14 £
	<b>EXPENDITURE</b>			
1,194,600	Employees	1,087,800	1,109,600	1,111,200
0	Premises	0	0	0
12,400	Transport	11,100	11,100	11,100
272,900	Supplies and Services	386,200	321,500	321,500
30,400	Third Party Payments	29,300	29,300	29,300
0	Transfer Payments	0	0	0
967,200	Internal Services Recharged	803,900	807,900	814,400
0	Capital Financing Costs	13,000	13,000	13,000
<b>2,477,500</b>	<b>TOTAL EXPENDITURE</b>	<b>2,331,300</b>	<b>2,292,400</b>	<b>2,300,500</b>
	<b>INCOME</b>			
(1,175,900)	Internal Services Recharges	(1,485,000)	(1,488,100)	(1,492,900)
0	Grants	0	0	0
(496,500)	Customer & Client Receipts	0	0	0
<b>(1,672,400)</b>	<b>TOTAL INCOME</b>	<b>(1,485,000)</b>	<b>(1,488,100)</b>	<b>(1,492,900)</b>
<b>805,100</b>	<b>NET BUDGET</b>	<b>846,300</b>	<b>804,300</b>	<b>807,600</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 2010/11 £	UNIT COSTS	BUDGET 2011/12 £	FORECAST	
			2012/13 £	2013/14 £
21.98	Expenditure per Resident	20.89	20.54	20.61
(14.84)	Income per Resident	(13.31)	(13.33)	(13.38)

<b>CHIEF EXECUTIVE</b>
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<b>CORPORATE FINANCE</b>
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<b>BUDGET 2010/11</b>	<b>GROUP</b>	<b>BUDGET 2011/12</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2012/13</b>	<b>2013/14</b>
	<b>EXPENDITURE</b>		<b>£</b>	<b>£</b>
273,200	Employees	273,200	273,200	273,200
0	Premises	0	0	0
0	Transport	0	0	0
214,100	Supplies and Services	185,100	185,100	185,100
700	Third Party Payments	700	700	700
0	Transfer Payments	0	0	0
9,200	Internal Services Recharged	400	400	400
0	Capital Financing Costs	13,000	13,000	13,000
<b>497,200</b>	<b>TOTAL EXPENDITURE</b>	<b>472,400</b>	<b>472,400</b>	<b>472,400</b>
	<b>INCOME</b>			
(282,400)	Internal Services Recharges	(52,400)	(52,400)	(52,400)
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
(282,400)	<b>TOTAL INCOME</b>	<b>(52,400)</b>	<b>(52,400)</b>	<b>(52,400)</b>
<b>214,800</b>	<b>NET BUDGET</b>	<b>420,000</b>	<b>420,000</b>	<b>420,000</b>

Responsible Budget Holder: Mike Hill

<b>BRIEF DESCRIPTION OF SERVICE</b>
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.

<b>BUDGET 2010/11</b>	<b>UNIT COSTS</b>	<b>BUDGET 2011/12</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2012/13</b>	<b>2013/14</b>
			<b>£</b>	<b>£</b>
4.41	Expenditure per Resident	4.23	4.23	4.23
(2.51)	Income per Resident	(0.47)	(0.47)	(0.47)

<b>CHIEF EXECUTIVE</b>
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<b>CORPORATE MANAGEMENT</b>
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BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
	<b><u>EXPENDITURE</u></b>			
562,400	Employees	473,700	494,100	494,500
0	Premises	0	0	0
5,700	Transport	4,400	4,400	4,400
41,700	Supplies and Services	20,000	(44,700)	(44,700)
700	Third Party Payments	700	700	700
0	Transfer Payments	0	0	0
800,700	Internal Services Recharged	635,400	638,600	643,000
0	Capital Financing Costs	0	0	0
<b>1,411,200</b>	<b>TOTAL EXPENDITURE</b>	<b>1,134,200</b>	<b>1,093,100</b>	<b>1,097,900</b>
	<b><u>INCOME</u></b>			
(820,900)	Internal Services Recharges	(872,700)	(873,700)	(875,200)
0	Grants	0	0	
0	Customer & Client Receipts	0	0	
<b>(820,900)</b>	<b>TOTAL INCOME</b>	<b>(872,700)</b>	<b>(873,700)</b>	<b>(875,200)</b>
<b>590,300</b>	<b>NET BUDGET</b>	<b>261,500</b>	<b>219,400</b>	<b>222,700</b>

Responsible Budget Holder:     David Hunter

BRIEF DESCRIPTION OF SERVICE	
<p>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.</p>	

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
12.52	Expenditure per Resident	10.16	9.79	9.84
(7.28)	Income per Resident	(7.82)	(7.83)	(7.84)

<b>CHIEF EXECUTIVE</b>
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<b>HUMAN RESOURCES</b>
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<b>BUDGET 2010/11</b>	<b>GROUP</b>	<b>BUDGET 2011/12</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2012/13</b>	<b>2013/14</b>
			<b>£</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>			
300,900	Employees	291,400	292,800	294,000
0	Premises	0	0	0
6,700	Transport	6,700	6,700	6,700
17,100	Supplies and Services	19,200	19,200	19,200
29,000	Third Party Payments	27,900	27,900	27,900
0	Transfer Payments	0	0	0
142,800	Internal Services Recharged	152,600	153,200	155,100
0	Capital Financing Costs	0	0	0
<b>496,500</b>	<b>TOTAL EXPENDITURE</b>	<b>497,800</b>	<b>499,800</b>	<b>502,900</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	(497,800)	(499,800)	(502,900)
0	Grants	0	0	0
(496,500)	Customer & Client Receipts	0	0	0
<b>(496,500)</b>	<b>TOTAL INCOME</b>	<b>(497,800)</b>	<b>(499,800)</b>	<b>(502,900)</b>
<b>0</b>	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Responsible Budget Holder:**      **Len Hull**

<b>BRIEF DESCRIPTION OF SERVICE</b>
To provide a framework of excellence in people management that supports the developing agenda of the Council and create a culture and environment where people can use their talents in the best way possible. This incorporates human resource management, organisational development and learning and development.

<b>BUDGET 2010/11</b>	<b>UNIT COSTS</b>	<b>BUDGET 2011/12</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2012/13</b>	<b>2013/14</b>
			<b>£</b>	<b>£</b>
4.41	Expenditure per Resident	4.46	4.48	4.51
(4.41)	Income per Resident	(4.46)	(4.48)	(4.51)

<b>CHIEF EXECUTIVE</b>
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<b>UNIONS</b>
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<b>BUDGET 2010/11</b>	<b>GROUP</b>	<b>BUDGET 2011/12</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2012/13</b>	<b>2013/14</b>
			<b>£</b>	<b>£</b>
	<b><u>EXPENDITURE</u></b>			
58,100	Employees	16,900	16,900	16,900
0	Premises	0	0	0
0	Transport	0	0	0
0	Supplies and Services	100	100	100
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
14,500	Internal Services Recharged	5,200	5,300	5,400
0	Capital Financing Costs	0	0	0
<b>72,600</b>	<b>TOTAL EXPENDITURE</b>	<b>22,200</b>	<b>22,300</b>	<b>22,400</b>
	<b><u>INCOME</u></b>			
(72,600)	Internal Services Recharges	(22,200)	(22,300)	(22,400)
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
<b>(72,600)</b>	<b>TOTAL INCOME</b>	<b>(22,200)</b>	<b>(22,300)</b>	<b>(22,400)</b>
<b>0</b>	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

Responsible Budget Holder: L Hull

<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.

<b>BUDGET 2010/11</b>	<b>UNIT COSTS</b>	<b>BUDGET 2011/12</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2012/13</b>	<b>2013/14</b>
			<b>£</b>	<b>£</b>
0.64	Expenditure per Resident	0.20	0.20	0.20
(0.64)	Income per Resident	(0.20)	(0.20)	(0.20)



<b>CHIEF EXECUTIVE</b>
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<b>CORPORATE TRAINING</b>
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<b>BUDGET 2010/11</b>	<b>GROUP</b>	<b>BUDGET 2011/12</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2012/13</b>	<b>2013/14</b>
	<b><u>EXPENDITURE</u></b>			
0	Employees	32,600	32,600	32,600
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
0	Internal Services Recharged	7,300	7,300	7,400
0	Capital Financing Costs	0	0	0
0	<b>TOTAL EXPENDITURE</b>	<b>39,900</b>	<b>39,900</b>	<b>40,000</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	(39,900)	(39,900)	(40,000)
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
0	<b>TOTAL INCOME</b>	<b>(39,900)</b>	<b>(39,900)</b>	<b>(40,000)</b>
0	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Responsible Budget Holder:</b> <b>Len Hull</b>
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<b>BRIEF DESCRIPTION OF SERVICE</b>
To provide learning and development opportunities across the Council to ensure that employees have the right skills and expertise to deliver the Council's strategic aims and objectives and deliver excellence in service provision.

<b>BUDGET 2010/11</b>	<b>UNIT COSTS</b>	<b>BUDGET 2011/12</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2012/13</b>	<b>2013/14</b>
0.00	Expenditure per Resident	0.36	0.36	0.36
0.00	Income per Resident	(0.36)	(0.36)	(0.36)

CHIEF EXECUTIVE
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MAJOR GRANTS
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BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b>EXPENDITURE</b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
0	Supplies and Services	161,800	161,800	161,800
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
0	Internal Services Recharged	3,000	3,100	3,100
0	Capital Financing Costs	0	0	0
0	<b>TOTAL EXPENDITURE</b>	<b>164,800</b>	<b>164,900</b>	<b>164,900</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>
0	<b>NET BUDGET</b>	<b>164,800</b>	<b>164,900</b>	<b>164,900</b>

Responsible Budget Holder: Mike Hill
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BRIEF DESCRIPTION OF SERVICE
Manages the payments of approved grants.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
0.00	Expenditure per Resident	1.48	1.48	1.48
0.00	Income per Resident	0.00	0.00	0.00

## DIRECTORATE OF COMMUNITY SERVICES

## ENVIRONMENT &amp; HOUSING

BUDGET 2010/11	DIVISION	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
253,600	Housing Strategy	242,500	233,200	221,200
13,900	Registered Social Landlords	18,100	18,100	18,100
12,800	Housing Advice	15,100	15,100	15,100
279,700	Private Sector Housing Renewal	1,008,600	1,012,100	1,015,200
271,600	Homelessness	287,900	273,000	274,900
1,206,900	Environmental Health	1,239,100	1,247,500	1,258,700
53,600	Waste Disposal	111,500	134,500	183,600
1,069,800	Community Parks & Open Spaces	1,374,400	1,401,100	1,415,500
164,800	Contribution to HRA Shared Items	145,100	145,100	145,100
0	Housing Management & Support	0	0	0
113,000	Cemetery, Cremation & Mortuary	80,300	110,700	114,700
801,300	Street Cleansing	835,700	835,700	835,700
1,939,600	Waste Collection	1,800,400	1,797,800	1,927,900
72,000	Emergency Planning	71,600	72,000	72,400
177,900	Environment SMS	209,300	245,600	247,000
<b>6,430,500</b>	<b>TOTAL</b>	<b>7,439,600</b>	<b>7,541,500</b>	<b>7,745,100</b>

**DIRECTORATE OF COMMUNITY SERVICES**

**ENVIRONMENT AND HOUSING**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
	<b>EXPENDITURE</b>			
4,068,000	Employees	4,009,000	4,032,700	4,056,100
439,200	Premises	447,100	489,000	496,600
1,207,500	Transport	1,214,900	1,215,600	1,221,700
2,596,600	Supplies and Services	3,125,700	3,109,600	3,287,800
641,300	Third Party Payments	435,300	425,300	413,300
0	Transfer Payments	0	0	0
1,539,200	Internal Services Recharged	1,864,700	1,878,900	1,896,100
681,300	Capital Financing Costs	797,400	854,600	1,129,600
<b>11,173,100</b>	<b>TOTAL EXPENDITURE</b>	<b>11,894,100</b>	<b>12,005,700</b>	<b>12,501,200</b>
	<b>INCOME</b>			
(1,984,800)	Internal Services Recharges	(1,883,800)	(1,967,500)	(2,259,400)
(1,087,300)	Grants	(1,075,600)	(1,001,600)	(1,001,600)
(1,670,500)	Customer & Client Receipts	(1,495,100)	(1,495,100)	(1,495,100)
<b>(4,742,600)</b>	<b>TOTAL INCOME</b>	<b>(4,454,500)</b>	<b>(4,464,200)</b>	<b>(4,756,100)</b>
<b>6,430,500</b>	<b>NET BUDGET</b>	<b>7,439,600</b>	<b>7,541,500</b>	<b>7,745,100</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 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
100.03	Expenditure per Resident	105.54	106.53	110.92
(42.46)	Income per Resident	(39.53)	(39.61)	(42.20)

**DIRECTORATE OF COMMUNITY SERVICES**

**HOUSING STRATEGY**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b>EXPENDITURE</b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
1,000	Supplies and Services	17,400	17,400	17,400
243,300	Third Party Payments	165,900	155,900	143,900
0	Transfer Payments	0	0	0
59,700	Internal Services Recharged	76,500	77,200	77,200
0	Capital Financing Costs	0	0	0
<b>304,000</b>	<b>TOTAL EXPENDITURE</b>	<b>259,800</b>	<b>250,500</b>	<b>238,500</b>
	<b>INCOME</b>			
(800)	Internal Services Recharges	(800)	(800)	(800)
0	Grants	0	0	0
(49,600)	Customer & Client Receipts	(16,500)	(16,500)	(16,500)
<b>(50,400)</b>	<b>TOTAL INCOME</b>	<b>(17,300)</b>	<b>(17,300)</b>	<b>(17,300)</b>
<b>253,600</b>	<b>NET BUDGET</b>	<b>242,500</b>	<b>233,200</b>	<b>221,200</b>

Responsible Budget Holder: C Frost

**BRIEF DESCRIPTION OF SERVICE**

Costs relating to the Housing Investment Programme bid

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
2.70	Expenditure per Resident	2.33	2.24	2.14
(0.45)	Income per Resident	(0.01)	(0.01)	(0.01)

**DIRECTORATE OF COMMUNITY SERVICES**

**REGISTERED SOCIAL LANDLORDS**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
	<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
0	Transfer Payments	0	0	0
13,900	Internal Services Recharged	18,100	18,100	18,100
0	Capital Financing Costs	0	0	0
<b>13,900</b>	<b>TOTAL EXPENDITURE</b>	<b>18,100</b>	<b>18,100</b>	<b>18,100</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>13,900</b>	<b>NET BUDGET</b>	<b>18,100</b>	<b>18,100</b>	<b>18,100</b>

Responsible Budget Holder: C Frost

**BRIEF DESCRIPTION OF SERVICE**

Temporary accomodation for the homeless

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
0.12	Expenditure per Resident	0.16	0.16	0.16
0.00	Income per Resident	0.00	0.00	0.00

<b>DIRECTORATE OF COMMUNITY SERVICES</b>
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<b>HOUSING ADVICE</b>
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BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<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
5,100	Third Party Payments	5,100	5,100	5,100
0	Transfer Payments	0	0	0
7,700	Internal Services Recharged	10,000	10,000	10,000
0	Capital Financing Costs	0	0	0
<b>12,800</b>	<b>TOTAL EXPENDITURE</b>	<b>15,100</b>	<b>15,100</b>	<b>15,100</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>12,800</b>	<b>NET BUDGET</b>	<b>15,100</b>	<b>15,100</b>	<b>15,100</b>

Responsible Budget Holder:     G Jackson

BRIEF DESCRIPTION OF SERVICE
To provide a Housing Advice service for the community

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
0.11	Expenditure per Resident	0.14	0.14	0.14
0.00	Income per Resident	0.00	0.00	0.00

**DIRECTORATE OF COMMUNITY SERVICES**

**PRIVATE SECTOR HOUSING RENEWAL**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
	<b>EXPENDITURE</b>			
144,000	Employees	138,600	141,100	142,900
0	Premises	0	0	0
8,000	Transport	8,000	8,000	8,000
1,048,100	Supplies and Services	1,752,700	1,702,700	1,702,700
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
93,800	Internal Services Recharged	126,500	127,500	128,800
0	Capital Financing Costs	0	0	0
<b>1,293,900</b>	<b>TOTAL EXPENDITURE</b>	<b>2,025,800</b>	<b>1,979,300</b>	<b>1,982,400</b>
	<b>INCOME</b>			
0	Internal Services Recharges	0	0	0
(892,000)	Grants	(895,000)	(845,000)	(845,000)
(122,200)	Customer & Client Receipts	(122,200)	(122,200)	(122,200)
<b>(1,014,200)</b>	<b>TOTAL INCOME</b>	<b>(1,017,200)</b>	<b>(967,200)</b>	<b>(967,200)</b>
<b>279,700</b>	<b>NET BUDGET</b>	<b>1,008,600</b>	<b>1,012,100</b>	<b>1,015,200</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 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
11.48	Expenditure per Resident	18.15	17.74	17.76
0.00	Income per Resident	(9.11)	(8.67)	(8.67)



<b>DIRECTORATE OF COMMUNITY SERVICES</b>
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<b>HOMELESSNESS</b>
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BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b><u>EXPENDITURE</u></b>			
142,700	Employees	146,200	148,100	148,900
4,600	Premises	4,600	4,600	4,600
3,300	Transport	3,300	3,300	3,300
120,300	Supplies and Services	111,500	112,500	112,500
1,500	Third Party Payments	1,500	1,500	1,500
0	Transfer Payments	0	0	0
93,300	Internal Services Recharged	106,200	106,600	107,700
20,500	Capital Financing Costs	20,300	3,100	3,100
<b>386,200</b>	<b>TOTAL EXPENDITURE</b>	<b>393,600</b>	<b>379,700</b>	<b>381,600</b>
	<b><u>INCOME</u></b>			
(1,400)	Internal Services Recharges	0	0	0
(100,000)	Grants	(92,500)	(93,500)	(93,500)
(13,200)	Customer & Client Receipts	(13,200)	(13,200)	(13,200)
<b>(114,600)</b>	<b>TOTAL INCOME</b>	<b>(105,700)</b>	<b>(106,700)</b>	<b>(106,700)</b>
<b>271,600</b>	<b>NET BUDGET</b>	<b>287,900</b>	<b>273,000</b>	<b>274,900</b>

Responsible Budget Holder: T Walstow/ G Jackson

BRIEF DESCRIPTION OF SERVICE
To provide temporary accomodation for the homeless

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
3.43	Expenditure per Resident	3.53	3.40	3.42
(1.02)	Income per Resident	(0.95)	(0.96)	(0.96)

<b>DIRECTORATE OF COMMUNITY SERVICES</b>
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<b>ENVIRONMENTAL HEALTH</b>
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BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b><u>EXPENDITURE</u></b>			
743,800	Employees	729,400	734,400	737,100
50,400	Premises	47,000	47,000	50,800
44,700	Transport	39,200	39,200	39,200
62,500	Supplies and Services	45,800	45,800	45,800
66,600	Third Party Payments	65,600	65,600	65,600
0	Transfer Payments	0	0	0
249,900	Internal Services Recharged	323,900	327,300	332,000
34,000	Capital Financing Costs	33,600	33,600	33,600
<b>1,251,900</b>	<b>TOTAL EXPENDITURE</b>	<b>1,284,500</b>	<b>1,292,900</b>	<b>1,304,100</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
(45,000)	Customer & Client Receipts	(45,400)	(45,400)	(45,400)
<b>(45,000)</b>	<b>TOTAL INCOME</b>	<b>(45,400)</b>	<b>(45,400)</b>	<b>(45,400)</b>
<b>1,206,900</b>	<b>NET BUDGET</b>	<b>1,239,100</b>	<b>1,247,500</b>	<b>1,258,700</b>

Responsible Budget Holder: E Prime

BRIEF DESCRIPTION OF SERVICE
The management and provision of services such as Rodent & Pest Control, Dog Warden & Animal Welfare, Water Sampling, Noise Control, Air Pollution, Contaminated Land, Food, Regulation Enforcement, Public Health Standards and Public Conveniences.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
11.11	Expenditure per Resident	11.51	11.59	11.69
0.00	Income per Resident	(0.41)	(0.41)	(0.41)

## DIRECTORATE OF COMMUNITY SERVICES

WASTE DISPOSAL
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BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
		£	£	£
	<b><u>EXPENDITURE</u></b>			
0	Employees			
0	Premises			
0	Transport	1,300	1,300	1,300
38,200	Supplies and Services	44,400	45,200	93,400
142,500	Third Party Payments	148,200	148,200	148,200
0	Transfer Payments			
27,300	Internal Services Recharged	18,200	19,200	20,100
105,300	Capital Financing Costs	117,500	113,700	113,700
<b>313,300</b>	<b>TOTAL EXPENDITURE</b>	<b>329,600</b>	<b>327,600</b>	<b>376,700</b>
	<b><u>INCOME</u></b>			
(72,300)	Internal Services Recharges			
0	Grants	(84,000)	(59,000)	(59,000)
(187,400)	Customer & Client Receipts	(134,100)	(134,100)	(134,100)
<b>(259,700)</b>	<b>TOTAL INCOME</b>	<b>(218,100)</b>	<b>(193,100)</b>	<b>(193,100)</b>
<b>53,600</b>	<b>NET BUDGET</b>	<b>111,500</b>	<b>134,500</b>	<b>183,600</b>

Responsible Budget Holder: T Andrew/ J Walker

BRIEF DESCRIPTION OF SERVICE	
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To provide a service which offers a full range of waste disposal options.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
2.78	Expenditure per Resident	2.95	2.94	3.38
(2.30)	Income per Resident	(1.95)	(1.73)	(1.73)

**DIRECTORATE OF COMMUNITY SERVICES**

**COMMUNITY PARKS AND OPEN SPACES**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b>EXPENDITURE</b>			
824,700	Employees	801,400	807,600	815,600
211,800	Premises	221,400	236,300	237,600
149,300	Transport	165,000	165,200	166,800
207,400	Supplies and Services	187,500	187,800	187,800
1,500	Third Party Payments	800	800	800
0	Transfer Payments	0	0	0
182,300	Internal Services Recharged	257,500	259,300	261,500
316,800	Capital Financing Costs	425,200	470,400	478,400
<b>1,893,800</b>	<b>TOTAL EXPENDITURE</b>	<b>2,058,800</b>	<b>2,127,400</b>	<b>2,148,500</b>
	<b>INCOME</b>			
(481,200)	Internal Services Recharges	(354,700)	(396,600)	(403,300)
0	Grants	(1,500)	(1,500)	(1,500)
(342,800)	Customer & Client Receipts	(328,200)	(328,200)	(328,200)
<b>(824,000)</b>	<b>TOTAL INCOME</b>	<b>(684,400)</b>	<b>(726,300)</b>	<b>(733,000)</b>
<b>1,069,800</b>	<b>NET BUDGET</b>	<b>1,374,400</b>	<b>1,401,100</b>	<b>1,415,500</b>

Responsible Budget Holder: K Somers/ J Foster

**BRIEF DESCRIPTION OF SERVICE**

Responsible for the maintenance and development of all the Councils' parks and open spaces, which includes cemeteries, closed church yards, allotments, Kilton Forest Golf Course, housing estates, industrial estates, town centre parks in Retford and Worksop, Langold Country Park, sports pitches, bowling greens and play areas owned by the Council.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
16.80	Expenditure per Resident	18.45	19.06	19.25
(4.27)	Income per Resident	(6.13)	(6.51)	(6.57)

**DIRECTORATE OF COMMUNITY SERVICES**

**CONTRIBUTION TO HRA SHARED ITEMS**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
	<b>EXPENDITURE</b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
128,100	Supplies and Services	145,100	145,100	145,100
36,700	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>164,800</b>	<b>TOTAL EXPENDITURE</b>	<b>145,100</b>	<b>145,100</b>	<b>145,100</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>164,800</b>	<b>NET BUDGET</b>	<b>145,100</b>	<b>145,100</b>	<b>145,100</b>

Responsible Budget Holder: J Foulger

**BRIEF DESCRIPTION OF SERVICE**

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

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
1.46	Expenditure per Resident	1.30	1.30	1.30
0.00	Income per Resident	0.00	0.00	0.00

**DIRECTORATE OF COMMUNITY SERVICES**

**HOUSING MANAGEMENT AND SUPPORT**

BUDGET 2010/11	DIVISION	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
	<b>EXPENDITURE</b>			
77,000	Employees	75,500	76,200	76,200
0	Premises	0	0	0
1,800	Transport	1,800	1,800	1,800
3,000	Supplies and Services	3,600	3,600	3,600
95,300	Third Party Payments	(300)	(300)	(300)
0	Transfer Payments	0	0	0
73,100	Internal Services Recharged	118,500	118,500	118,500
0	Capital Financing Costs	0	0	0
<b>250,200</b>	<b>TOTAL EXPENDITURE</b>	<b>199,100</b>	<b>199,800</b>	<b>199,800</b>
	<b>INCOME</b>			
(146,900)	Internal Services Recharges	(191,400)	(192,100)	(192,100)
(95,300)	Grants	0	0	0
(8,000)	Customer & Client Receipts	(7,700)	(7,700)	(7,700)
<b>(250,200)</b>	<b>TOTAL INCOME</b>	<b>(199,100)</b>	<b>(199,800)</b>	<b>(199,800)</b>
<b>0</b>	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Responsible Budget Holder:** C Frost

**BRIEF DESCRIPTION OF SERVICE**

Strategic management of housing services.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
2.22	Expenditure per Resident	1.78	1.79	1.79
(1.30)	Income per Resident	(1.78)	(1.79)	(1.79)

**DIRECTORATE OF COMMUNITY SERVICES**

**CEMETERY, CREMATION AND MORTUARY**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
	<b><u>EXPENDITURE</u></b>			
32,200	Employees	32,400	32,700	33,100
169,600	Premises	166,000	193,000	195,500
1,600	Transport	1,600	1,600	1,600
18,200	Supplies and Services	16,200	16,200	16,200
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
34,100	Internal Services Recharged	37,900	39,000	40,100
35,500	Capital Financing Costs	38,800	40,800	40,800
<b>291,200</b>	<b>TOTAL EXPENDITURE</b>	<b>292,900</b>	<b>323,300</b>	<b>327,300</b>
	<b><u>INCOME</u></b>			
(1,300)	Internal Services Recharges	(200)	(200)	(200)
0	Grants	0	0	0
(176,900)	Customer & Client Receipts	(212,400)	(212,400)	(212,400)
<b>(178,200)</b>	<b>TOTAL INCOME</b>	<b>(212,600)</b>	<b>(212,600)</b>	<b>(212,600)</b>
<b>113,000</b>	<b>NET BUDGET</b>	<b>80,300</b>	<b>110,700</b>	<b>114,700</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 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
2.58	Expenditure per Resident	2.62	2.90	2.93
(0.01)	Income per Resident	(1.91)	(1.91)	(1.91)

**DIRECTORATE OF COMMUNITY SERVICES**

**STREET CLEANSING**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
	<b><u>EXPENDITURE</u></b>			
508,300	Employees	565,300	565,300	565,300
0	Premises	0	0	0
152,700	Transport	150,700	150,800	151,900
212,700	Supplies and Services	143,400	143,400	143,500
18,500	Third Party Payments	18,500	18,500	18,500
0	Transfer Payments	0	0	0
99,300	Internal Services Recharged	101,900	101,900	101,900
39,100	Capital Financing Costs	62,200	98,200	98,200
<b>1,030,600</b>	<b>TOTAL EXPENDITURE</b>	<b>1,042,000</b>	<b>1,078,100</b>	<b>1,079,300</b>
	<b><u>INCOME</u></b>			
(227,600)	Internal Services Recharges	(204,600)	(240,700)	(241,900)
0	Grants	0	0	0
(1,700)	Customer & Client Receipts	(1,700)	(1,700)	(1,700)
<b>(229,300)</b>	<b>TOTAL INCOME</b>	<b>(206,300)</b>	<b>(242,400)</b>	<b>(243,600)</b>
<b>801,300</b>	<b>NET BUDGET</b>	<b>835,700</b>	<b>835,700</b>	<b>835,700</b>

**Responsible Budget Holder:** T Andrew

**BRIEF DESCRIPTION OF SERVICE**

To maintain cleanliness in accordance with the Environmental Protection Act 1988

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
9.14	Expenditure per Resident	9.34	9.66	9.67
(2.02)	Income per Resident	(1.85)	(2.17)	(2.18)



**DIRECTORATE OF COMMUNITY SERVICES**

**WASTE COLLECTION**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
	<b>EXPENDITURE</b>			
1,086,000	Employees	994,400	994,400	994,400
1,800	Premises	1,400	1,400	1,400
482,200	Transport	462,900	463,300	466,700
423,100	Supplies and Services	414,500	411,300	540,300
100	Third Party Payments	100	100	100
0	Transfer Payments	0	0	0
223,000	Internal Services Recharged	205,300	205,900	206,800
108,900	Capital Financing Costs	95,100	91,500	358,500
<b>2,325,100</b>	<b>TOTAL EXPENDITURE</b>	<b>2,173,700</b>	<b>2,167,900</b>	<b>2,568,200</b>
	<b>INCOME</b>			
(184,400)	Internal Services Recharges	(164,900)	(161,700)	(431,900)
0	Grants	(2,600)	(2,600)	(2,600)
(201,100)	Customer & Client Receipts	(205,800)	(205,800)	(205,800)
<b>(385,500)</b>	<b>TOTAL INCOME</b>	<b>(373,300)</b>	<b>(370,100)</b>	<b>(640,300)</b>
<b>1,939,600</b>	<b>NET BUDGET</b>	<b>1,800,400</b>	<b>1,797,800</b>	<b>1,927,900</b>

Responsible Budget Holder: T Andrew

**BRIEF DESCRIPTION OF SERVICE**

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

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
20.63	Expenditure per Resident	19.48	19.43	23.01
(1.64)	Income per Resident	(3.34)	(3.32)	(5.74)

**DIRECTORATE OF COMMUNITY SERVICES**

**EMERGENCY PLANNING**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
	<b>EXPENDITURE</b>			
29,100	Employees	29,400	29,400	29,400
0	Premises	0	0	0
0	Transport	0	0	0
6,400	Supplies and Services	3,900	3,900	3,900
17,100	Third Party Payments	17,100	17,100	17,100
0	Transfer Payments	0	0	0
19,400	Internal Services Recharged	21,200	21,600	22,000
0	Capital Financing Costs	0	0	0
<b>72,000</b>	<b>TOTAL EXPENDITURE</b>	<b>71,600</b>	<b>72,000</b>	<b>72,400</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>72,000</b>	<b>NET BUDGET</b>	<b>71,600</b>	<b>72,000</b>	<b>72,400</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 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
0.64	Expenditure per Resident	0.64	0.65	0.65
0.00	Income per Resident	0.00	0.00	0.00

**DIRECTORATE OF COMMUNITY SERVICES**

**ENVIRONMENT SMS**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
	<b>EXPENDITURE</b>			
480,200	Employees	496,400	503,500	513,200
1,000	Premises	6,700	6,700	6,700
363,900	Transport	381,100	381,100	381,100
327,600	Supplies and Services	239,700	274,700	275,600
13,100	Third Party Payments	12,800	12,800	12,800
0	Transfer Payments	0	0	0
362,400	Internal Services Recharged	443,000	446,800	451,400
21,200	Capital Financing Costs	4,700	3,300	3,300
<b>1,569,400</b>	<b>TOTAL EXPENDITURE</b>	<b>1,584,400</b>	<b>1,628,900</b>	<b>1,644,100</b>
	<b>INCOME</b>			
(868,900)	Internal Services Recharges	(967,200)	(975,400)	(989,200)
0	Grants	0	0	0
(522,600)	Customer & Client Receipts	(407,900)	(407,900)	(407,900)
<b>(1,391,500)</b>	<b>TOTAL INCOME</b>	<b>(1,375,100)</b>	<b>(1,383,300)</b>	<b>(1,397,100)</b>
<b>177,900</b>	<b>NET BUDGET</b>	<b>209,300</b>	<b>245,600</b>	<b>247,000</b>

**Responsible Budget Holder:** I Roebuck

**BRIEF DESCRIPTION OF SERVICE**

The development of Environmental Management in the authority.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
13.93	Expenditure per Resident	14.20	14.60	14.73
(12.35)	Income per Resident	(12.32)	(12.40)	(12.52)

## DIRECTORATE OF RESOURCES

## FINANCE &amp; PROPERTY

BUDGET 2010/11	DIVISION	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
1,190,600	Head of Finance & Property	0	0	0
0	Management Accounts	0	0	0
7,800	Corporate Accounts	3,700	3,700	3,700
0	Internal Audit	0	0	0
171,500	Estates	205,800	207,800	202,200
575,600	Engineers & Building Maintenance	493,100	494,500	495,900
<b>1,945,500</b>	<b>TOTAL</b>	<b>702,600</b>	<b>706,000</b>	<b>701,800</b>

**DIRECTORATE OF RESOURCES**

**FINANCE & PROPERTY**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
	<b>EXPENDITURE</b>			
996,200	Employees	982,600	997,300	1,005,500
813,200	Premises	767,000	767,000	767,500
29,400	Transport	24,900	24,900	24,900
329,700	Supplies and Services	162,000	162,000	162,000
1,986,200	Third Party Payments	499,500	501,800	504,100
	Transfer Payments			
1,858,100	Internal Services Recharged	1,904,900	1,917,700	1,937,800
317,000	Capital Financing Costs	369,500	376,600	384,600
<b>6,329,800</b>	<b>TOTAL EXPENDITURE</b>	<b>4,710,400</b>	<b>4,747,300</b>	<b>4,786,400</b>
	<b>INCOME</b>			
(3,144,700)	Internal Services Recharges	(3,174,400)	(3,199,800)	(3,234,800)
(304,400)	Grants	(67,300)	(67,300)	(67,300)
(935,200)	Customer & Client Receipts	(766,100)	(774,200)	(782,500)
<b>(4,384,300)</b>	<b>TOTAL INCOME</b>	<b>(4,007,800)</b>	<b>(4,041,300)</b>	<b>(4,084,600)</b>
<b>1,945,500</b>	<b>NET BUDGET</b>	<b>702,600</b>	<b>706,000</b>	<b>701,800</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.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
56.67	Expenditure per Resident	41.80	42.12	42.47
(39.25)	Income per Resident	(35.56)	(35.86)	(36.24)

**DIRECTORATE OF RESOURCES**

**HEAD OF FINANCE & PROPERTY**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
	<b><u>EXPENDITURE</u></b>			
98,000	Employees	93,900	93,900	93,900
0	Premises	0	0	0
1,800	Transport	1,800	1,800	1,800
168,600	Supplies and Services	8,900	8,900	8,900
1,254,300	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
185,800	Internal Services Recharged	140,600	141,400	142,600
	Capital Financing Costs	0	0	0
<b>1,708,500</b>	<b>TOTAL EXPENDITURE</b>	<b>245,200</b>	<b>246,000</b>	<b>247,200</b>
	<b><u>INCOME</u></b>			
(220,000)	Internal Services Recharges	(245,200)	(246,000)	(247,200)
(297,000)	Grants	0	0	0
(900)	Customer & Client Receipts	0	0	0
<b>(517,900)</b>	<b>TOTAL INCOME</b>	<b>(245,200)</b>	<b>(246,000)</b>	<b>(247,200)</b>
<b>1,190,600</b>	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Responsible Budget Holder:** Mike Hill

**BRIEF DESCRIPTION OF SERVICE**

To provide overall control and management of the Finance & Property 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. Overall Management of assets, including valuations, repairs and maintenance.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
15.30	Expenditure per Resident	2.18	2.18	2.19
(4.64)	Income per Resident	(2.18)	(2.18)	(2.19)

**DIRECTORATE OF RESOURCES**

**MANAGEMENT ACCOUNTS**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b><u>EXPENDITURE</u></b>			
328,200	Employees	219,300	222,300	225,100
0	Premises	0	0	0
2,500	Transport	1,200	1,200	1,200
21,400	Supplies and Services	5,600	5,600	5,600
17,000	Third Party Payments	3,100	3,100	3,100
0	Transfer Payments	0	0	0
302,500	Internal Services Recharged	136,400	137,100	138,700
0	Capital Financing Costs	0	0	0
<b>671,600</b>	<b>TOTAL EXPENDITURE</b>	<b>365,600</b>	<b>369,300</b>	<b>373,700</b>
	<b><u>INCOME</u></b>			
(665,400)	Internal Services Recharges	(361,200)	(364,900)	(369,300)
0	Grants	0	0	0
(6,200)	Customer & Client Receipts	(4,400)	(4,400)	(4,400)
<b>(671,600)</b>	<b>TOTAL INCOME</b>	<b>(365,600)</b>	<b>(369,300)</b>	<b>(373,700)</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 grant claims administration.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
6.01	Expenditure per Resident	3.24	3.28	3.32
(6.01)	income per Resident	(3.24)	(3.28)	(3.32)

**DIRECTORATE OF RESOURCES**

**CORPORATE ACCOUNTS**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
	<b>EXPENDITURE</b>			
118,200	Employees	253,400	262,400	265,300
20,300	Premises	0	0	0
500	Transport	1,400	1,400	1,400
16,400	Supplies and Services	24,700	24,700	24,700
539,100	Third Party Payments	334,400	334,400	334,400
0	Transfer Payments	0	0	0
174,700	Internal Services Recharged	424,300	431,000	438,500
0	Capital Financing Costs	0	0	0
<b>869,200</b>	<b>TOTAL EXPENDITURE</b>	<b>1,038,200</b>	<b>1,053,900</b>	<b>1,064,300</b>
	<b>INCOME</b>			
(642,300)	Internal Services Recharges	(891,300)	(907,000)	(917,400)
0	Grants	0	0	0
(219,100)	Customer & Client Receipts	(143,200)	(143,200)	(143,200)
<b>(861,400)</b>	<b>TOTAL INCOME</b>	<b>(1,034,500)</b>	<b>(1,050,200)</b>	<b>(1,060,600)</b>
<b>7800</b>	<b>NET BUDGET</b>	<b>3,700</b>	<b>3,700</b>	<b>3,700</b>

**Responsible Budget Holder:**

**Tracey Bircumshaw**

**BRIEF DESCRIPTION OF SERVICE**

To maintain, control and supervise the Payroll, Creditors, Insurance, and Banking Services. To co-ordinate the the production of the annual Statement of Accounts. Responsibility for Capital Accounting, Asset Register and Treasury Management

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
7.78	Expenditure per Resident	9.21	9.35	9.44
(7.71)	Income per Resident	(9.18)	(9.32)	(9.41)



**DIRECTORATE OF RESOURCES**

**INTERNAL AUDIT**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
	<b><u>EXPENDITURE</u></b>			
16,900	Employees	14,800	14,800	14,800
0	Premises	0	0	0
1,200	Transport	0	0	0
1,200	Supplies and Services	1,200	1,200	1,200
95,300	Third Party Payments	90,500	92,800	95,100
0	Transfer Payments	0	0	0
36,900	Internal Services Recharged	36,000	33,900	36,600
0	Capital Financing Costs	0	0	0
<b>151,500</b>	<b>TOTAL EXPENDITURE</b>	<b>142,500</b>	<b>142,700</b>	<b>147,700</b>
	<b><u>INCOME</u></b>			
(151,500)	Internal Services Recharges	(142,500)	(142,700)	(147,700)
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
<b>(151,500)</b>	<b>TOTAL INCOME</b>	<b>(142,500)</b>	<b>(142,700)</b>	<b>(147,700)</b>
<b>0</b>	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

Responsible Budget Holder:

Mike Hill

**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.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
1.36	Expenditure per Resident	1.26	1.27	1.31
(1.36)	Income per Resident	(1.26)	(1.27)	(1.31)

**DIRECTORATE OF RESOURCES**

**ESTATES**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
	<b><u>EXPENDITURE</u></b>			
152,200	Employees	185,700	188,400	190,900
143,200	Premises	138,200	138,200	138,200
5,700	Transport	4,700	4,700	4,700
14,700	Supplies and Services	13,000	13,000	13,000
30,300	Third Party Payments	23,800	23,800	23,800
0	Transfer Payments	0	0	0
420,500	Internal Services Recharged	473,100	475,400	478,600
22,400	Capital Financing Costs	46,000	50,000	50,000
<b>789,000</b>	<b>TOTAL EXPENDITURE</b>	<b>884,500</b>	<b>893,500</b>	<b>899,200</b>
	<b><u>INCOME</u></b>			
(283,000)	Internal Services Recharges	(357,800)	(357,600)	(361,500)
(7,400)	Grants	(7,400)	(7,400)	(7,400)
(327,100)	Customer & Client Receipts	(313,500)	(320,700)	(328,100)
<b>(617,500)</b>	<b>TOTAL INCOME</b>	<b>(678,700)</b>	<b>(685,700)</b>	<b>(697,000)</b>
<b>171,500</b>	<b>NET BUDGET</b>	<b>205,800</b>	<b>207,800</b>	<b>202,200</b>

**Responsible Budget Holder:** Rachel Baker

**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 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
7.06	Expenditure per Resident	7.85	7.93	7.98
(5.53)	Income per Resident	(6.02)	(6.08)	(6.18)

**DIRECTORATE OF RESOURCES**

**ENGINEERS & BUILDING MAINTENANCE**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b>EXPENDITURE</b>			
282,700	Employees	215,500	215,500	215,500
649,700	Premises	628,800	628,800	629,300
17,700	Transport	15,800	15,800	15,800
107,400	Supplies and Services	108,600	108,600	108,600
50,200	Third Party Payments	47,700	47,700	47,700
0	Transfer Payments	0	0	0
737,700	Internal Services Recharged	694,500	698,900	702,800
294,600	Capital Financing Costs	323,500	326,600	334,600
<b>2,140,000</b>	<b>TOTAL EXPENDITURE</b>	<b>2,034,400</b>	<b>2,041,900</b>	<b>2,054,300</b>
	<b>INCOME</b>			
(1,182,500)	Internal Services Recharges	(1,176,400)	(1,181,600)	(1,191,700)
0	Grants	(59,900)	(59,900)	(59,900)
(381,900)	Customer & Client Receipts	(305,000)	(305,900)	(306,800)
<b>(1,564,400)</b>	<b>TOTAL INCOME</b>	<b>(1,541,300)</b>	<b>(1,547,400)</b>	<b>(1,558,400)</b>
<b>575,600</b>	<b>NET BUDGET</b>	<b>493,100</b>	<b>494,500</b>	<b>495,900</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.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
19.16	Expenditure per Resident	18.05	18.12	18.23
(14.01)	Income per Resident	(13.68)	(13.73)	(13.83)

<b>DIRECTORATE OF RESOURCES</b>
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<b>REVENUE &amp; CUSTOMER SERVICES</b>
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BUDGET 2010/11	DIVISION	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
253,200	Housing Benefits	236,100	269,400	270,000
0	Revenues & Customer SMS	0	0	0
1,014,400	Local Tax Collection	824,500	844,300	852,600
0	Miscellaneous	6,200	6,200	6,200
<b>1,267,600</b>	<b>TOTAL</b>	<b>1,066,800</b>	<b>1,119,900</b>	<b>1,128,800</b>

**DIRECTORATE OF RESOURCES**

**REVENUES AND CUSTOMER SERVICES**

BUDGET 2010/11	DIVISION	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
	<b>EXPENDITURE</b>			
1,874,600	Employees	1,684,800	1,710,000	1,732,000
0	Premises	0	0	0
33,100	Transport	39,300	39,300	39,500
(289,700)	Supplies and Services	(266,100)	(266,100)	(266,100)
25,500	Third Party Payments	16,300	16,300	16,300
34,380,000	Transfer Payments	36,357,000	36,357,000	36,357,000
2,959,400	Internal Services Recharged	2,508,000	2,572,400	2,598,700
57,500	Capital Financing Costs	41,600	3,600	3,600
<b>39,040,400</b>	<b>TOTAL EXPENDITURE</b>	<b>40,380,900</b>	<b>40,432,500</b>	<b>40,481,000</b>
	<b>INCOME</b>			
0	Internal Services Recharges	0	0	0
(2,147,400)	Internal Services Recharges	(1,888,700)	(1,955,200)	(1,979,600)
(35,044,600)	Grants	(36,833,400)	(36,750,600)	(36,750,600)
(580,800)	Customer & Client Receipts	(592,000)	(606,800)	(622,000)
<b>(37,772,800)</b>	<b>TOTAL INCOME</b>	<b>(39,314,100)</b>	<b>(39,312,600)</b>	<b>(39,352,200)</b>
<b>1,267,600</b>	<b>NET BUDGET</b>	<b>1,066,800</b>	<b>1,119,900</b>	<b>1,128,800</b>

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 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
346.41	Expenditure per Resident	361.84	362.30	362.73
(335.16)	Income per Resident	(352.28)	(352.26)	(352.62)

**DIRECTORATE OF RESOURCES**

**HOUSING BENEFITS**

BUDGET 2010/11	DIVISION	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b><u>EXPENDITURE</u></b>			
136,900	Employees	136,400	136,700	136,900
0	Premises	0	0	0
4,400	Transport	4,400	4,400	4,400
(550,800)	Supplies and Services	(607,000)	(607,000)	(607,000)
0	Third Party Payments	0	0	0
25,478,200	Transfer Payments	27,382,000	27,382,000	27,382,000
512,100	Internal Services Recharged	374,600	411,800	416,400
0	Capital Financing Costs	0	0	0
<b>25,580,800</b>	<b>TOTAL EXPENDITURE</b>	<b>27,290,400</b>	<b>27,327,900</b>	<b>27,332,700</b>
	<b><u>INCOME</u></b>			
(108,500)	Internal Services Recharges	(96,300)	(96,400)	(96,400)
(25,062,800)	Grants	(26,794,400)	(26,794,400)	(26,794,400)
(156,300)	Customer & Client Receipts	(163,600)	(167,700)	(171,900)
<b>(25,327,600)</b>	<b>TOTAL INCOME</b>	<b>(27,054,300)</b>	<b>(27,058,500)</b>	<b>(27,062,700)</b>
<b>253,200</b>	<b>NET BUDGET</b>	<b>236,100</b>	<b>269,400</b>	<b>270,000</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 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
226.98	Expenditure per Resident	244.54	244.87	244.92
(224.73)	Income per Resident	(242.42)	(242.46)	(242.50)

**DIRECTORATE OF RESOURCES**

**REVENUES & CUSTOMER SMS**

BUDGET 2010/11	DIVISION	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
	<b><u>EXPENDITURE</u></b>			
1,398,000	Employees	1,238,500	1,258,300	1,276,300
0	Premises	0	0	0
19,000	Transport	25,200	25,200	25,400
97,400	Supplies and Services	114,800	114,800	114,800
19,500	Third Party Payments	10,300	10,300	10,300
0	Transfer Payments	0	0	0
1,378,700	Internal Services Recharged	1,278,400	1,282,700	1,291,500
57,500	Capital Financing Costs	41,600	3,600	3,600
<b>2,970,100</b>	<b>TOTAL EXPENDITURE</b>	<b>2,708,800</b>	<b>2,694,900</b>	<b>2,721,900</b>
	<b><u>INCOME</u></b>			
(2,038,900)	Internal Services Recharges	(1,792,400)	(1,858,800)	(1,883,200)
(827,700)	Grants	(817,000)	(734,200)	(734,200)
(103,500)	Customer & Client Receipts	(99,400)	(101,900)	(104,500)
<b>(2,970,100)</b>	<b>TOTAL INCOME</b>	<b>(2,708,800)</b>	<b>(2,694,900)</b>	<b>(2,721,900)</b>
<b>0</b>	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Responsible Budget Holder:**      **Andrew Burton**

**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 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
26.35	Expenditure per Resident	24.27	24.15	24.39
(26.35)	Income per Resident	(24.27)	(24.15)	(24.39)

**DIRECTORATE OF RESOURCES**

**LOCAL TAX COLLECTION**

BUDGET 2010/11	DIVISION	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
	<b><u>EXPENDITURE</u></b>			
339,700	Employees	309,900	315,000	318,800
0	Premises	0	0	0
9,700	Transport	9,700	9,700	9,700
163,700	Supplies and Services	219,900	219,900	219,900
6,000	Third Party Payments	6,000	6,000	6,000
8,901,800	Transfer Payments	8,975,000	8,975,000	8,975,000
1,068,600	Internal Services Recharged	855,000	877,900	890,800
0	Capital Financing Costs	0	0	0
<b>10,489,500</b>	<b>TOTAL EXPENDITURE</b>	<b>10,375,500</b>	<b>10,403,500</b>	<b>10,420,200</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0	0	0
(9,154,100)	Grants	(9,222,000)	(9,222,000)	(9,222,000)
(321,000)	Customer & Client Receipts	(329,000)	(337,200)	(345,600)
<b>(9,475,100)</b>	<b>TOTAL INCOME</b>	<b>(9,551,000)</b>	<b>(9,559,200)</b>	<b>(9,567,600)</b>
<b>1,014,400</b>	<b>NET BUDGET</b>	<b>824,500</b>	<b>844,300</b>	<b>852,600</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 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
93.07	Expenditure per Resident	92.97	93.22	93.37
(84.07)	Income per Resident	(85.58)	(85.66)	(85.73)



**DIRECTORATE OF RESOURCES**

**MISCELLANEOUS**

BUDGET 2010/11	DIVISION	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
	<b>EXPENDITURE</b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
0	Supplies and Services	6,200	6,200	6,200
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>	<b>6,200</b>	<b>6,200</b>	<b>6,200</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>
0	<b>NET BUDGET</b>	<b>6,200</b>	<b>6,200</b>	<b>6,200</b>

**Responsible Budget Holder:** Adele Watson

**BRIEF DESCRIPTION OF SERVICE**

To fund the Police rural mobile unit.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
0.00	Expenditure per Resident	0.06	0.06	0.06
0.00	Income per Resident	0.00	0.00	0.00

## DIRECTORATE OF CORPORATE SERVICES

## SUPPORT SERVICES

BUDGET 2010/11	DIVISION	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
0	Land Charges	0	0	0
0	E-Government	36,500	36,500	36,500
300	Licensing	32,400	31,000	32,300
10,400	Help Points	0	0	0
0	Support Services SMS	0	0	0
(39,600)	Democratic Representation & Management	(20,700)	(21,800)	(23,500)
0	Legal Services	0	0	0
0	Information Technology & Communications	0	0	0
0	General Administration & Support	7,000	7,000	7,500
72,700	GIS	42,200	37,600	38,200
<b>43,800</b>	<b>TOTAL</b>	<b>97,400</b>	<b>90,300</b>	<b>91,000</b>

**DIRECTORATE OF CORPORATE SERVICES**

**SUPPORT SERVICES**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b><u>EXPENDITURE</u></b>			
1,427,800	Employees	1,428,100	1,417,600	1,430,300
4,900	Premises	23,900	23,900	23,900
41,400	Transport	39,200	39,200	39,400
1,134,100	Supplies and Services	1,153,600	1,153,600	1,151,300
51,700	Third Party Payments	46,500	46,500	46,500
0	Transfer Payments	0	0	0
1,077,700	Internal Services Recharged	947,400	947,500	958,900
93,300	Capital Financing Costs	233,300	229,000	239,000
<b>3,830,900</b>	<b>TOTAL EXPENDITURE</b>	<b>3,872,000</b>	<b>3,857,300</b>	<b>3,889,300</b>
0	<b><u>INCOME</u></b>	0	0	0
(2,871,700)	Internal Services Recharges	(2,654,400)	(2,639,500)	(2,665,600)
0	Grants	(8,700)	(8,700)	(8,700)
(915,400)	Customer & Client Receipts	(1,111,500)	(1,118,800)	(1,124,000)
<b>(3,787,100)</b>	<b>TOTAL INCOME</b>	<b>(3,774,600)</b>	<b>(3,767,000)</b>	<b>(3,798,300)</b>
<b>43,800</b>	<b>NET BUDGET</b>	<b>97,400</b>	<b>90,300</b>	<b>91,000</b>

**Head of Service:** Steve Brown / Carolyn Forster

**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 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
33.99	Expenditure per Resident	34.70	34.56	34.85
(33.60)	Income per Resident	(33.82)	(33.75)	(34.03)

**DIRECTORATE OF CORPORATE SERVICES**

**LAND CHARGES**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b><u>EXPENDITURE</u></b>			
49,000	Employees	49,000	49,300	49,500
0	Premises	0	0	0
100	Transport	100	100	100
40,600	Supplies and Services	20,500	20,500	20,500
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
75,100	Internal Services Recharged	63,500	63,200	63,000
0	Capital Financing Costs	0	0	0
<b>164,800</b>	<b>TOTAL EXPENDITURE</b>	<b>133,100</b>	<b>133,100</b>	<b>133,100</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0		
0	Grants	0		
(164,800)	Customer & Client Receipts	(133,100)	(133,100)	(133,100)
<b>(164,800)</b>	<b>TOTAL INCOME</b>	<b>(133,100)</b>	<b>(133,100)</b>	<b>(133,100)</b>
<b>0</b>	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

Responsible Budget Holder:

Lesley Bianco

**BRIEF DESCRIPTION OF SERVICE**

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

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
1.46	Expenditure per Resident	1.19	1.19	1.19
(1.46)	Income per Resident	(1.19)	(1.19)	(1.19)

**DIRECTORATE OF CORPORATE SERVICES**

**E-GOVERNMENT**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
	<b><u>EXPENDITURE</u></b>			
0	Employees	200	200	200
0	Premises	20,500	20,500	20,500
0	Transport	0	0	0
12,500	Supplies and Services	28,500	28,500	28,500
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
0	Internal Services Recharged	200	200	200
1,700	Capital Financing Costs	500	0	0
<b>14,200</b>	<b>TOTAL EXPENDITURE</b>	<b>49,900</b>	<b>49,400</b>	<b>49,400</b>
	<b><u>INCOME</u></b>			
(14,200)	Internal Services Recharges	(13,400)	(12,900)	(12,900)
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
<b>(14,200)</b>	<b>TOTAL INCOME</b>	<b>(13,400)</b>	<b>(12,900)</b>	<b>(12,900)</b>
<b>0</b>	<b>NET BUDGET</b>	<b>36,500</b>	<b>36,500</b>	<b>36,500</b>

Responsible Budget Holder:

Steve Brown

**BRIEF DESCRIPTION OF SERVICE**

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

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
0.13	Expenditure per Resident	0.45	0.44	0.44
(0.13)	Income per Resident	(0.12)	(0.12)	(0.12)

**DIRECTORATE OF CORPORATE SERVICES**

**LICENSING**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b><u>EXPENDITURE</u></b>			
73,700	Employees	72,900	74,600	76,400
0	Premises	0	0	0
11,500	Transport	10,600	10,600	10,800
21,300	Supplies and Services	16,100	16,100	15,500
0	Third Party Payments	5,800	5,800	5,800
0	Transfer Payments	0	0	0
77,200	Internal Services Recharged	111,600	109,700	110,800
0	Capital Financing Costs	0	0	0
<b>183,700</b>	<b>TOTAL EXPENDITURE</b>	<b>217,000</b>	<b>216,800</b>	<b>219,300</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
(183,400)	Customer & Client Receipts	(184,600)	(185,800)	(187,000)
<b>(183,400)</b>	<b>TOTAL INCOME</b>	<b>(184,600)</b>	<b>(185,800)</b>	<b>(187,000)</b>
<b>300</b>	<b>NET BUDGET</b>	<b>32,400</b>	<b>31,000</b>	<b>32,300</b>

Responsible Budget Holder: **Stephen Wormald**

**BRIEF DESCRIPTION OF SERVICE**

To issue licences, permits and registrations within appropriate legislation.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
1.63	Expenditure per Resident	1.94	1.94	1.97
(1.63)	Income per Resident	(1.65)	(1.66)	(1.68)

**DIRECTORATE OF CORPORATE SERVICES**

**HELP POINTS**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
	<b>EXPENDITURE</b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
10,300	Supplies and Services	0	0	0
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
100	Internal Services Recharged	0	0	0
0	Capital Financing Costs	0	0	0
<b>10,400</b>	<b>TOTAL EXPENDITURE</b>	<b>0</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
<b>0</b>	<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>10,400</b>	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

Responsible Budget Holder:

Steve Brown

**BRIEF DESCRIPTION OF SERVICE**

Information technology outreach providing access to rural communities.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
0.09	Expenditure per Resident	-	-	-
0.00	Income per Resident	0.00	0.00	0.00

**DIRECTORATE OF CORPORATE SERVICES**

**SUPPORT SERVICES SMS**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b>EXPENDITURE</b>			
100,600	Employees	102,600	102,900	103,300
0	Premises	0	0	0
2,400	Transport	2,400	2,400	2,400
6,800	Supplies and Services	5,700	5,700	5,700
9,200	Third Party Payments	200	200	200
0	Transfer Payments	0	0	0
86,000	Internal Services Recharged	100,400	101,100	101,600
0	Capital Financing Costs	0	0	0
<b>205,000</b>	<b>TOTAL EXPENDITURE</b>	<b>211,300</b>	<b>212,300</b>	<b>213,200</b>
	<b>INCOME</b>			
(202,900)	Internal Services Recharges	(207,300)	(208,300)	(209,200)
0	Grants	0	0	0
(2,100)	Customer & Client Receipts	(4,000)	(4,000)	(4,000)
<b>(205,000)</b>	<b>TOTAL INCOME</b>	<b>(211,300)</b>	<b>(212,300)</b>	<b>(213,200)</b>
<b>0</b>	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

Responsible Budget Holder:

Steve Brown

**BRIEF DESCRIPTION OF SERVICE**

To provide overall control and management of Support Services.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
1.82	Expenditure per Resident	1.89	1.90	1.91
(1.82)	Income per Resident	(1.89)	(1.90)	(1.91)



**DIRECTORATE OF CORPORATE SERVICES**

**DEMOCRATIC REPRESENTATION & MANAGEMENT**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
	<b><u>EXPENDITURE</u></b>			
6,600	Employees	6,400	6,400	6,400
0	Premises	0	0	0
0	Transport	0	0	0
34,400	Supplies and Services	35,300	35,300	34,400
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
5,000	Internal Services Recharged	24,100	24,000	24,200
0	Capital Financing Costs	0	0	0
<b>46,000</b>	<b>TOTAL EXPENDITURE</b>	<b>65,800</b>	<b>65,700</b>	<b>65,000</b>
	<b><u>INCOME</u></b>			
0	Internal Services Recharges	0	0	0
0	Grants	0	0	0
(85,600)	Customer & Client Receipts	(86,500)	(87,500)	(88,500)
<b>(85,600)</b>	<b>TOTAL INCOME</b>	<b>(86,500)</b>	<b>(87,500)</b>	<b>(88,500)</b>
<b>(39,600)</b>	<b>NET BUDGET</b>	<b>(20,700)</b>	<b>(21,800)</b>	<b>(23,500)</b>

**Responsible Budget Holder:** Sandy Williams

**BRIEF DESCRIPTION OF SERVICE**

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

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
0.41	Expenditure per Resident	0.59	0.59	0.58
(0.76)	Income per Resident	(0.78)	(0.78)	(0.79)

**DIRECTORATE OF CORPORATE SERVICES**

**LEGAL SERVICES**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
	<b>EXPENDITURE</b>			
232,200	Employees	241,400	243,000	243,200
0	Premises	0	0	0
3,800	Transport	2,800	2,800	2,800
35,100	Supplies and Services	68,500	68,500	68,500
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
98,700	Internal Services Recharged	103,500	103,300	105,700
0	Capital Financing Costs	0	0	0
<b>369,800</b>	<b>TOTAL EXPENDITURE</b>	<b>416,200</b>	<b>417,600</b>	<b>420,200</b>
	<b>INCOME</b>			
(340,600)	Internal Services Recharges	(329,800)	(330,000)	(331,300)
0	Grants	0	0	0
(29,200)	Customer & Client Receipts	(86,400)	(87,600)	(88,900)
<b>(369,800)</b>	<b>TOTAL INCOME</b>	<b>(416,200)</b>	<b>(417,600)</b>	<b>(420,200)</b>
<b>0</b>	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

Responsible Budget Holder: Carolyn Forster

**BRIEF DESCRIPTION OF SERVICE**

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

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
3.28	Expenditure per Resident	3.73	3.74	3.77
(3.28)	Income per Resident	(3.73)	(3.74)	(3.77)

**DIRECTORATE OF CORPORATE SERVICES**

**INFORMATION TECHNOLOGY & COMMUNICATIONS**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b>EXPENDITURE</b>			
358,300	Employees	357,700	361,100	364,200
4,900	Premises	3,400	3,400	3,400
16,100	Transport	16,100	16,100	16,100
815,300	Supplies and Services	825,100	825,100	825,100
6,400	Third Party Payments	4,500	4,500	4,500
0	Transfer Payments	0	0	0
411,600	Internal Services Recharged	197,800	199,500	202,700
75,700	Capital Financing Costs	144,000	140,200	150,200
<b>1,688,300</b>	<b>TOTAL EXPENDITURE</b>	<b>1,548,600</b>	<b>1,549,900</b>	<b>1,566,200</b>
	<b>INCOME</b>			
(1,288,600)	Internal Services Recharges	(1,141,400)	(1,142,300)	(1,158,200)
0	Grants	0	0	0
(399,700)	Customer & Client Receipts	(407,200)	(407,600)	(408,000)
<b>(1,688,300)</b>	<b>TOTAL INCOME</b>	<b>(1,548,600)</b>	<b>(1,549,900)</b>	<b>(1,566,200)</b>
<b>0</b>	<b>NET BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

Responsible Budget Holder: **Mick Coley**

**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.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
14.98	Expenditure per Resident	13.88	13.89	14.03
(14.98)	Income per Resident	(13.88)	(13.89)	(14.03)

<b>DIRECTORATE OF CORPORATE SERVICES</b>
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<b>GENERAL ADMINISTRATION AND SUPPORT</b>
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BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b>EXPENDITURE</b>			
485,300	Employees	481,100	487,300	493,200
0	Premises	0	0	0
5,800	Transport	5,500	5,500	5,500
126,400	Supplies and Services	115,500	115,500	114,800
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
228,900	Internal Services Recharged	265,200	269,500	272,400
9,300	Capital Financing Costs	5,500	5,500	5,500
<b>855,700</b>	<b>TOTAL EXPENDITURE</b>	<b>872,800</b>	<b>883,300</b>	<b>891,400</b>
	<b>INCOME</b>			
(809,200)	Internal Services Recharges	(656,000)	(663,000)	(669,300)
0	Grants	(4,700)	(4,700)	(4,700)
(46,500)	Customer & Client Receipts	(205,100)	(208,600)	(209,900)
<b>(855,700)</b>	<b>TOTAL INCOME</b>	<b>(865,800)</b>	<b>(876,300)</b>	<b>(883,900)</b>
<b>0</b>	<b>NET BUDGET</b>	<b>7,000</b>	<b>7,000</b>	<b>7,500</b>

Responsible Budget Holder:

Sandy 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.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
7.59	Expenditure per Resident	7.82	7.91	7.99
(7.59)	Income per Resident	(7.76)	(7.85)	(7.92)

**DIRECTORATE OF CORPORATE SERVICES**

**GIS**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b>EXPENDITURE</b>			
122,100	Employees	116,800	92,800	93,900
0	Premises	0	0	0
1,700	Transport	1,700	1,700	1,700
31,400	Supplies and Services	38,400	38,400	38,300
36,100	Third Party Payments	36,000	36,000	36,000
0	Transfer Payments	0	0	0
95,100	Internal Services Recharged	81,100	77,000	78,300
6,600	Capital Financing Costs	83,300	83,300	83,300
<b>293,000</b>	<b>TOTAL EXPENDITURE</b>	<b>357,300</b>	<b>329,200</b>	<b>331,500</b>
	<b>INCOME</b>			
(216,200)	Internal Services Recharges	(306,500)	(283,000)	(284,700)
0	Grants	(4,000)	(4,000)	(4,000)
(4,100)	Customer & Client Receipts	(4,600)	(4,600)	(4,600)
<b>(220,300)</b>	<b>TOTAL INCOME</b>	<b>(315,100)</b>	<b>(291,600)</b>	<b>(293,300)</b>
<b>72,700</b>	<b>NET BUDGET</b>	<b>42,200</b>	<b>37,600</b>	<b>38,200</b>

Responsible Budget Holder:

Lesley Bianco

**BRIEF DESCRIPTION OF SERVICE**

To maintain and update the corporate GIS system.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
2.60	Expenditure per Resident	3.20	2.95	2.97
(1.95)	Income per Resident	(2.82)	(2.61)	(2.63)

## DIRECTORATE OF RESOURCES

## OTHER BUDGETS

BUDGET 2010/11	DIVISION	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
(1,322,500)	Asset Rents	(2,213,400)	(2,907,400)	(3,180,400)
175,000	Provision - Corporate Contingency	100,000	100,000	100,000
50,000	Provision - Bad debts	50,000	50,000	50,000
227,000	Participatory Budgeting	0	0	0
1,293,300	Net Interest & borrowing costs	1,742,600	1,850,300	1,904,000
175,000	Service Improvement bids	41,100	0	0
452,500	Concurrent functions & drainage board levies	518,500	529,400	540,600
790,300	Parishes and Town Precepts	810,300	830,600	851,400
<b>1,840,600</b>	<b>TOTAL</b>	<b>1,049,100</b>	<b>452,900</b>	<b>265,600</b>

**CHIEF EXECUTIVE**

**OTHER BUDGETS**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b>EXPENDITURE</b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
1,507,500	Supplies and Services	281,300	240,200	240,200
0	Third Party Payments	810,300	830,600	851,400
1,316,100	Transfer Payments	2,013,100	1,356,000	1,302,200
0	Internal Services Recharged	0	0	0
4,181,700	Capital Financing Costs	4,398,400	5,128,800	5,558,300
<b>7,005,300</b>	<b>TOTAL EXPENDITURE</b>	<b>7,503,100</b>	<b>7,555,600</b>	<b>7,952,100</b>
	<b>INCOME</b>			
(5,127,100)	Internal Services Recharges	(6,435,400)	(7,083,500)	(7,666,500)
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
(37,600)	Interest	(18,600)	(19,200)	(20,000)
<b>(5,164,700)</b>	<b>TOTAL INCOME</b>	<b>(6,454,000)</b>	<b>(7,102,700)</b>	<b>(7,686,500)</b>
<b>1,840,600</b>	<b>NET BUDGET</b>	<b>1,049,100</b>	<b>452,900</b>	<b>265,600</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 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
62.16	Expenditure per Resident	67.23	67.70	71.26
(45.49)	Income per Resident	(57.83)	(63.64)	(68.88)

<b>CHIEF EXECUTIVE</b>
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<b>ASSET RENTS</b>
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BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<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
947,000	Transfer Payments	1,578,000	910,000	845,000
0	Internal Services Recharged	0	0	0
326,800	Capital Financing Costs	0	0	0
<b>1,273,800</b>	<b>TOTAL EXPENDITURE</b>	<b>1,578,000</b>	<b>910,000</b>	<b>845,000</b>
	<b>INCOME</b>			
(2,596,300)	Internal Services Recharges	(3,791,400)	(3,817,400)	(4,025,400)
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
(2,596,300)	<b>TOTAL INCOME</b>	(3,791,400)	(3,817,400)	(4,025,400)
<b>(1,322,500)</b>	<b>NET BUDGET</b>	<b>(2,213,400)</b>	<b>(2,907,400)</b>	<b>(3,180,400)</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 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
11.30	Expenditure per Resident	14.14	8.15	7.57
(23.04)	Income per Resident	(33.97)	(34.21)	(36.07)



**CHIEF EXECUTIVE**

**PROVISION - CORPORATE CONTINGENCY**

BUDGET 2010/11.	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
	<b>EXPENDITURE</b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
175,000	Supplies and Services	100,000	100,000	100,000
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>175,000</b>	<b>TOTAL EXPENDITURE</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</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>175,000</b>	<b>NET BUDGET</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>

**Responsible Budget Holder: Mike Hill**

**BRIEF DESCRIPTION OF SERVICE**

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 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
1.55	Expenditure per Resident	0.90	0.90	0.90
0.00	Income per Resident	0.00	0.00	0.00

CHIEF EXECUTIVE
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PROVISION - BAD DEBT
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BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
	<b>EXPENDITURE</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
50,000	<b>TOTAL EXPENDITURE</b>	50,000	50,000	50,000
	<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
50,000	<b>NET BUDGET</b>	50,000	50,000	50,000

Responsible Budget Holder: Mike Hill

BRIEF DESCRIPTION OF SERVICE
An amount set aside to cover debts that may prove to be uncollectable in the future.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
0.44	Expenditure per Resident	0.45	0.45	0.45
0.00	Income per Resident	0.00	0.00	0.00

CHIEF EXECUTIVE
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PARTICIPATORY BUDGETING
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BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
	<b>EXPENDITURE</b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
227,000	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
227,000	<b>TOTAL EXPENDITURE</b>	0	0	0
	<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
227,000	<b>NET BUDGET</b>	0	0	0

Responsible Budget Holder: Mike Hill

BRIEF DESCRIPTION OF SERVICE
A budget allocation to be distributed to services following Participatory Budgeting consultation exercise with the public.

BUDGET 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13	2013/14
			£	£
2.01	Expenditure per Resident	0.00	0.00	0.00
0.00	Income per Resident	0.00	0.00	0.00

**CHIEF EXECUTIVE**

**NET INTEREST AND BORROWING COSTS**

BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
	<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	6,800
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
0	Internal Services Recharged	0	0	0
3,854,900	Capital Financing Costs	4,398,400	5,128,800	5,558,300
<b>3,861,700</b>	<b>TOTAL EXPENDITURE</b>	<b>4,405,200</b>	<b>5,135,600</b>	<b>5,565,100</b>
	<b>INCOME</b>			
(2,530,800)	Internal Services Recharges	(2,644,000)	(3,266,100)	(3,641,100)
0	Grants	0	0	0
0	Customer & Client Receipts	0	0	0
(37,600)	Interest	(18,600)	(19,200)	(20,000)
(2,568,400)	<b>TOTAL INCOME</b>	<b>(2,662,600)</b>	<b>(3,285,300)</b>	<b>(3,661,100)</b>
<b>1,293,300</b>	<b>NET BUDGET</b>	<b>1,742,600</b>	<b>1,850,300</b>	<b>1,904,000</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 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
34.57	Expenditure per Resident	39.09	45.57	49.38
(22.99)	Income per Resident	(23.63)	(29.15)	(32.49)

CHIEF EXECUTIVE
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SERVICE IMPROVEMENT BIDS
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BUDGET 2010/11	GROUP	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
	<b>EXPENDITURE</b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
175,000	Supplies and Services	41,100	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>175,000</b>	<b>TOTAL EXPENDITURE</b>	<b>41,100</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
<b>0</b>	<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>175,000</b>	<b>NET BUDGET</b>	<b>41,100</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 2010/11	UNIT COSTS	BUDGET 2011/12	FORECAST	
£		£	2012/13 £	2013/14 £
1.55	Expenditure per Resident	0.37	0.00	0.00
0.00	Income per Resident	0.00	0.00	0.00

<b>CHIEF EXECUTIVE</b>
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<b>CONCURRENT FUNCTIONS AND DRAINAGE BOARD LEVIES</b>
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<b>BUDGET 2010/11</b>	<b>GROUP</b>	<b>BUDGET 2011/12</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2012/13</b>	<b>2013/14</b>
	<b><u>EXPENDITURE</u></b>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
83,400	Supplies and Services	83,400	83,400	83,400
0	Third Party Payments	0	0	0
369,100	Transfer Payments	435,100	446,000	457,200
0	Internal Services Recharged	0	0	0
0	Capital Financing Costs	0	0	0
<b>452,500</b>	<b>TOTAL EXPENDITURE</b>	<b>518,500</b>	<b>529,400</b>	<b>540,600</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>452,500</b>	<b>NET BUDGET</b>	<b>518,500</b>	<b>529,400</b>	<b>540,600</b>

**Responsible Budget Holder: Mike Hill**

<b>BRIEF DESCRIPTION OF SERVICE</b>
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.

<b>BUDGET 2010/11</b>	<b>UNIT COSTS</b>	<b>BUDGET 2011/12</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2012/13</b>	<b>2013/14</b>
4.02	Expenditure per Resident	4.65	4.74	4.84
0.00	Income per Resident	0.00	0.00	0.00

<b>CHIEF EXECUTIVE</b>
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<b>PARISHES AND TOWN PRECEPTS</b>
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<b>BUDGET 2010/11</b>	<b>GROUP</b>	<b>BUDGET 2011/12</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2012/13</b>	<b>2013/14</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
790,300	Third Party Payments	810,300	830,600	851,400
0	Transfer Payments	0	0	0
0	Internal Services Recharged	0	0	0
0	Capital Financing Costs	0	0	0
<b>790,300</b>	<b>TOTAL EXPENDITURE</b>	<b>810,300</b>	<b>830,600</b>	<b>851,400</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>790,300</b>	<b>NET BUDGET</b>	<b>810,300</b>	<b>830,600</b>	<b>851,400</b>

Responsible Budget Holder: Mike Hill

<b>BRIEF DESCRIPTION OF SERVICE</b>
Precepts payable to parishes.

<b>BUDGET 2010/11</b>	<b>UNIT COSTS</b>	<b>BUDGET 2011/12</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2012/13</b>	<b>2013/14</b>
			<b>£</b>	<b>£</b>
7.01	Expenditure per Resident	7.26	7.44	7.63
0.00	Income per Resident	0.00	0.00	0.00

## DIRECTORATE OF RESOURCES

## RESERVES

BUDGET 2010/11 £	DIVISION	BUDGET 2011/12 £	FORECAST	
			2012/13 £	2013/14 £
0	Savings Target	0	(1,337,100)	(1,466,400)
0	TOTAL	0	(1,337,100)	(1,466,400)



<b>RESERVES</b>
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<b>TRANSFERS</b>
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<b>BUDGET 2010/11</b>	<b>GROUP</b>	<b>BUDGET 2011/12</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2012/13</b>	<b>2013/14</b>
	<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
0	Internal Services Recharged	0	0	0
0	Capital Financing Costs	0	0	0
<b>0</b>	<b>TOTAL EXPENDITURE</b>	<b>0</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	Revenue Appropriations	0	(1,337,100)	(1,466,400)
<b>0</b>	<b>TOTAL INCOME</b>		<b>(1,337,100)</b>	<b>(1,466,400)</b>
<b>0</b>	<b>NET BUDGET</b>		<b>(1,337,100)</b>	<b>(1,466,400)</b>

<b>Head of Service:</b>	<b>M Hill</b>
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<b>BRIEF DESCRIPTION OF SERVICE</b>
This budget represents a savings target set for future budgets.

<b>BUDGET 2010/11</b>	<b>UNIT COSTS</b>	<b>BUDGET 2011/12</b>	<b>FORECAST</b>	
<b>£</b>		<b>£</b>	<b>2012/13</b>	<b>2013/14</b>
0.00	Expenditure per Resident	0.00	0.00	0.00
0.00	Income per Resident	0.00	(11.98)	(13.14)

**COLLECTION FUND ESTIMATES 2011/12**

COUNCIL TAX	£'000	£'000	£'000
<b>Surplus for 2009/10</b>			
Actual surplus as at 31.03.10		293	
Less surplus declared 15th January 2010		<u>0</u>	
Estimate overstated			293
 <b>Transactions in 2010/11</b>			
Taxpayers' accounts due (excluding benefits)		64,945	
<b>Less:</b>			
Exemptions, discounts and disabled relief	(6,787)		
Precepts	(57,506)		
Anticipated write offs	(316)		
Increase in bad debt provision	<u>(629)</u>		
		<u>(65,238)</u>	
			(293)
 <b>Surplus declared 15th January 2011</b>			<u><u>0</u></u>
 <b>Allocation of Council Tax surplus</b>			
Bassetlaw District Council	10.9%		0
Nottinghamshire County Council	74.7%		0
Nottinghamshire Police Authority	10.0%		0
Combined Fire Authority	4.4%		<u>0</u>
			<u>0</u>

## MOVEMENT ON BALANCES:

REVENUE BALANCE	Balance 01/04/10 £'000
Working Balance General Reserve	(1,000) (149)
<b>TOTAL EARMARKED</b>	<b>(1,149)</b>

C/Fwd September 2010 £'000	Reserves October 2010 £'000	Budgeted Movements in Year £'000	Spending in Year £'000	Balance 01/04/11 £'000
- 149	- -	- -	- -	(1,000) -
<b>149</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,000)</b>

Movements in Year £'000	Balance 01/04/12 £'000
- -	(1,000) -
<b>-</b>	<b>(1,000)</b>

## MOVEMENT ON EARMARKED RESERVES:

REVENUE RESERVE	Balance 01/04/10 £000
Insurance Regeneration Initiatives Treasury Management Job Evaluation	(69) (125) (770) (815)
<b>TOTAL EARMARKED</b>	<b>(1,779)</b>

C/Fwd September 2010 £'000	Reserves October 2010 £'000	Budgeted Movements in Year £'000	Spending in Year £'000	Balance 01/04/11 £'000
- - - -	(60) - - -	- - - -	- 125 22 -	(129) - (748) (815)
<b>-</b>	<b>(60)</b>	<b>-</b>	<b>147</b>	<b>(1,692)</b>

Movements in Year £'000	Balance 01/04/12 £'000
- - - 815	(129) - (748) -
<b>815</b>	<b>(877)</b>

<b>TOTAL RESERVES</b>	<b>(2,928)</b>
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<b>(2,692)</b>
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<b>(1,877)</b>
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**BASSETLAW DISTRICT COUNCIL**

**CABINET**

**10 FEBRUARY 2011**

**REPORT OF DIRECTOR OF RESOURCES**

**HOUSING REVENUE ACCOUNT BUDGET 2011/12  
AND FUTURE YEARS TO 2013/14**

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 consider and approve the Housing Revenue Account budget for 2011/12 and provide indicative figures for 2012/13 and 2013/14.
- 2.2 To make recommendations to Council on the 3 March 2011 to set the budget and rent levels for 2011/12.

**3. Background and Discussion**

- 3.1 Unlike the General Fund, which has a range of different services, the Housing Revenue Account is single service account that is funded by tenants' rent income for the social housing and the landlord functions Bassetlaw provides, via the Arms Length Management Organisation, A1 Housing Bassetlaw Ltd.
- 3.2 Ministers have said that the current Housing Revenue Account arrangements will cease from the 1 April 2012, however no details are available as yet. This will form part of a wider review of council housing with the ending of the current subsidy arrangements and a transfer of the national housing debt to individual local authorities. Other factors that will also impact on the HRA are the reductions in Decent Homes funding and the consequences of that, plus less Ministerial targeting.
- 3.3 The attached appendices set out the budgets from 2011/12 onwards on the same basis as the current arrangements. The reason for this is that the level of transferred debt, which will be significant, has not been decided for each authority, and there are no actual figures on which to base projections.
- 3.4 Ministers have made it clear that the resources for the Decent Homes programme have been scaled back as part of the overall plan to reduce the national deficit. Discussions with the Homes & Communities Agency (HCA) indicate that the original £20.5m requirement for Bassetlaw will probably be scaled back, and the last 10% of

all Decent Homes monies will be met from local resources. Therefore £15.4m has been used as the working assumption for the purposes of this financial plan. This places more local burden on Bassetlaw's Housing Revenue Account, as the Council continues to be committed to meeting the standard.

- 3.5 To achieve this the financial capacity needs to be created, the consequences of which are that existing budget components need to be reduced, and replaced with higher levels of capital support (borrowing) to pay for any Decent Homes shortfall. To this end in the next financial year, A1 Housing will be asked to provide the Council with cashable revenue savings, as have all Council Departments through the existing Star Chamber process. These will be used to offset the reduction in Decent Homes funding.
- 3.6 Since its inception, A1 Housing have made overall savings of £4.3m up to 31 March 2010, with £2.2m being Decent Homes and capital improvement savings, and £2.1m being revenue savings. As at the end of December 2010, further in-year savings of £1.2m had been made. Of this amount, £0.9m relates to capital and £0.3m is attributable to revenue. Taking these histories into account, the strategy outlined in para 3.5 will build on past performance and will be more co-ordinated to meet the savings targets between A1 Housing and Bassetlaw.

#### **2010/11 Forecast Out-turn**

- 3.7 The budget monitoring report elsewhere on this agenda shows the likely year-end position for 2010/11. The projection is for a £0.25m overspend on the approved budget, which results from an additional approval of £0.3m by Cabinet in November 2010 in relation to emergency fire and safety work at council-owned flats and sheltered accommodation.

#### **Reserves**

- 3.8 The forecasted Housing Revenue Account balance at 1 April 2011 is £1.3m, compared with the recommended minimum working balance of £0.75m. Over the next three years it is forecast that the balances will be reduced down to an amount of £1.0m by 31 March 2014. This still allows for some degree of flexibility for future funding, but the officer recommendation is not to diminish the level of balances in advance of the changes to the HRA in 2012/13. The reason for this is the impact of self-financing will not be known until some detailed modelling can be done on the full impact of:
- The changes to the HRA in 2012/13; and
  - The self-financing of the level of housing debt which will occur in the next 12 months.
- 3.9 Details on these major changes will not be known until late 2011, and a full briefing note will be prepared for Members once the figures are published.

## Repairs & Maintenance

- 3.10 The amount of money spent on responsive repairs is estimated at £5.68m for 2011/12, compared to £13.35m for planned maintenance on the Housing Capital Programme. This proportion of 30:70 is deemed to be sound when compared to the RICS good practice target of 40% responsive and 60% for planned repair expenditure.

## Management Fee

- 3.11 As Members know, the Council pays A1 Housing a management fee for the management of the service to tenants. The management contract states:

*"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."*

- 3.12 Since October 2004 when A1 Housing took over the management of the housing stock, the number of properties in the HRA has reduced as follows:

	Actual 31 March 2005	Actual 31 March 2006	Actual 31 March 2007	Actual 31 March 2008	Actual 31 March 2009	Actual 31 March 2010	Estimate 31 March 2011
No of Properties	7,395	7,153	7,001	6,959	6,947	6,941	6,934
Reduction	N/a	242	152	42	12	6	7

- 3.13 In 2011/12, Bassetlaw will pay A1 Housing a total of £5.91m for the management of its housing service. When comparing this to first twelve-month operating period (2005/06), it is clear from the table in para 3.14 below that this payment has increased over the six-year period by £0.40m, even though the housing stock numbers have fallen. Since the ALMO's inception in 2004, Bassetlaw has not formally required A1 Housing to review its operating costs with a view to making

efficiencies. Efforts to date have been focused on service improvements to gain the Audit Commission's 2 Star status in 2008, followed by their recent review in December 2010. By adopting the strategy outlined in para 3.5, Bassetlaw will have a consistent approach for reviewing all council services to maximise efficiencies and demonstrate value for money in the coming years.

- 3.14 In summary, the Council has paid the following amounts to A1 Housing over the past six years:

	<b>Actual 2005/06 £m</b>	<b>Actual 2006/07 £m</b>	<b>Actual 2007/08 £m</b>	<b>Actual 2008/09 £m</b>	<b>Actual 2009/10 £m</b>	<b>Estimate 2010/11 £m</b>
Rents, Rates & Taxes	0.066	0.061	0.056	0.025	0.014	0.038
Supervision & Management	5.502	5.451	5.335	5.243	5.749	5.905
Repairs & Maintenance	4.810	4.962	5.433	5.934	5.841	5.679
<b>TOTAL</b>	<b>10.378</b>	<b>10.474</b>	<b>10.824</b>	<b>11.202</b>	<b>11.604</b>	<b>11.622</b>

### **Rental Income & Proposed Rent Levels**

- 3.15 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.
- 3.16 The government introduced their rent restructuring reforms in April 2002. The ambition 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.
- 3.17 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.
- 3.18 The proposed rent increase for 2011/12 is 6.27% or £3.81 per week (based on a 52 week year). This compares to previous years increases:

	<b>Actual 2005/06</b>	<b>Actual 2006/07</b>	<b>Actual 2007/08</b>	<b>Actual 2008/09</b>	<b>Actual 2009/10</b>	<b>Actual 2010/11</b>
Weekly rent increase	£1.19	£1.84	£2.40	£2.52	£1.64	£1.62
Percentage increase	2.4%	5.6%	4.56%	4.58%	2.84%	2.74%

- 3.19 Based on future projections of interest rates, the calculations show that rent convergence at Bassetlaw is now on schedule for 2015/16. The rent increases by property types, are shown at Appendix 2.



- 3.20 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**

- 3.21 Bassetlaw's housing subsidy is another major item in the HRA budget, the Council will receive £4.19m in Major Repairs Allowance in 2011/12, but has to pay £7.69m to the Government as part of the redistributive mechanism that has been in place in its current form since 2001.

	<b>Actual 2005/06 £m</b>	<b>Actual 2006/07 £m</b>	<b>Actual 2007/08 £m</b>	<b>Actual 2008/09 £m</b>	<b>Actual 2009/10 £m</b>	<b>Estimate 2010/11 £m</b>
Major Repairs Allowance Paid to Bassetlaw	(3.888)	(3.920)	(3.968)	(4.036)	(4.095)	(4.134)
Subsidy Paid into the National Pool	5.706	6.163	6.720	7.090	6.543	6.907
Net Contribution to Central Government	1.818	2.243	2.752	3.054	2.448	2.773

### **Other Factors**

- 3.22 The establishment of A1 Housing has had a considerable impact on the employers' superannuation payments for both A1 Housing and the Council. With regard to A1 Housing, the annual payments required to meet the deficit are incremental each year, and the payments for 2011/12, 2012/13, and 2013/14 are £703k, £736k, and £736k respectively.
- 3.23 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.
- 3.24 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

Bassetlaw provides 6,941 homes for its residents, and this makes up some 14% of the number of homes in the district. The housing service has improved under the ALMO arrangements and significant resources have been made available under the Decent Homes programme as a result.

b) Strategic & Policy

All aspects of the public sector are being subjected to major change and will be starting to enter a period of financial stringency. Both A1 Housing and Bassetlaw need to prepare for this in the coming year when there will be significant changes to the way council housing is financed. Currently the HRA comprises three main blocks which result in a fairly rigid financial situation:

- the way the current subsidy scheme operates,
- the rent guideline and convergence mechanism operates, plus
- the management fee.

The changes to the HRA in 2012/13 will lead to more strategic choice in the way Members approach this service and the financial choices they can make.

c) Financial - Ref: 11/738

These are set out in the report. The proposals maintain a balance that is above the minimum level of £0.75m recommended by the Council's external auditors.

d) Legal – Ref: 24/02/11

These are as contained within the report.

e) Human Resources.

There are none arising from the report.

f) Community Safety, Equalities, Environmental

There are none arising from the report, although various budgets provide funds for spend on the environment and community safety.

g) This is key decision number 255.

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

5.1 The Council must set a balanced HRA budget that leaves a Minimum Working Balance at 31 March 2012. It is recommended that this minimum balance is £0.75m 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 Council needs to set a balanced budget for its HRA services, and maintain the level of balances to deal with any future change.
- 6.2 The Council also needs to achieve convergence of its rents by 2015/16, and make progress towards its Decent Homes target by 2014.
- 6.3 This budget sets out the approach to that. The rent increase of 6.27% is based on government indicators for levels of rent. It could be lowered, but this will affect the sustainability of the HRA for Bassetlaw in the medium to long term.

## **7. Recommendations**

Cabinet is recommended to consider and agree the following recommendations to Full Council on 3 March 2011:

- 7.1 That Cabinet considers the HRA budget for 2011/12 and future years, together with the associated comments from APSC on 8 February 2011, and to recommend their approval.
- 7.2 That Cabinet recommends an average rent increase of 6.27% for 2011/12, and in accordance with best practice, also recommends indicative increases of 2.83% for both 2012/13 and 2013/14 (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 £0.038m to fund 2011/12 as detailed in Appendix 1 of this report.

### **Background Papers**

Housing Budget Working Papers 2011/12

Housing Revenue Account Subsidy Determinations 2011/12

HRA Business Plan

## HOUSING REVENUE ACCOUNT - THREE YEAR BUDGET FORECAST

11th FEBRUARY BUDGET 2010/11 £	Employees £	Premises £	Transport £	Supplies and Services £	Third Party Payments £	Internal Services Recharged £	Capital Charges £	GROSS EXPEND £	INCOME £	NET EXPEND 2011/12 £	ESTIMATE 2012/13 £	ESTIMATE 2013/14 £
<b>A1 Housing</b>												
38,000 A1 Management - Rents Rates & Taxes					38,000			38,000		38,000	38,000	38,000
5,945,400 A1 Management - Supervision and Man					5,905,200			5,905,200		5,905,200	5,905,200	5,905,200
5,678,600 A1 Management - Repairs					5,678,600			5,678,600		5,678,600	5,678,600	5,678,600
<b>11,662,000 Total A1 Housing Management Fee</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,621,800</b>	<b>0</b>	<b>0</b>	<b>11,621,800</b>	<b>0</b>	<b>11,621,800</b>	<b>11,621,800</b>	<b>11,621,800</b>
<b>Council Managed HRA Budgets</b>												
<b>Expenditure</b>												
122,300 Bad Debts Provision				130,700				130,700		130,700	137,200	146,900
46,000 Debt Management Expenses						201,700		201,700		201,700	206,900	210,400
2,581,100 Main Housing Subsidy (Inc MRA) payable					7,688,700			7,688,700	-4,194,400	3,494,300	3,878,800	4,818,000
567,200 Rent Rebates				623,700				623,700		623,700	673,600	741,800
6,077,700 Depreciation							6,323,600	6,323,600		6,323,600	6,652,700	6,925,700
1,030,000 Management	780,000	100,300	4,000	822,500	32,000	100,100	31,500	1,116,000		1,116,000	1,150,300	1,152,600
<b>10,424,300 Total Expenditure</b>	<b>780,000</b>	<b>100,300</b>	<b>4,000</b>	<b>822,500</b>	<b>7,720,700</b>	<b>301,800</b>	<b>6,355,100</b>	<b>16,084,400</b>	<b>-4,194,400</b>	<b>11,890,000</b>	<b>12,699,500</b>	<b>13,995,400</b>
<b>Income</b>												
-236,200 District Heating - Charges								0	-199,400	-199,400	-199,400	-203,300
0 Community Centre - Charges								0	-64,900	-64,900	-66,500	-69,500
-21,957,000 Rent Income - Dwellings								0	-23,336,100	-23,336,100	-24,502,900	-26,232,500
322,600 Rent Income - Voids								0	244,800	244,800	254,700	270,300
-193,200 Rent Income - Garages								0	-192,400	-192,400	-197,200	-206,100
-88,000 Rent Income - Shops								0	-102,300	-102,300	-104,900	-109,600
-18,700 Rent Income - Land & Wayleaves								0	-16,000	-16,000	-16,400	-17,200
-5,800 Management Recharges Income								0	0	0	0	0
-989,900 Supporting People Charges								0	-570,200	-570,200	-415,400	-268,600
<b>-23,166,200</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-24,236,500</b>	<b>-24,236,500</b>	<b>-25,248,000</b>	<b>-26,836,500</b>
<b>NET COST OF SERVICES</b>	<b>780,000</b>	<b>100,300</b>	<b>4,000</b>	<b>822,500</b>		<b>301,800</b>	<b>6,355,100</b>	<b>27,706,200</b>	<b>-28,430,900</b>	<b>-724,700</b>	<b>-926,700</b>	<b>-1,219,300</b>
126,100 Capital adjustments								0	0	0	0	0
-110,300 Net Gain or Loss on Sale of HRA assets								0	0	0	0	0
HRA Services share of Corporate and								0	0	0	0	0
146,100 Democratic Core								157,700		157,700	157,700	157,700
328,600 HRA share of other amounts				157,700				168,400		168,400	168,400	168,400
176,700 Amortised Premiums and Discounts				168,400				100,900		100,900	75,000	73,100
-128,100 GF Contribution to Shared Amenities								0	-145,100	-145,100	-145,100	-145,100
2,543,100 Interest & Mortgage Interest							2,650,100	2,650,100	-8,400	2,641,700	3,263,500	3,639,600
-1,959,500 Transfer to Major Repairs Reserve								0	-2,160,700	-2,160,700	-2,473,100	-2,645,200
<b>1,122,700 NET OPERATING EXPENDITURE</b>		<b>0</b>	<b>0</b>	<b>326,100</b>		<b>0</b>	<b>2,751,000</b>	<b>3,077,100</b>	<b>-2,314,200</b>	<b>762,900</b>	<b>1,046,400</b>	<b>1,248,500</b>
<b>HRA (Surplus)/Deficit for Year</b>										<b>38,200</b>	<b>119,700</b>	<b>29,200</b>

Balance b/fwd @ 1 April 2010	£
Budgeted HRA Deficit 2010/11	-1,597,046
Projected Year End Variance	42,800
Balance c/fwd @ 1 April 2011	246,958
	-1,307,247

Balance Brought Forward	-1,307,247
HRA Surplus (-)/Deficit	38,200
	119,700
	29,200

Balance Carried Forward	-1,269,047
	-1,149,347
	-1,120,147

## 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	46.90	58.42	65.61	68.70	73.97	64.62	64.18
11	2012.13	47.75	59.76	67.45	70.88	76.78	66.45	66.11
12	2013.14	48.61	61.12	69.35	73.13	79.69	68.33	68.09
13	2014.15	49.48	62.52	71.29	75.45	82.71	70.26	70.14
14	2015.16	50.36	63.94	73.29	77.85	85.83	72.24	72.24
15	2016.17	51.86	65.86	75.49	80.18	88.41	74.41	74.41
16	2017.18	53.42	67.83	77.75	82.59	91.06	76.64	76.64
17	2018.19	55.03	69.87	80.09	85.07	93.79	78.94	78.94
Stock Numbers		142	1702	2703	2276	118	6,941	

\* 52 Week Rents and current stock

Shaded years show convergence between actual &amp; formula rents

INCREASES BY PROPERTY TYPES						
	Bedsit £	1 Bed £	2 Bed £	3 Bed £	4+ Bed £	Overall £
2010.11	44.56	55.26	61.76	64.42	68.95	60.81
2011.12	46.90	58.42	65.61	68.70	73.97	64.62
£	2.33	3.16	3.86	4.28	5.03	3.81
%	5.24%	5.71%	6.25%	6.64%	7.29%	6.27%



**BASSETLAW DISTRICT COUNCIL**

**CABINET**

**10 FEBRUARY 2011**

**REPORT OF DIRECTOR OF RESOURCES**

**GENERAL FUND CAPITAL PROGRAMME 2011/12 TO 2015/16**

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 approve the General Fund Capital Programme for 2011/12 to 2015/16. There is a separate report on this agenda detailing expenditure on the Housing Capital Programme.

**3. Background and Discussion**

- 3.1 As Members are aware, the Council has established a programme of three year rolling capital programmes to ensure that Bassetlaw takes a medium term approach to capital investment in the district. In the past few years the process has been steadily improved so that commitments are recognised and resources matched with aspirations. To this end the Programme comprises:

- Annual commitments for such things as maintenance for play park equipment and the Council's buildings;
- New projects which are recommended by officers and dovetail with existing projects; and
- New projects which have been identified but are not ready to proceed yet, and will be subject to a specific report later on in the financial year, which will actually approve the resources that have been outlined within this report.

- 3.2 The 2011/12 to 2015/16 Capital Programme sees the end of the commitments the Council has made for projects which were essentially funded by the £11.5m capital receipt from the sale of the Clinton Maltkins site to Tesco's. The theme of the programme is therefore one of completion, notably the finishing elements of the Worksop Creative Village project on Canal Road in Worksop, Retford Market Square, Public Realm Improvements for the area in front of Worksop's new cinema, and seven individual schemes that will finish off the Cane Park in Worksop:

	£'000
Skate Park – already approved	200
Memorial Library – already approved	70
Play Area Refurbishment	120
Access Bridge Re-opening	25
Lighting Improvements	45
Public Toilets	95
Landscape Development/ Memorial Gardens	50
<b>TOTAL</b>	<b>605</b>

#### Capital Prioritisation Process

- 3.3 All of the projects in the appended Capital Programme have been reviewed by the Property & Regeneration 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).
- 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.

#### Current Capital Programme

- 3.5 The existing Capital Programme for 2011/12 to 2014/15 is provided at Appendix A and is made up as follows:
- Original programme approved by full Council on 4 March 2010;
  - New Capital Service Improvement Bids approved by Cabinet during the year as part of the quarter 1, 2, and 3 *Budget Monitoring and Capital Programme Update reports*;
  - Capital carry forwards from 2010/11 into 2011/12 approved by Cabinet during the year as part of the quarter 1, 2, and 3 *Budget Monitoring and Capital Programme Update reports*.

#### New Capital Programme Bids

- 3.6 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. This is provided at Appendix B with further details at Appendix C.
- 3.7 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.
- 3.8 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	95,000	2.62
500,000	47,500	1.31
100,000	9,500	0.26

#### Capital Resources Available

- 3.9 The General Fund capital receipts that are available for financing capital expenditure are as follows:

	<b>£m</b>
<b>Balance @ 1 Apr 2010</b>	<b>11.085</b>
Received to 31 December 2010 (net of costs of disposal)	0.500
Estimated Q4 capital receipts	0
<b>Total capital receipts available to fund capital projects:</b>	<b>11.585</b>
Less: Approved to fund schemes 2010/11	(3.225)
Less: Approved to fund schemes 2011/12 to 2014/15	(6.769)
<b>Total capital receipts available for new capital projects:</b>	<b>1.591</b>
Less: New capital bids (Appendix B)	(1.465)
<b>Capital receipts available to fund future projects:</b>	<b>0.126</b>

If Cabinet are minded to approve the new bids submitted as part of this report (Appendix B), then a balance of £0.126m will be available to fund any future capital projects.

- 3.10 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 i.e. 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.
- 3.11 Over the period of this Capital Programme i.e. 2011/12 to 2015/16, the Council is prudently forecasting the receipt of approximately £0.450m, with no further capital receipts expected for 2010/11. These receipts have not been taken into consideration when determining the new Capital Programme.

## Future Capital Programmes

- 3.12 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. These are attached at Appendix E.
- 3.13 It is not recommended to undertake unsupported prudential borrowing for anything other than out of necessity i.e. in relation to the well-documented pressures associated with Disabled Facilities Grants. Any significant 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.

Bassetlaw's capital investment in the district is an important factor for residents, but potential schemes and projects far outweigh the resources available to the Council. Decisions on what schemes to fund are therefore more important.

- 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: 11/717

These are included within the main body of the report. Additionally, the revenue consequences of all schemes have been assessed and included within the General Fund revenue base budget.

- d) Legal – Ref: 20/02/11

As contained within the report.

- e) Human Resources

None arising directly from this report.

- f) Community Safety, Equalities, Environmental

Some of the capital schemes do have positive implications on community safety, equalities, and the environment, and these have been considered at the project appraisal stage, prior to approval to the Capital Programme.

- g) Key decision number 256.

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

- 5.1 Members can decide what schemes to include or exclude. Any schemes that include external finance will have implications for those organisations.

**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 within the extended programme that are funded by external grants. It is important that progress on these schemes is reported back to Cabinet on a regular basis.

**7. Recommendations**

- 7.1 That Cabinet approves the new additions to the Capital Programme 2011/12 to 2015/16 of £2.170m as shown at Appendix B, and recommends these to full Council on 3 March 2011.

**Background Papers**

Capital Bids & Resourcing Statements

**Location**

Accountancy Office

## GENERAL FUND CAPITAL PROGRAMME 2011-2016 - ALREADY APPROVED

2011-15		2010/11	2011/12		2012/13		2013/14		2014/15		2015/16		Total	
Approved		Reprofiling												
	£'000	£'000	BDC	Ext	BDC	Ext	BDC	Ext	BDC	Ext	BDC	Ext	BDC	Ext
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
E & H	3,945	210 Disabled Facilities Grant	1,065	345	855	345	855	345	0	345	0	0	2,775	1,380
E & H	2,778	Replacement Vehicles & Plant	0	441	0	1,433	0	904	0	0	0	0	0	2,778
E & H	225	Play Area Refurbishment of Existing Sites	75	0	75	0	75	0	0	0	0	0	225	0
E & H		130 Play Area Development - Prospect & Knighton Fields	80	50	0	0	0	0	0	0	0	0	80	50
E & H		61 Private Sector Renewal Grant	0	61	0	0	0	0	0	0	0	0	0	61
E & H		42 Play Areas	42	0	0	0	0	0	0	0	0	0	42	0
E & H	40	Extension to Roadways Retford Cemetery	40	0	0	0	0	0	0	0	0	0	40	0
E & H		25 Recycling Initiatives	0	25	0	0	0	0	0	0	0	0	0	25
F & P		359 Strategic Intervention Fund (Includes Empty Homes)	359	0	0	0	0	0	0	0	0	0	359	0
F & P	225	Planned Maintenance	75	0	75	0	75	0	0	0	0	0	225	0
F & P		202 Capital Improvement/Corporate Repairs/Invest Property	202	0	0	0	0	0	0	0	0	0	202	0
F & P	200	Canch Skate Park	0	200	0	0	0	0	0	0	0	0	0	200
F & P		75 Wheatley Beck Flooding Improvements	25	50	0	0	0	0	0	0	0	0	25	50
F & P	70	Memorial Library	70	0	0	0	0	0	0	0	0	0	70	0
Com P		1,132 Bridge Street Pedestrianisation	1,132	0	0	0	0	0	0	0	0	0	1,132	0
Com P	967	15 Worktop Canalside Creative Village	349	633	0	0	0	0	0	0	0	0	349	633
Com P	180	45 Tuxford Conservation Area Renewal	35	85	40	65	0	0	0	0	0	0	75	150
Com P		193 CCTV Digital Upgrade	193	0	0	0	0	0	0	0	0	0	193	0
Com P	90	Retford Market Square	0	90	0	0	0	0	0	0	0	0	0	90
Com P	60	12 Buildings at Risk	32	0	20	0	20	0	0	0	0	0	72	0
Com P		20 Common Conservation Fund	0	20	0	0	0	0	0	0	0	0	0	20
SS	200	IT Computer Replacement Fund	100	0	50	0	50	0	0	0	0	0	200	0
SS	21	43 Microsoft Implementation	64	0	0	0	0	0	0	0	0	0	64	0
HGF		1,165 Exchange Street Redevelopment Retford	641	524	0	0	0	0	0	0	0	0	641	524
	9,001	3,729 TOTAL	4,579	2,524	1,115	1,843	1,075	1,249	0	345	0	0	6,769	5,961
														12,730

# GENERAL FUND CAPITAL PROGRAMME 2011-2016 NEW BIDS

Committee Officer Responsible	2011/12				2012/13				2013/14				2014/15				2015/16				Total			Prioritisation		
	BDC		Ext		BDC		Ext		BDC		Ext		BDC		Ext		BDC		Ext		BDC		Ext			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		A-H	Score
GENERAL FUND																										
E & H	W Pigott		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	345	0	345	0	345	345	A	12
E & H	D Linley		120	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	120	0	120	120	B	12
E & H	J Foster		25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	25	0	25	25	B	12
E & H	J Foster		45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	45	0	45	45	B	12
E & H	G Jackson		20	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20	40	60	60	C	10
F & P	J Bowler		100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100	0	100	100	C	10
F & P	K Ellis		50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	50	0	50	50	C	10
Revs	A Burton		20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20	0	20	20	D	10
Com P	D Arniger		500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	500	0	500	500	D	10
E & H	D Linley		50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	50	0	50	50	G	6
E & H	D Linley		65	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	65	20	85	85	G	6
E & H	D Linley		0	0	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	50	0	50	50	G	6
Com P	R Wilkinson		200	300	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	200	300	500	500	F	8
E & H	J Foster		0	0	95	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	95	0	95	95	H	4
E & H	I Roebuck		0	0	125	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	125	0	125	125	H	4
TOTAL GENERAL FUND			1,195	360	270	0	0	0	0	0	0	0	0	0	0	0	0	0	345	1,465	705	2,170				

## GENERAL FUND CAPITAL BIDS

### Canch Play Area Refurbishment

To remove existing outdated (25 year old) equipment from the site and replace with modern high impact play features to complement the new fountain pool and adizone gym facility.

The scheme will provide imaginative play items for younger children in close proximity to the fountain pool. More challenging dynamic equipment will be sited adjacent to the adizone and new skate park facility to cater for older children's needs.

### Reopen Access Bridge from Canal Road Depot into Canch Park

To reopen the former vehicular access bridge into the park from Canal Road depot, which was closed after flood damage in 2007. Works will include fitting metal railings on the sides of the bridge.

### Lighting Improvements – Canch Park

To replace all the existing lighting columns and lights on the main footpath and to upgrade lights in the Sensory Garden. To provide additional lighting column in the poorly lit areas adjacent to the depot. To provide controllable lighting system for the new skatepark and ball court areas to extend usage.

### Fuel Poverty (Private Sector Housing Initiatives)

To provide Capital funding to support a range of initiatives that will improve the quality of homes in the Private Sector addressing poor energy efficiency, fuel poverty and climate change.

The Council already works with a number of partners such as Warmstreets and various energy companies to increase uptake on initiatives such as loft insulation, cavity wall insulation and new central heating systems etc.

It will also provide funding for widening access hatches to lofts, and undertaking major loft clearances. The energy companies have indicated they would be prepared to match fund such works if the Council made a commitment.

### Flood Alleviation – Investigation, Survey, Mapping and Minor Schemes

To survey and map watercourses in areas at risk utilising technology linked to the GIS system. The information and findings will be used to promote Grant in Aid funding through the Environment Agency & DEFRA where possible.

It will also enable minor schemes to resolve identified localised flooding problems where there is no clearly defined responsibility. It will be a multi-agency approach working with local residents and Parish Councils.

### Energy / Carbon Reduction Schemes

To implement a suite of initiatives at Carlton Forest depot that are designed to reduce the use of electricity and resultant emissions. The site currently has a wind turbine, ground source heatpump and a waste oil burner, and by introducing further renewables the site can become a 'beacon' for the Council as well as the more

practical benefits in terms of costs and the impact on the environment due to it being an off-gas site. Initiatives will include: Photovoltaic installations on the roofs of buildings at the depot; new car park lighting with LED replacements; and new heating system for West House.

#### Switchboard Telephonetics

The Council receives 150,000 calls to its switchboard annually i.e. over 80 calls per hour. Call management and data analysis is now provided by the new Macfarlane system, and this will be rolled out in the Council to take over the management of direct dial services.

This will provide a voice recognition switchboard, achieved by the automation agent software. The system has Reporting and Information modules which allow repetitive service situations to be managed with scripts, e.g. missed bins via post code.

#### Public Realm Improvements

A hard landscaping scheme to resurface and redesign the area between the new Cinema and the top of Bridge Street to create an appropriate pedestrian friendly public space which links Bridge Street through to the Cinema.

#### Parish Council Play Initiatives

A scheme that provides funding to encourage bids from local Parish Council's in respect of supplying play equipment to enhance localised play facilities.

#### Sandy Lane Play Area

To build a new play facility on land adjacent to the Sandy Lane flats and Gladstone Street following the withdrawal of the national 'Playbuilder' scheme by Central Government.

#### Landscape Development / Upgrade at The Canch / Memorial Gardens - (2012/13)

To undertake, shrub border restoration works and the introduction of new landscape features. In particular a new rose garden to compliment the new recreation and infrastructure improvements at this site.

#### Worksop Creative Village - Phase 2

Expansion of the current project that is underway, with the addition of display space and cafeteria to act as an additional visitor attraction.

#### Provide Public Toilets – Canch Park – (2012/13)

To provide purpose built new public toilet facilities near the new Adizone/play area within the park.

#### Reford Cemetery Public Toilets – (2012/13)

To provide purpose built new public toilet facilities within the Cemetery.

## GENERAL FUND CAPITAL PROGRAMME 2011-2016 - FUNDING

	2011/12		2012/13		2013/14		2014/15		2015/16		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
ALREADY APPROVED (APP. A)	4,579	2,524	1,115	1,843	1,075	1,249	0	345	0	0	6,769	5,961
NEW BIDS (APP. B)	1,195	360	270	0	0	0	0	0	0	345	1,465	705
<b>TOTAL PROGRAMME</b>	<b>5,774</b>	<b>2,884</b>	<b>1,385</b>	<b>1,843</b>	<b>1,075</b>	<b>1,249</b>	<b>0</b>	<b>345</b>	<b>0</b>	<b>345</b>	<b>8,234</b>	<b>6,666</b>
<b>FUNDED FROM:</b>												
Leasing	0	0	0	1,433	0	904	0	0	0	0	0	2,337
Disabled Facilities Grant	0	345	0	345	0	345	0	345	0	345	0	1,725
Borrowing	0	731	0	0	0	0	0	0	0	0	0	731
ERDF Grant	0	633	0	0	0	0	0	0	0	0	0	633
HCA Grant	0	459	0	0	0	0	0	0	0	0	0	459
Grant yet to be submitted	0	300	0	0	0	0	0	0	0	0	0	300
Section 106	0	115	0	25	0	0	0	0	0	0	0	140
Notts County Council	0	100	0	0	0	0	0	0	0	0	0	100
Private Sector Renewal Grant	0	61	0	0	0	0	0	0	0	0	0	61
Utility Companies - Matchfunding	0	40	0	0	0	0	0	0	0	0	0	40
English Heritage	0	35	0	40	0	0	0	0	0	0	0	75
Waste Performance Efficiency Grant	0	25	0	0	0	0	0	0	0	0	0	25
Capital Reserve	0	20	0	0	0	0	0	0	0	0	0	20
A1 Contribution	0	10	0	0	0	0	0	0	0	0	0	10
Other - Sandy Lane Forum	0	10	0	0	0	0	0	0	0	0	0	10
Capital Receipts	5,774	0	1,385	0	1,075	0	0	0	0	0	8,234	0
<b>TOTAL FUNDING</b>	<b>5,774</b>	<b>2,884</b>	<b>1,385</b>	<b>1,843</b>	<b>1,075</b>	<b>1,249</b>	<b>0</b>	<b>345</b>	<b>0</b>	<b>345</b>	<b>8,234</b>	<b>6,666</b>

## CAPITAL RECEIPTS

Brought Forward 1st April	8,360	2,586	1,201	126	126
Used for Funding	(5,774)	(1,385)	(1,075)	0	0
<b>Carried Forward 31st March</b>	<b>2,586</b>	<b>1,201</b>	<b>126</b>	<b>126</b>	<b>126</b>



GENERAL FUND CAPITAL PROGRAMME 2011-2016 - FUTURE DEVELOPMENTAL BIDS  
(TO BE REPORTED TO CABINET PRIOR TO APPROVAL)

(NOTE: THIS REPORT DOES NOT APPROVE A CAPITAL BUDGET FOR THESE SCHEMES)

	Total		Total	A-H	Score	
	BDC	Ext				
	£'000	£'000	£'000			
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.
Harworth Technology Hub	1,500	1,500	3,000	F	8	High quality workshop and office development aimed at maximising 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.
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.
	<u>2,550</u>	<u>5,500</u>	<u>8,050</u>			



**BASSETLAW DISTRICT COUNCIL**

**CABINET**

**10 FEBRUARY 2011**

**REPORT OF THE DIRECTOR OF RESOURCES**

**HOUSING CAPITAL PROGRAMME 2011/12 TO 2015/16**

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 2011/12 to 2015/16.

**3. Background and Discussion**

- 3.1 The majority of the Housing Capital Programme is spent on the maintenance and improvement of the Council's 6,941 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 currently 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 2011/12 is £603.86 per dwelling. For 2011/12 this equates to a grant of £4.194m, which the Council can use to fund the Housing Capital Programme.

### Supported Borrowing

- 3.4 The Comprehensive Spending Review was announced in October 2010, and this significantly changed the financial outlook for all Housing authorities. The Homes & Communities Agency (HCA) presented their proposals in November 2010, and the salient points of which are:
- Council landlords with a funded ALMO are unlikely to receive the level of funding they anticipated in 2011/12;
  - They will no longer provide funding for the last 10% of stock that is non-decent;
  - There is no longer a requirement for a 2-Star housing inspection standard to be achieved to access funding;
  - The new allocations will replace any conditional profiles beyond 2010/11;
  - Firm funding commitments will be made for the first two years of the Spending Review period only i.e. 2011/12 and 2012/13;
  - Indicative commitments for 2013/14 and 2014/15 will be subject to future confirmation, as part of the implementation of Self Financing (as outlined in the Housing Revenue Account Budget report);
  - The 2011/12 funding will continue to be paid as Supported Capital Expenditure (SCE) within the existing HRA system i.e. the Council is allowed to borrow this money and receives an allowance in the Housing Subsidy calculation to cover the debt repayments;
  - The 2012/13 funding will be paid through an offset reduction in the Self Financing opening debt position.
- 3.5 The Council has submitted its bid under the new arrangements on the same profile as before i.e. £11.5m for 2011/12 and £9.0m for 2012/13. A second option has however been presented, which effectively requests £19.5m in 2011/12 which completes the entire programme in one year and takes advantage of generated efficiency savings.
- 3.6 There is no clear date for the announcement of the allocations for 2011/12 and 2012/13, other than the end of January/February 2011. However, it is important that the Council takes account of the HCA proposals, and adopts a sense of realism when proposing a Housing Capital Programme. This report, therefore, is based on the assumption that the Council will receive 75% of its capital bid, and these figures are included within the appended programme.
- 3.7 The Council could make additional borrowing over this limit, but it would have to be funded from the HRA without Government support, and could only be undertaken if the HRA has sufficient capacity to fund the repayments. The Housing Revenue Account budget for 2011/12 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

- 3.8 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 Housing capital receipts that are available for financing capital expenditure are as follows:

	£m
<b>Balance @ 1 Apr 2010</b>	<b>2.299</b>
Received to 31 December 2010 (net of costs of disposal)	0.035
Estimated Q4 capital receipts	0.012
<b>Total capital receipts available to fund capital projects:</b>	<b>2.346</b>
Less: Approved to fund schemes 2010/11	(1.793)
Less: Approved to fund schemes 2011/12 to 2014/15	(0.500)
<b>Total capital receipts available for new capital projects:</b>	<b>0.053</b>
Less: New capital bids	(0.053)
<b>Capital receipts available to fund future projects:</b>	<b>0</b>

- 3.9 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.
- 3.10 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.
- 3.11 The forecasted level of future capital receipts has been significantly reduced over the last few years. 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 Over the period of this Capital Programme i.e. 2011/12 to 2015/16, the Council is prudently forecasting the receipt of approximately £3.867m from council house and land sales. These receipts have not been taken into consideration when determining the Capital Programme. Members should also note that there are no restrictions on whether these sums are directed towards funding Housing or General Fund Capital Programme schemes.

#### Current Capital Programme and New Bids

- 3.13 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.

## Future Capital Programmes

- 3.14 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 in the short term, the new Self Financing option in the longer term, 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 2011/12. The Housing Capital Programme supports the Medium Term Financial Plan in delivering the Council's objectives in relation to Housing.

c) Financial Ref: 11/323

These are included within the main body of the report.

d) Legal Ref: 21/02/11

As contained within the report.

e) Human Resources

None arising directly from this report.

f) Community Safety, Equalities & Environmental

Some of the capital schemes do have positive implications on community safety, equalities, and the environment, and these have been considered at the project appraisal stage, prior to approval to the Capital Programme.

g) This is key decision, reference number 257.

## **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.

- 5.2 Members should note that once the announcement of funding levels for 2011/12 and 2012/13 is made by the HCA, then this programme will require further amendment to align resources to expenditure.

**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 the new Self Financing option and capital receipts.

**7. Recommendations**

- 7.1 That Cabinet approves the new Housing Capital Programme 2011/12 to 2015/16 of £37.604m as shown in Appendix A, and recommends this to full Council on 3 March 2011.

**Background Papers**

Housing Capital Budgets  
DCLG publications

**Location**

Accountancy office

# **HOUSING CAPITAL PROGRAMME 2011-2016 AND FUNDING**

	2011/12		2012/13		2013/14		2014/15		2015/16		Total		Total	A-H	Score
	BDC	Ext	BDC	Ext	BDC	Ext	BDC	Ext	BDC	Ext	BDC	Ext	£'000	£'000	£'000
<b>CORE PROGRAMME</b>															
Decent Homes	500	11,720	0	9,920	0	3,120	0	3,120	0	3,120	500	31,000	31,500	A	12
Other Capital Improvements	53	1,074	0	1,091	0	1,192	0	1,294	0	1,400	53	6,051	6,104	D	10
<b>TOTAL PROGRAMME</b>	<b>553</b>	<b>12,794</b>	<b>0</b>	<b>11,011</b>	<b>0</b>	<b>4,312</b>	<b>0</b>	<b>4,414</b>	<b>0</b>	<b>4,520</b>	<b>553</b>	<b>37,051</b>	<b>37,604</b>		
<b>FUNDED FROM:</b>															
ALMO Borrowing	0	8,600	0	6,800	0	0	0	0	0	0	0	15,400	15,400		
Un-Supported Borrowing	0	0	0	0	0	0	0	0	0	0	0	0	0		
MRA	0	4,194	0	4,211	0	4,312	0	4,414	0	4,520	0	21,651	21,651		
Capital Receipts	553	0	0	0	0	0	0	0	0	0	553	0	553		
<b>TOTAL FUNDING</b>	<b>553</b>	<b>12,794</b>	<b>0</b>	<b>11,011</b>	<b>0</b>	<b>4,312</b>	<b>0</b>	<b>4,414</b>	<b>0</b>	<b>4,520</b>	<b>553</b>	<b>37,051</b>	<b>37,604</b>		

## **CAPITAL RECEIPTS**

Brought Forward 1st April  
Used for Funding

553	0	0	0	0	0
(553)	0	0	0	0	0
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Carried Forward 31st March**



**BASSETLAW DISTRICT COUNCIL**

**CABINET**

**10 FEBRUARY 2011**

**REPORT OF THE DIRECTOR OF RESOURCES**

**TREASURY MANAGEMENT POLICY AND STRATEGY 2011/12 TO 2013/14**

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 This report seeks approval for the Treasury Management Strategy, Borrowing Strategy, Investment Strategy, Minimum Revenue Provision Policy, and Prudential Indicators, updated in accordance with latest guidance.

**3. Background and Discussion**

- 3.1 Treasury Management is defined as "The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. "
- 3.2 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.
- 3.3 Statutory Requirements:
- 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:

- Increases in interest payments caused by increased borrowing to finance additional capital expenditure; and
  - Any increases in running costs from new capital projects.
- The Local Government Act 2003 (the Act) and supporting regulations requires the Council to 'have regard to' the *CIPFA Prudential Code* and the *CIPFA Treasury Management Code of Practice* (original version) to set Prudential and Treasury Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.
  - The Act therefore requires the Council to set out its Treasury Strategy for Borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance subsequent to the Act). This sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

### 3.4 CIPFA Requirements:

The primary requirements of the Code are as follows:

- The creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities – as approved on 3<sup>rd</sup> March 2009;
- The creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives – as approved 3<sup>rd</sup> March 2009;
- Receipt by the full Council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report (stewardship report) covering activities during the previous year;
- Delegation by the Council of responsibilities for implementing and monitoring Treasury Management Policies and Practices and for the execution and administration of treasury management decisions;
- Delegation by the Council of the role of scrutiny of Treasury Management Strategy and Policies to a specific named body. For this Council the delegated body is the Audit and Performance Scrutiny Committee.

### 3.5 This report seeks approval for the updated **Treasury Management Strategy, Borrowing Strategy and Investment Strategy** (Appendix 1) in accordance with latest guidance as follows:

- The Treasury Management Strategy determines the manner in which the Council's treasury function is managed;
- The Borrowing Strategy sets out how the Council's treasury service will support the capital decisions taken; the day to day treasury management activity; and the limitations on activity through treasury prudential indicators;

- The Investment Strategy 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 DCLG Investment Guidance.

- 3.6 It also seeks approval for the Council's **Minimum Revenue Provision (MRP) Policy** (Appendix 2), 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).
- 3.7 Finally, it seeks approval for the reporting of the **Prudential Indicators**, which sets out the expected capital activities during the financial year (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 in Public Services Code of Practice*. The key indicator is the **Authorised Limit**, i.e. 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 required by section 3 of the *Local Government Act 2003*, and is calculated in accordance with the *CIPFA Treasury Management in Public Services Code of Practice* and the *CIPFA Prudential Code*.
- 3.8 Further information is appended as follows:
- Appendix 4. Interest rate forecasts.
  - Appendix 5. Economic background.
  - Appendix 6. Specified and non-specified investments.
  - Appendix 7. Treasury management scheme of delegation.
  - Appendix 8. The treasury management role of the Section 151 Officer.

#### 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: 11/226

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

- d) Legal Ref: 23/02/11

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 258.

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

- 5.1 The only option is to accept the recommendations and adopt the Treasury Management Strategy, Borrowing Strategy, Annual Investment Strategy and MRP Statement and to approve the Prudential Indicators. 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 *Annual Audit Letter*.

## **6. Recommendations**

That Cabinet approves each of the following key elements and recommends these to Full Council on 3 March 2011:

- 6.1 The Treasury Management Strategy 2011/12 to 2013/14, incorporating the Borrowing Strategy and the Annual Investment Strategy (Appendix 1).
- 6.2 The Minimum Revenue Provision (MRP) Statement contained within Appendix 2, which sets out the Council's policy on MRP.
- 6.3 The Prudential Indicators and Limits for 2011/12 to 2013/14 contained within Appendix 3.
- 6.4 The Authorised Limit Prudential Indicator contained within Appendix 3.

### **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**

Accountancy Offices

**TREASURY MANAGEMENT STRATEGY, ANNUAL INVESTMENT STRATEGY,  
AND BORROWING STRATEGY**

**1. Treasury Management Strategy for 2011/12**

The suggested strategy for 2011/12 in respect of the following aspects of the treasury management function is based upon the treasury officers' views on interest rates, supplemented with leading market forecasts provided by the Council's treasury adviser, Sector.

The strategy covers:

- treasury limits in force which will limit the treasury risk and activities of the Council;
- Prudential and Treasury Indicators;
- the current treasury position;
- the borrowing requirement;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy;
- policy on use of external service providers;
- the MRP strategy.

**1.1 Balanced Budget Requirement**

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 whereby increases in charges to revenue from:

- Increases in interest charges caused by increased borrowing to finance additional capital expenditure, and
- Any increases in running costs from new capital projects,

Are limited to a level that is affordable within the projected income of the Council for the foreseeable future.

## 2. Treasury Limits for 2011/12 to 2013/14

It is a statutory duty under Section 3 of the Act and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the "Authorised Limit", and in England and Wales, this represents the legislative limit specified in the Act.

The Council must have regard to the *Prudential Code* when setting the Authorised Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax and council rent levels is 'acceptable'.

The Authorised Limit incorporates capital plans that will be funded by both external borrowing and other forms of liability, such as credit arrangements. It is to be set on a rolling basis, for the forthcoming financial year and two successive financial years. Details of the Authorised Limit can be found in Appendix 3 of this report.

## 3. Current Portfolio Position

The Council's treasury portfolio position at 31 December 2010 comprised:

<b>BORROWING</b>		<b>Principal £'000</b>	<b>Total £'000</b>	<b>Average Rate %</b>
Fixed Rate	PWLB	44,719		4.21
	Market	31,500		4.57
	Temporary	5,000		0.60
			<b>81,219</b>	<b>3.13</b>
Variable	PWLB	0		0
	Market	0		0
<b>GROSS DEBT</b>			<b>81,219</b>	<b>3.13</b>
<b>TOTAL INVESTMENTS</b>			<b>8,256</b>	<b>0.58</b>
<b>NET DEBT</b>			<b>-72,963</b>	

#### 4. Borrowing Requirement

The Council's borrowing requirement is as follows:

	2009/10 ACTUAL £'000	2010/11 PROBABLE OUT-TURN £'000	2011/12 ESTIMATE £'000	2012/13 ESTIMATE £'000	2013/14 ESTIMATE £'000
New Borrowing	17,931	12,837	8,554	6,010	*-774
Alternative financing	0	0	0	0	0
Replacement borrowing	0	0	0	0	0
<b>Total CFR</b>	<b>17,931</b>	<b>12,837</b>	<b>8,554</b>	<b>6,010</b>	<b>-744</b>

\* This is negative as no borrowing is expected, but the Council will still pay Minimum Revenue Provision in year.

#### 5. Prudential and Treasury Indicators for 2011/12 – 2013/14

The Prudential and Treasury Indicators at Appendix 3 are relevant for the purposes of setting an integrated Treasury Management Strategy.

The Council is also required to indicate if it has adopted the *CIPFA Code of Practice on Treasury Management*. Full Council adopted the original 2001 Code on 5 February 2002, and the full Council adopted the revised 2009 Code on 3 March 2009.

#### 6. Prospects for Interest Rates

The Council has appointed Sector as treasury advisor (after their acquisition of Butlers) to the Council and part of their service is to assist the Council to formulate a view on interest rates. Appendix 4 draws together a number of current City forecasts for short term (Bank Rate) and longer fixed interest rates. The following gives the Sector central view based on financial year-ends (March):

- 2010/11 0.50%
- 2011/12 1.00%
- 2012/13 2.25%
- 2013/14 3.25%

There is a downside risk to these forecasts if recovery from the recession proves to be weaker and slower than currently expected. A detailed view of the current economic background is contained within Appendix 5 to this report.

#### 7. Borrowing Strategy

##### 7.1 Borrowing rates

The Sector forecast for the PWLB new borrowing rate is as follows: -

	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Mar-13	Mar-14
<b>Bank rate</b>	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	2.25%	3.25%
<b>5yr PWLB rate</b>	3.00%	3.00%	3.10%	3.20%	3.30%	3.50%	4.40%	5.00%
<b>10yr PWLB rate</b>	4.10%	4.10%	4.10%	4.20%	4.30%	4.40%	5.00%	5.40%
<b>25yr PWLB rate</b>	5.00%	5.10%	5.20%	5.30%	5.30%	5.40%	5.50%	5.70%
<b>50yr PWLB rate</b>	5.10%	5.20%	5.30%	5.40%	5.40%	5.50%	5.60%	5.70%

A more detailed Sector forecast is included in Appendix 4.

The Council's borrowing strategy will give consideration to new borrowing in the following order of priority:

1. The cheapest borrowing will be internal borrowing by running down cash balances and foregoing interest earned at historically low rates. However, in view of the overall forecast for long term borrowing rates to increase over the next few years, consideration will also be given to weighing the short term advantage of internal borrowing against potential long term costs if the opportunity is missed for taking market loans at long term rates which will be higher in future years;
2. PWLB fixed rate loans;
3. Long term fixed rate market loans at rates significantly below PWLB rates for the equivalent maturity period (where available) and to maintaining an appropriate balance between PWLB and market debt in the debt portfolio.

**Sensitivity of the forecast** – In normal circumstances the main sensitivities of the forecast are likely to be the two scenarios noted below. The Council officers, in conjunction with the treasury advisers, will continually monitor both the prevailing interest rates and the market forecasts, adopting the following responses to a change of sentiment:

- *if it were felt that there was a significant risk of a sharp FALL in long and short term rates, e.g. due to a marked increase of risks around relapse into recession or of risks of deflation, then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.*
- *if it were felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap.*



## 7.2 External v. Internal Borrowing

	2009/10 ACTUAL £'000	2010/11 PROBABLE OUT-TURN £'000	2011/12 ESTIMATE £'000	2012/13 ESTIMATE £'000	2013/14 ESTIMATE £'000
Actual external Debt (gross)	70,250	81,188	90,187	104,125	106,062
Cash Balances	2,172	8,225	4,423	2,314	1,878
<b>NET DEBT</b>	<b>68,078</b>	<b>72,963</b>	<b>85,764</b>	<b>101,811</b>	<b>104,184</b>

- This Council currently has a difference between gross debt and net debt (after deducting cash balances), of £72,963,000.
- The general aim of this Treasury Management Strategy is to reduce the difference between the two debt levels of internal and external borrowing over the next three years in order to reduce the credit risk incurred by holding investments. However, measures taken in the last year have already substantially reduced the level of credit risk (see paragraph 9) so another factor which will be carefully considered is the difference between borrowing rates and investment rates to ensure the Council obtains value for money once an appropriate level of risk management has been attained to ensure the security of its investments.
- The next financial year is again expected to be one of historically and abnormally low Bank Rate. This provides a continuation of the current window of opportunity for local authorities to fundamentally review their strategy of undertaking new external borrowing.
- Over the next three years, investment rates are therefore expected to be below long term borrowing rates and so value for money considerations would indicate that value could best be obtained by avoiding new external borrowing and by using internal cash balances to finance new capital expenditure or to replace maturing external debt (this is referred to as internal borrowing). This would maximise short term savings.
- However, short term savings by avoiding new long term external borrowing in 2011/12 will also be weighed against the potential for incurring additional long term extra costs, by delaying unavoidable new external borrowing until later years, when PWLB long term rates are forecast to be significantly higher.

Against this background, caution will be adopted with the 2011/12 treasury operations. The Head of Finance and Property will monitor the interest rate market and adopt a pragmatic approach to changing circumstances, reporting any decisions to the cabinet at the next available opportunity.

## 7.3 Policy on borrowing in advance of need

The Council will not borrow more than, or in advance of, its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.

In determining whether borrowing will be undertaken in advance of need the Council will: -

- ensure that there is a clear link between the Capital Programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need;
- ensure the ongoing revenue liabilities created, and the implications for the future plans and budgets, have been considered;
- evaluate the economic and market factors that might influence the manner and timing of any decision to borrow;
- consider the merits and demerits of alternative forms of funding;
- consider the alternative interest rate bases available, the most appropriate periods to fund, and repayment profiles to use;
- consider the impact of borrowing in advance on temporarily (until required to finance capital expenditure) increasing investment cash balances and the consequent increase in exposure to counterparty risk, and other risks, and the level of such risks given the controls in place to minimise them.

## **8. Debt Rescheduling**

The introduction by the PWLB in 2007 of a spread between the rates applied to new borrowing and repayment of debt, which has now been compounded since 20 October 2010 by a considerable further widening of the difference between new borrowing and repayment rates, has meant that PWLB to PWLB debt restructuring is now much less attractive than it was before both of these events. In particular, consideration would have to be given to the large premiums which would be incurred by prematurely repaying existing PWLB loans and it is very unlikely that these could be justified on value for money grounds if using replacement PWLB refinancing. However, some interest savings might still be achievable through using LOBO (Lenders Option Borrowers Option) loans, and other market loans, in rescheduling exercises rather than using PWLB borrowing as the source of replacement financing.

As short term borrowing rates will be considerably cheaper than longer term rates, there may be potential for some residual opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the size of premiums incurred, their short term nature, and the likely cost of refinancing those short term loans, once they mature, compared to the current rates of longer term debt in the existing debt portfolio. Any such rescheduling and repayment of debt is likely to cause a flattening of the Council's maturity profile, as in recent years there has been a skew towards longer dated PWLB.

The reasons for any rescheduling to take place will include:

- The generation of cash savings and / or discounted cash flow savings;
- Helping to fulfil the borrowing strategy outlined in paragraph 7 above;

- Enhance the balance of the portfolio i.e. amend the maturity profile and/or the balance of volatility.

Consideration will also be given to identify if there is any residual potential left for making savings by running down investment balances to repay debt prematurely (as short term rates on investments are likely to be lower than rates paid on current debt).

All rescheduling will be reported to Cabinet, at the earliest meeting following its action.

## **9. Annual Investment Strategy**

### **9.1 Investment Policy**

The Council will have regard to the DCLG's *Guidance on Local Government Investments* ("the Guidance") and the 2009 revised *CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes* ("the CIPFA TM Code"). The Council's investment priorities are:

- (a) The security of capital, and
- (b) The liquidity of its investments.

The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. The risk appetite of this Council is low in order to give priority to security of its investments.

The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.

Investment instruments identified for use in the financial year are listed in Appendix 6 under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits are set through the detailed Schedules to the Council's approved Treasury Management Practices.

### **9.2 Creditworthiness policy**

This Council uses the creditworthiness service provided by Sector. This service has been progressively enhanced over the last year and now uses a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moodys and Standard and Poors, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- Credit watches and credit outlooks from credit rating agencies;
- Credit Default Swaps (CDS) spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour code bands which indicate the

relative creditworthiness of counterparties. These colour codes are also used by the Council to determine the duration for investments and are therefore referred to as durational bands. The Council is satisfied that this service now gives a much improved level of security for its investments. It is also a service which the Council would not be able to replicate using in house resources.

The selection of counterparties with a high level of creditworthiness will be achieved by selection of institutions down to a minimum durational band within Sector's weekly credit list of worldwide potential counterparties.

This Council will not use the approach suggested by CIPFA of using the lowest rating from all three rating agencies to determine creditworthy counterparties. This is because Moodys tend to be more aggressive in giving low ratings than the other two agencies, and this would therefore be unworkable and leave the Council with few banks on its approved lending list. The Sector creditworthiness service, does though, use ratings from all three agencies, but by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

All credit ratings will be monitored monthly. The Council is alerted to changes to ratings of all three agencies through its use of the Sector creditworthiness service:

- If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately;
- In addition to the use of Credit Ratings the Council will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in the downgrade of an institution or removal from the Councils lending list.

Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on government support for banks and the credit ratings of that government support.

### **9.3 Country limits**

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign long term credit rating of AAA.

No more than £3m will be invested with any non-UK country at any time.

### **9.4 Investment Strategy**

**In-house funds:** The Council's in-house managed funds are mainly cash-flow derived. Investments will accordingly be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

**Interest rate outlook:** The Bank Rate has remained unchanged at 0.50% since March 2009. The Bank Rate is forecast to commence rising in quarter 4 of 2011 and then to rise steadily from thereon. The Bank Rate forecasts for financial year ends (March) are as follows:

- 2010/11 0.50%
- 2011/12 1.00%
- 2012/13 2.25%
- 2013/14 3.25%

There is a downside risk to these forecasts if recovery from the recession proves to be weaker and slower than currently expected.

The Council will avoid locking into longer term deals while investment rates are down at historically low levels unless attractive rates are available with counterparties of particularly high creditworthiness which make longer term deals worthwhile, and are within the risk parameters set by this Council.

The budgeted returns on investments for each financial year is as follows:

2010/11	0.50%
2011/12	0.50%
2012/13	1.00%
2013/14	1.00%

For its cash flow generated balances, the Council will seek to utilise money market funds and short-dated deposits (overnight to three months) in order to benefit from the compounding of interest and the security of investments.

### **9.5 End of year investment report**

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

### **9.6 Policy on the use of external service providers**

The Council uses Sector as its external treasury management advisers.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times, and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

### **9.7 Scheme of delegation**

Please see Appendix 7.

### **9.8 Role of the Section 151 Officer**

Please see Appendix 8.

### MINIMUM REVENUE PROVISION POLICY STATEMENT 2011/12

The Council implemented the new Minimum Revenue Provision (MRP) guidance in 2008/09, and will assess their MRP for 2011/12 in accordance with the main recommendations contained within the guidance issued by the Secretary of State under section 21(1A) of the *Local Government Act 2003*.

The major proportion of the MRP for 2011/12 will relate to the more historic debt liability that will continue to be charged at the rate of 4%, in accordance with option 1 of the guidance. Capital expenditure incurred after 31<sup>st</sup> March 2007 has been, under delegated powers, subject to MRP under option 3. This will be charged over a period that is reasonably commensurate with the estimated useful life applicable to the nature of expenditure, using the equal annual instalment method. For example, capital expenditure on a new building, or on the refurbishment or enhancement of a building, will be related to the estimated life of that building.

Estimated life periods will be determined under delegated powers. To the extent that expenditure is not on the creation of an asset, and is of a type that is subject to estimated life periods that are referred to in the guidance, the Council will generally adopt these periods. However, the Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

As some types of capital expenditure incurred by the Council are not capable of being related to an individual asset, asset lives will be assessed on a basis that most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner that reflects the nature of the main component of expenditure, and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.

# APPENDIX 3

## PRUDENTIAL AND TREASURY INDICATORS

PRUDENTIAL INDICATORS	2009/10	2010/11	2011/12	2012/13	2013/14
<b>Extract from budget and rent setting reports:</b>	<b>Actual</b>	<b>Expected Outturn</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Capital Expenditure</b>					
Non – HRA	8,560	9,446	8,658	3,228	2,324
HRA	20,087	17,266	13,347	11,011	4,312
<b>TOTAL</b>	<b>28,647</b>	<b>26,712</b>	<b>22,005</b>	<b>14,239</b>	<b>6,636</b>
<b>Ratio of financing costs to net revenue stream</b>					
Non - HRA	3.75%	8.68%	10.17%	12.09%	12.44%
HRA (applies only to housing authorities)	49.91%	51.96%	53.21%	56.12%	58.18%
<b>Net borrowing requirement</b>					
Brought forward 1 April	62,602	80,533	93,370	101,924	107,934
Carried forward 31 March	80,533	93,370	101,924	107,934	107,160
In year borrowing requirement	17,931	12,837	8,554	6,010	-774
<b>Capital Financing Requirement as at 31 March</b>					
Non – HRA	26,613	28,510	28,464	27,674	26,900
HRA	53,920	64,860	73,460	80,260	80,260
<b>TOTAL</b>	<b>80,533</b>	<b>93,370</b>	<b>101,924</b>	<b>107,934</b>	<b>107,160</b>
<b>Annual change in Capital Financing Requirement</b>					
Non – HRA	3,141	1,897	-46	-790	-774
HRA	14,790	10,940	8,600	6,800	0
<b>TOTAL</b>	<b>17,931</b>	<b>12,837</b>	<b>8,554</b>	<b>6,010</b>	<b>-774</b>
<b>Incremental impact of capital investment decisions</b>	<b>£ p</b>	<b>£ p</b>	<b>£ p</b>	<b>£ p</b>	<b>£ p</b>
Increase in council tax (band D) per annum	10.40	5.85	1.57	4.84	-2.20
Increase in average housing rent per week	0.00	0.00	0.00	0.00	0.00

<b>TREASURY MANAGEMENT INDICATORS</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
	<b>Actual</b>	<b>Expected Outturn</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Authorised Limit for external debt -</b>	Limit beyond which borrowing is prohibited, while not desired could still be affordable. Includes Finance leases.				
Borrowing	70,250	81,188	95,188	104,125	106,062
Other long term liabilities	0	0	172	1,000	800
Contingency	9,750	15,812	4,640	4,875	5,138
<b>AUTHORISED LIMIT</b>	<b>80,000</b>	<b>97,000</b>	<b>100,000</b>	<b>110,000</b>	<b>112,000</b>
<b>Operational Boundary for external debt -</b>	Probable external debt. It is not a limit and actual borrowing could vary around this boundary for short times during the year.				
Borrowing	70,250	81,188	95,188	104,125	106,062
Other long term liabilities	0	0	172	1,000	800
<b>OPERATIONAL BOUNDARY</b>	<b>70,250</b>	<b>81,188</b>	<b>95,360</b>	<b>105,125</b>	<b>106,862</b>
<b>Actual external debt</b>	<b>70,250</b>	<b>81,188</b>	<b>95,188</b>	<b>104,125</b>	<b>106,062</b>
<b>Upper limit for fixed interest rate exposure</b>	Sets limits for exposure to fixed interest rates.				
Net principal re fixed rate borrowing / investments	100%	100%	100%	100%	100%
<b>Upper limit for variable rate exposure</b>	Sets limits for exposure to variable interest rates.				
Net principal re variable rate borrowing / investments	20%	20%	20%	20%	20%
<b>Upper limit for total principal sums invested for over 364 days (per maturity date)</b>	Limit to amount of funds invested over 364 days. Due to uncertainty with financial markets, this strategy does not allow investments over this timescale.				
	£0	£0	£0	£0	£0



<b>Maturity structure of fixed rate borrowing during 2011/12</b>	<b>Upper limit</b>	<b>Lower limit</b>
Under 12 months	25%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	50%	0%
10 years and above	100%	0%

## APPENDIX 4

### INTEREST RATE FORECASTS

The data below shows a variety of forecasts published by a number of institutions. The first three are individual forecasts including those of Capital Economics (an independent forecasting consultancy) and UBS. The final one is from HM Treasury and represents summarised figures drawn from the population of all major City banks and academic institutions.

The forecast within this strategy statement has been drawn from these diverse sources and officers' own views.

#### Sector

Interest rate forecast – 05.01.11

	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14
<b>Bank rate</b>	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.25%	2.75%	3.00%	3.25%	3.25%
<b>5yr PWLB rate</b>	3.30%	3.30%	3.40%	3.50%	3.60%	3.80%	3.90%	4.10%	4.30%	4.60%	4.80%	4.90%	5.00%
<b>10yr PWLB rate</b>	4.40%	4.40%	4.40%	4.50%	4.70%	4.80%	4.90%	5.00%	5.10%	5.20%	5.30%	5.40%	5.40%
<b>25yr PWLB rate</b>	5.20%	5.20%	5.20%	5.30%	5.30%	5.40%	5.40%	5.40%	5.50%	5.50%	5.60%	5.70%	5.70%
<b>50yr PWLB rate</b>	5.20%	5.20%	5.20%	5.30%	5.30%	5.40%	5.40%	5.40%	5.50%	5.50%	5.60%	5.70%	5.70%

#### Capital Economics

Interest rate forecast – 8.11.10

	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12
<b>Bank Rate</b>	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
<b>5yr PWLB rate</b>	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
<b>10yr PWLB rate</b>	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
<b>25yr PWLB rate</b>	4.80%	4.80%	4.80%	4.80%	4.80%	4.80%	4.80%
<b>50yr PWLB rate</b>	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

#### UBS

Interest rate forecast (for quarter ends) – 20.10.10

	Mar-11	Jun-11	Sep-11	Dec-11
<b>Bank rate</b>	0.50%	0.50%	0.75%	1.00%
<b>10yr PWLB rate</b>	4.10%	4.30%	4.50%	4.60%
<b>25yr PWLB rate</b>	5.10%	5.10%	5.20%	5.30%
<b>50yr PWLB rate</b>	5.20%	5.20%	5.30%	5.40%

## HM Treasury October 2010

The current Q4 2010 and 2011 forecasts are based on the October 2010 report. Forecasts for 2010 – 2014 are based on 32 forecasts in the last quarterly forecast – in August 2010.

BANK RATE FORECASTS	Bank Rate	Quarter end		Annual ave. Bank Rate				
	Actual	Q4 2010	Q4 2011	ave. 2010	ave. 2011	ave. 2012	ave. 2013	ave. 2014
Median	0.50%	0.50%	0.90%	0.50%	1.00%	1.90%	2.80%	3.40%
Highest	0.50%	0.80%	3.20%	0.60%	2.10%	3.10%	4.10%	5.30%
Lowest	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	1.20%

## **ECONOMIC BACKGROUND**

### **4.1. Global economy**

The sovereign debt crisis peaked in May 2010 prompted, in the first place, by major concerns over the size of the Greek government's total debt and annual deficit. However, any default or write down of Greek debt would have substantial impact on other countries, in particular, Portugal, Spain and Ireland. This crisis culminated in the EU and IMF putting together a €750bn support package in mid May. A second crisis, this time over Ireland, is currently in progress as at November 2011.

The unexpectedly high rate of growth in quarters 2 and 3 of 2010 in the UK and the Euro zone in Q2 were driven by strong growth in the construction sector catching up from inclement weather earlier in the year and by other short term factors not expected to be enduring. General expectations are for anaemic (but not negative) growth in 2011 in the western world.

### **4.2. UK economy**

Following the general election in May 2010, the coalition government has put in place an austerity plan to carry out correction of the public sector deficit over the next five years. The inevitable result of fiscal contraction will be major job losses during this period, in particular in public sector services. This will have a knock on effect on consumer and business confidence and appears to have also hit the housing market as house prices started on a negative trend during the summer and autumn of 2010. Mortgage approvals are also at very weak levels and declining, all of which indicates that the housing market is likely to be very weak next year.

**Economic Growth** – GDP growth is likely to have peaked in the current period of recovery at 1.2% in quarter 2 of 2010. The first estimate of +0.8% for quarter 3 was also unexpectedly high. However, the outlook is for anaemic growth in 2011/12 although the Bank of England and the Office for Budget Responsibility are forecasting near trend growth (2.5%) i.e. above what most forecasters are currently expecting.

**Unemployment** – the trend of falling unemployment (on the benefit claimant count) has now been replaced since July 2010 with small increases that are likely to be the start of a new trend for some years ahead of rising unemployment.

**Inflation and Bank Rate** – CPI has remained high during 2010. It peaked at 3.7% in April and has gradually declined to 3.1% in September (RPI 4.6%). Although inflation has remained stubbornly above the MPC's 2% target, the MPC is confident that inflation will fall back under the target over the next two years after another rise back up to about 3.5% by the end of 2010.

The Bank of England finished its programme of quantitative easing (QE) with a total of £200bn in November 2009. However, major expectation that there could be a second round of quantitative easing in late 2010 or early 2011, to help support economic growth, have evaporated after the surprises of the Q3 GDP figure of +0.8% and the November Inflation Report revising the forecast for short term inflation sharply upwards.

Sector's view is that there is unlikely to be any increase in Bank Rate until the end of 2011.

**AAA rating** – prior to the general election, credit rating agencies had been issuing repeated warnings that unless there was a major fiscal contraction, then the AAA sovereign rating was at significant risk of being downgraded. Sterling was also under major pressure during the first half of the year. However, after the Chancellor's budget on 22 June, Sterling strengthened against the US dollar and confidence has returned that the UK will retain its AAA rating. In addition, international investors now view UK government gilts as being a safe haven from EU government debt. The consequent increase in demand for gilts helped to add downward pressure on gilt yields and PWLB rates.

#### **4.3 Sector's forward view**

It is currently difficult to have confidence as to exactly how strong the UK economic recovery is likely to be, and there are a range of views in the market. Sector has adopted a moderate view. There are huge uncertainties in all forecasts due to the major difficulties of forecasting the following areas:

- The speed of economic recovery in our major trading partners - the US and EU;
- The danger of currency war and resort to protectionism and tariff barriers if China does not address the issue of its huge trade surplus due to its undervalued currency;
- The degree to which government austerity programmes will dampen economic growth and undermine consumer confidence;
- Changes in the consumer savings ratio;
- The speed of rebalancing of the UK economy towards exporting and substituting imports;
- The potential for more quantitative easing, and the timing of this in both the UK and US, and its subsequent reversal;
- The speed of recovery of banks' profitability and balance sheet imbalances and the consequent implications for the availability of credit to borrowers;
- The potential for a major EU sovereign debt crisis that could have a significant impact on financial markets and the global and UK economy.

The overall balance of risks is weighted to the downside and there is some risk of a double dip recession and deleveraging, creating a downward spiral of falling demand, falling jobs and falling prices, although this is currently viewed as being a small risk.

Sector believes that the longer run trend is for gilt yields and PWLB rates to rise due to the high volume of gilt issuance in the UK, and the high volume of debt issuance in other major western countries.

**SPECIFIED AND NON-SPECIFIED INVESTMENTS****SPECIFIED INVESTMENTS:**

(All such investments will be sterling denominated, with **maturities up to maximum of 364 days**, meeting the minimum 'high' rating criteria where applicable).

	Fitch (or equivalent)	Money Limit	Time Limit
Banks and Building Societies	<i>F1+/A+ (Fitch)</i>	£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	6 mths
Co-op Bank (own Bankers)	-	£1m	Overnight

**Accounting treatment of investments.** The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this Council. To ensure that the Council is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

**NON-SPECIFIED INVESTMENTS:**

Non-specified investments are any other type of investment (i.e. not defined as Specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below.

The Council's own banker (the Co-Op) have to be included within both the specified and non-specified investment categories because their current rating would exclude the Co-Op bank from normal investment activity.

Non Specified Investment Category	Money Limit	Time Limit
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	£1m	Overnight

**TREASURY MANAGEMENT SCHEME OF DELEGATION**

**(i) Council**

- Receiving and reviewing reports on treasury management policies, practices and activities;
- Approval of annual strategy.

**(ii) Cabinet**

- Approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- Budget consideration and approval;
- Approval of the division of responsibilities;
- Receiving and reviewing regular monitoring reports and acting on recommendations;
- Approving the selection of external service providers and agreeing terms of appointment.

**(iii) Audit and Performance Scrutiny Committee**

- Reviewing the Treasury Management Policy and Procedures and making recommendations to the full Council.

**THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER**

**The S151 (responsible) Officer**

- Recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- Submitting regular treasury management policy reports;
- Submitting budgets and budget variations;
- Receiving and reviewing management information reports;
- Reviewing the performance of the treasury management function;
- Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- Ensuring the adequacy of internal audit, and liaising with external audit;
- Recommending the appointment of external service providers.



**BASSETLAW DISTRICT COUNCIL**

Agenda Item No.

F

**CABINET**

**10 FEBRUARY 2011**

**REPORT OF DIRECTOR OF RESOURCES**

**CAPITAL INVESTMENT STRATEGY 2011/12 TO 2015/16**

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 2011/12 to 2015/16.

**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: 11/559

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

- d) Legal – Ref: 13/02/11

The legal implications are as contained within the 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 259.

**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 2011/12 to 2015/16 to full Council on 3 March 2011.

**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 taxpayers – 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 2011/12 of £13.3m, which supports the maintenance of the council's 6,941 council houses;
- The General Fund Capital Programme with a proposed budget for 2011/12 of £8.7m. Of this amount, expenditure on the Council's non-housing assets totals £7.2m, and £1.5m will provide Disabled Facilities Grants and Fuel Poverty assistance to a number of private dwellings during the 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 and community 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, in line with the new Decentralisation and Localism Bill;
- 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, which will generate significant capital receipts in the medium term;
- The provision of financial support to the Empty Homes Initiative, which is intended to bring empty homes back into use to increase the supply of affordable housing in the district;
- 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 strategic themes. These are:

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

# CAPITAL INVESTMENT STRATEGY

- *Improve the quality of housing and housing choice.*

Supporting these key service priorities and 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 2011-16 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:

### Improve Customer satisfaction

Switchboard Telephonetics

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

Play Area Development and Refurbishments

Flood Alleviation Schemes

Energy/Carbon Reduction Schemes

Provision of Public Conveniences

Cánch Project

### Support a vibrant local economy

Public Realm Works – Bridge Street, Worksop

Creative Village Phase 2, Worksop

### Improve the quality of housing and housing choice

Disabled Facilities Grants

Decent Homes Work - A1 Housing

Fuel Poverty Grants

Other Housing Capital Improvements

## 5. FINANCIAL CONTEXT

### Comprehensive Spending Review

The Comprehensive Spending Review was announced in October 2010, and it made a number of key announcements that relate specifically to capital expenditure:

- Forecast reduction of 29% nationally in overall capital expenditure, primarily resulting from a 45% reduction in central government funding;
- Supported borrowing will cease from 1<sup>st</sup> April 2011, but the flexibility of prudential borrowing is maintained i.e. the core principle of affordability still applies instead of applying ceilings on expenditure levels. However the costs of prudential borrowing have increased due to a 1% rise in Government lending rates (via the Public Works Loans Board);
- A move towards capital grant funding, although the details are unclear.

What this means in practice is that all local authorities will find it much harder to fund capital expenditure, resulting from less government funding, more expensive borrowing, and reduced capital receipts in the current economic climate.

# CAPITAL INVESTMENT STRATEGY

In response to these significant pressures, local authorities must now explore alternative sources of funding capital expenditure. These various options can be summarised as follows:

- External partners – Traditionally S106 monies have been levied on private contractors to develop capital projects within the district. These opportunities are now extended to include the Community Infrastructure Levy, which allows local authorities in England and Wales to raise funds from developers undertaking new building projects in their area. The money can be used to fund a wide range of infrastructure that is needed as a result of development. This includes transport schemes, flood defences, schools, hospitals, other health and social care facilities, parks, green spaces and leisure centres;
- Grants – It is hoped that a number of capital grants may be made available by the central government that could be used to fund capital expenditure e.g. the New Homes Bonus, which is directly linked to the number of empty homes that are brought back into use within the district, coupled with the build of any new affordable housing units;
- Business Improvement Districts (BIDs) – A partnership between a local authority and local businesses to develop projects and services that benefit the local trading environment;
- Local Asset Backed Vehicle/Partnership – This is a public/private partnership whereby the public sector contribute the land, and this is matched by private sector equity to develop and regenerate an area – it is ultimately based on profit-share;
- Tax Increment Financing (TIF) – This is a new initiative that allows a local authority to borrow money against the predicted future growth in local business rates income;
- Social Impact Bonds (SIBs) – A contract between a public body and a private investor, where the investor funds are used to pay for interventions to improve the social outcome, and the public body pays the investor based on that improved social outcome. Examples include prisons based on reduced re-offending, and CCTV based on reduced anti-social behaviour and crime levels.

## Financial Process

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.

**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.



# CAPITAL INVESTMENT STRATEGY

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 2015/16. 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 had 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 announcement of the Comprehensive Spending Review in October 2010 significantly changed the financial outlook for Housing authorities, and annulled any approvals previously made (including the Council's £62m Decent Homes Programme). Further information is now awaited, however, the Homes & Communities Agency (HCA) have so far only confirmed that 2011/12 will continue on the same supported borrowing basis as previously, and 2012/13 will be paid through a reduction in the new '*Self Financing*' opening debt position. The Council has submitted a capital bid for approvals for these two years, however the outcomes will not be announced until late January/February 2011.

The planning assumption for the 5-year programme 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 £76,000 in 2009/10 (estimated at £500,000 in 2010/11), and Housing capital receipts of £540,000 in 2009/10 (estimated at £47,000 in 2010/11).

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.

# CAPITAL INVESTMENT STRATEGY

**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.

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.

	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000
<b>GENERAL FUND</b>					
Grants & Contributions	2,153	410	345	345	345
Capital Receipts	5,774	1,385	1,075	0	0
Leasing	0	1,433	904	0	0
Unsupported Borrowing	731	0	0	0	0
	8,658	3,228	2,324	345	345
<b>HOUSING</b>					
Major Repairs Allowance	4,194	4,211	4,312	4,414	4,520
Other Grants & Contributions	0	0	0	0	0
Supported Borrowing	8,600	6,800	0	0	0
Capital Receipts	553	0	0	0	0
	13,347	11,011	4,312	4,414	4,520
<b>TOTAL:</b>	22,005	14,239	6,636	4,759	4,865

## 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, seeks to obviate potentially abortive costs.

From this refined review the process is based on the completion of a Capital Service Bid for each project to be considered for inclusion in the Capital Programme. Each Capital Service Bid is then scored against the established methodology. The Property & Regeneration 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.

# CAPITAL INVESTMENT STRATEGY

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:

- 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 the 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 – the specific relationships 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 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 Property & Regeneration Group, which meets on a monthly basis. 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 the Management Team, Audit & Performance Scrutiny Committee, and Cabinet;
- The Property & Regeneration Group considers a monthly monitoring statement at each meeting. A standing item of the agenda is an update on the key regeneration sites, where

# CAPITAL INVESTMENT STRATEGY

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.

## 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.

# CAPITAL INVESTMENT STRATEGY

The Council will ring-fence capital receipts to specific schemes where there is a legal requirement to do so i.e. whether it arises 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.

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

Good practice dictates that the framework for allocating capital resources to capital projects is clear and understandable to all. It is therefore imperative that the Capital Investment 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 could be top-sliced prior to allocating the 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 Property & Regeneration 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 fully 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 any S106 agreements, but carries a lower value because the Council has the option of not undertaking the project, with the only retribution being the return of the original sum 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 agreed by Members to be put forward as a bid.	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
<b>I</b>	<b>Council Objectives</b>		
	Additional points for projects adding value to the Council's Objectives, (add 1 point for each)		
<b>Improve Customer Satisfaction</b>	1.1	Develop our understanding of customers.	
	1.2	Improve our customer approach.	
	1.3	Engage and communicate with our customers.	
<b>Regenerate the Area and Improve the Environment People Live in</b>	2.1	Enhance green open space within the district for community and leisure use.	
	2.2	Increase public reassurance through community safety initiatives.	
	2.3	Increase pride in the district.	
<b>Support a Vibrant Local Economy</b>	3.1	Improve and develop the unique characteristics of our market towns.	
	3.2	Support our local businesses.	
	3.3	Invest in our local area and make the most of local infrastructure.	
<b>Improve the Quality of Housing and Housing Choice</b>	4.1	Improve the quality of housing and housing choice.	



# CAPITAL INVESTMENT STRATEGY

<b>J</b>	<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).		
<b>K</b>	<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).		
<b>L</b>	<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).	(    )
<b>M</b>	<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**

**10 FEBRUARY 2011**

**REPORT OF THE DIRECTOR OF RESOURCES**

**PROPERTY ASSET MANAGEMENT PLAN 2011/12 TO 2015/16**

**Cabinet Member:** Finance and Property

**Contact:** John Unstead

**Ext:** 3706

**1. Public Interest Test**

The author of this report, John Unstead, 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: 11/132

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 may be acquired and disposed of, whereby further reports will be brought to Cabinet for approval with the full financial implications outlined.

- d) Legal – Ref: 12/02/11

The legal implications are as contained within the report.

- 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 260.

## **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**

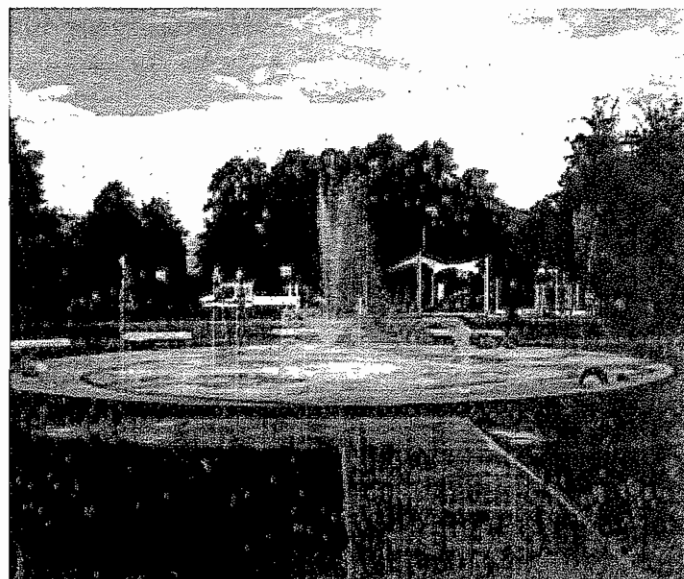
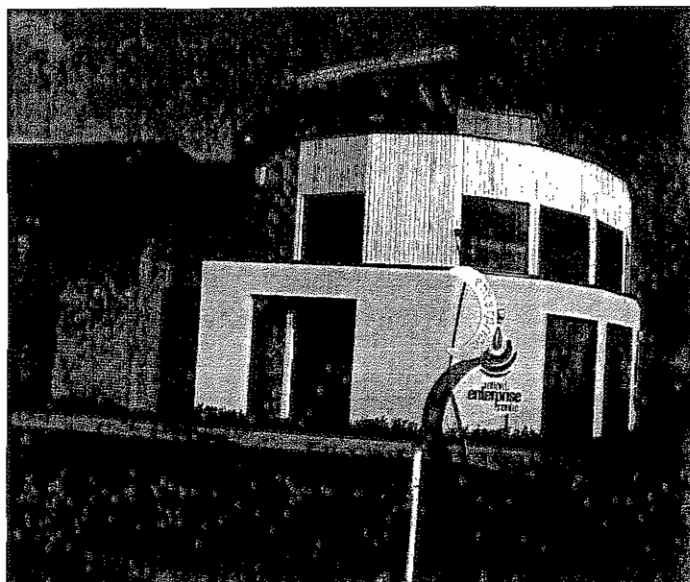
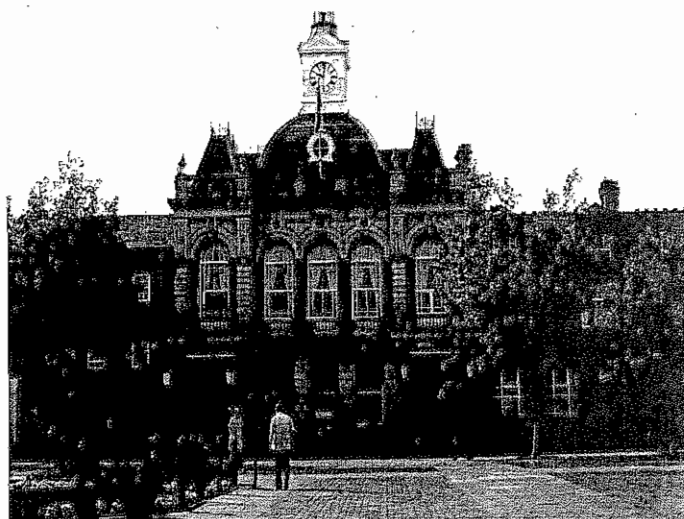
- 6.1 That the Cabinet recommends approval of the Asset Management Plan 2011/12 to 2015/16 to full Council on 3 March 2011.

**Background Papers**  
Asset Management Plan

**Location**  
Estates Unit

# **BASSETLAW DISTRICT COUNCIL**

## **ASSET MANAGEMENT PLAN 2011/12 – 2015/16**



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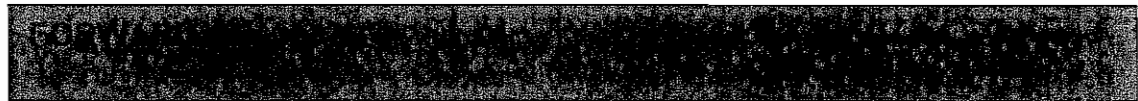
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*"Bassetlaw District Council's Asset Management Plan will translate into actions the commitments made in the Council's Corporate Plan 2010/2013.*


*The purpose of the plan is to ensure that the Council's property holdings are aligned to meet strategic priorities and service needs to ensure that the right property is available in the right place, and at the right time.*

*Our goal is to get the most from our assets as they support the provision of Council services and the delivery of our priorities. The Council will be judged on the quality of the services it delivers not the quality of its buildings, but those land and property assets do support the on-going provision of the services we provide to our community.*

*Property is the second highest cost incurred by most public authorities after expenditure on staff, and its effective and efficient management is key to being able to deliver value for money and quality services.*

*The Council aspires to use its property assets innovatively, simply because to a greater or lesser extent the land and building's portfolio has a role in almost all of the Council's activity throughout the district."*

*The plan will be reviewed on a regular basis and amended as necessary to reflect changes in strategic needs and priorities.*



The Asset Management Plan for 2011 - 2016, details an effective strategy and robust operational plan for the management of Bassetlaw District Council's significant land and building assets for the next 5 years.

The Plan is based on the guidelines issued by the Royal Institution of Chartered Surveyors (RICS) within "The RICS Public Sector Asset Management Guidelines" which set out the agenda for dealing with property assets; and the Communities and Local Government document "Building on Strong Foundations – A Framework for Local Authority Asset Management Communities & Local Government (2008).

To a greater or lesser extent, the Council's land and buildings portfolio has a role in almost all of its activity, in terms of investment, as accommodation for its services, staff and residents, as well as providing a source of income used to support service provision. The Plan seeks to provide the basis towards ensuring that the property assets owned by the Council are both fit for purpose and provide value for money in order to support the delivery of services to the District.

Enhanced asset management has the power to make an extremely wide positive impact. The Asset Management Plan captures the current position of a continually developing asset management plan consisting of practical actions, aligned with corporate objectives and properly supported by a fully resourced management and delivery team.

There is a need to improve this further, so as to meet new and ambitious goals for the future. Ultimately by recognising the centrality of asset management to the achievement of Council's corporate priorities as identified in the Corporate Plan 2010-2013. Bassetlaw's Asset Management Plan demonstrates a critically important aspect of the Council's commitment to quality services for the people of the district.

With the present economic downturn and the Comprehensive Spending Review has put future public spending under increased pressure. It has never been more important to ensure that the Council is making the most of its land and building assets; and this is a key element in continuing to be able to improve the overall quality of the Council's services despite these conditions and to improve the overall condition of the property holdings.

Bassetlaw District Council operates a substantial property portfolio comprising of 1,092 Operational Properties and 63 Investment Properties with a total combined asset value of £50 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 key objectives for the Council's property portfolio are:

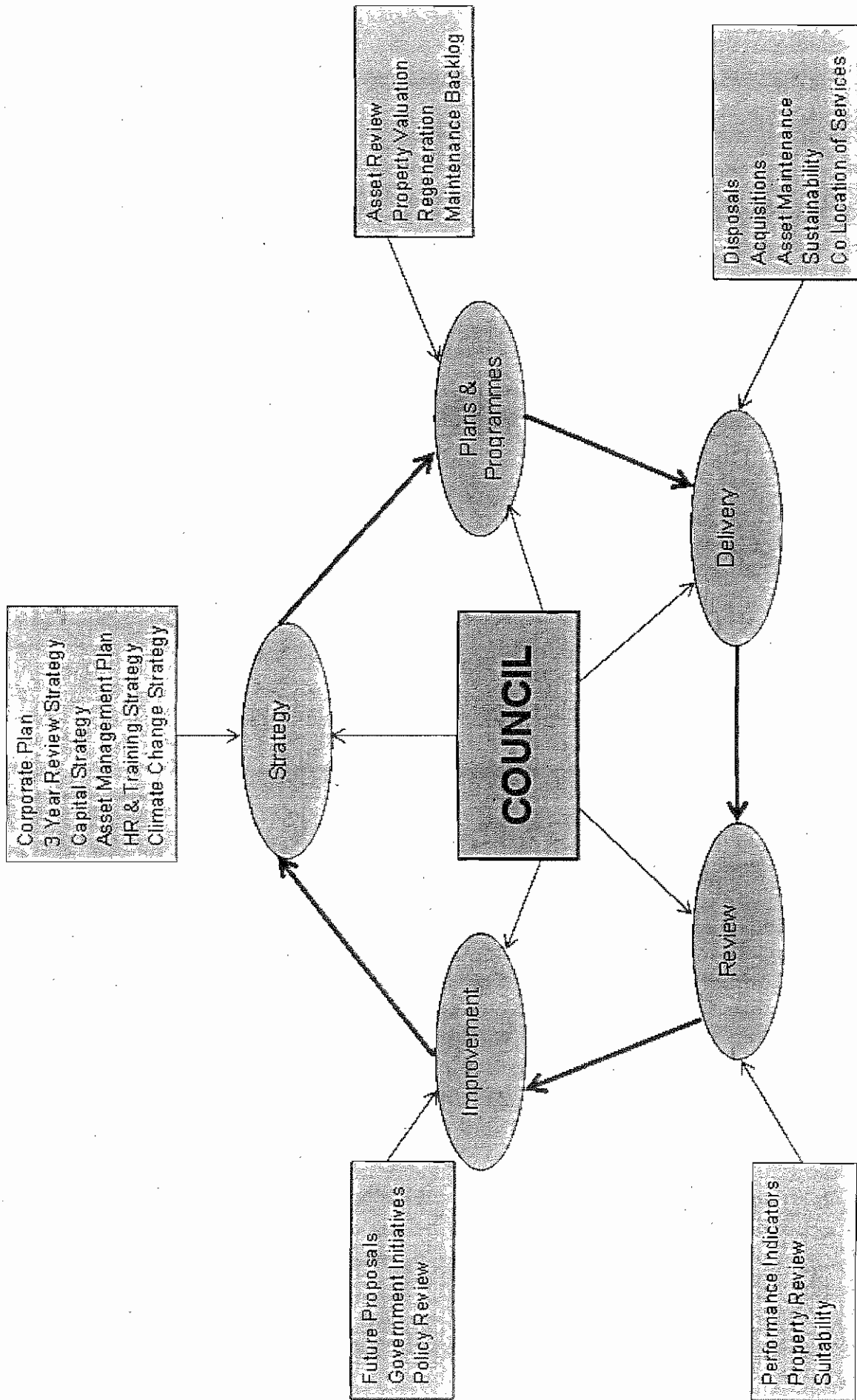
1. Development and Regeneration - As a consequence of our major district-wide landholding the Council is in a fortunate position to influence a number of major development schemes which deal with not just site specific but district-wide issues. Key projects to bring forward include development schemes in Worksop and Retford town centres.
2. Operational Property – Ensuring that there are sufficient operational properties that are fit for purpose and 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 it will seek where possible to 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 and re-let vacant property on the most advantageous terms to the Council.
4. Capital Receipts – Implementation of an improved surplus property disposals strategy 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.
5. Support the sustainability agenda.
6. Establish a one Council approach in relation to property and facilities management.
7. Reduce backlog maintenance.
8. The on-going introduction of the Concerto asset management system to provide the Council with a full asset data record management system that contains accurate property records.

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 Asset Management as part of an ongoing process of regular review and the drivers that shape the development of the overall strategy.



## **1.1 Why Asset Management matters to Bassetlaw**


Our property portfolio contributes to the nature of district's built environment and rural landscape in a major way. It is therefore essential that there are effective and efficient management processes in place to deal with property assets as they impact on the quality of life of residents and visitors experience in the district. From our parks, and leisure centres to the Town Hall's. Council owned property impacts on the lives of people in the community and therefore ensuring that the most is made of the property assets the Council has, together with limited resources, is the fundamental reason for this Plan.

All types of property are by nature inflexible assets. These assets take time and considerable expense to develop, to operate and ultimately to decommission and dispose of. The Council's disposal process can take time. In a similar way a comprehensive redevelopment scheme can take decades from the initial vision to delivery.

Consider how long it takes to buy and sell a house, then relate this to other types of property, it is not surprising that non-residential property disposal takes time, especially within a political and democratic context and with the need to satisfy the Council's legal obligations when doing so. Effective asset planning is essential to bring flexibility to management of the Council's property portfolio.

The Audit Commission estimates that the average local authority expends eight percent of its annual revenue budget to running and maintaining property estates. This makes property Bassetlaw's second most costly resource after staff. Effective management is therefore a crucial corporate activity if the Council is to achieve its corporate objectives.

Council services have not traditionally been exposed to the total cost of holding and operating property, so these costs are not always as fully understood as they should be. Clearly, there is a need to consider, identify and calculate appropriate property performance indicators that draw on the experience of other organisations, which will then enable officers to regularly review the performance of buildings and then act accordingly.



## 2.1 Where Property Asset Management relates to Bassetlaw District Council

Asset and property management has a number of definitions. This Plan focuses on the following definition as set out in Royal Institution of Chartered Surveyors (RICS 2008) Public Sector Asset Management Guidelines:

*“Strategic asset management is the holistic management of property assets as a key corporate resource, requiring the integration and optimisation of capital and revenue expenditure for the benefit of local communities. To enable public sector decision makers to make the right choices for investing in property, bearing in mind the need to review, challenge and prioritise the allocation of resources to achieve value for money and enable policy delivery.”*

## 2.2 Scope of the Plan

Bassetlaw's Asset Management Plan sets out a comprehensive strategy that applies to all of our property assets (land and buildings) with the exception of the management and operational arrangements for housing, parks and transport infrastructure. In addition, Service Asset Management Plans will have to be developed that provide specific information, the following subject areas that are not covered in detail in this plan:

- i) An overview of the Council's corporate priorities.
- ii) Particulars of the extent and nature of the current property portfolio and volume of the current maintenance backlog.
- iii) Consideration of current and future issues that must be addressed if key corporate objectives are to be achieved and our maintenance backlog reduced.

The Asset Management Plan identifies the underlying issues and identifies ways in which the estate will be managed to enhance its value. In this respect priorities are:

- Maximising capital value, taking into account local priorities.
- Maximising income from our commercial estate.
- Releasing latent value in surplus property for reinvestment.

- Rationalising assets that have been identified as a liability or are otherwise performing poorly. Whether through having a significant maintenance backlog or high running costs and where the property is not adding value to the organisation.
- Centralisation of all property related budgets to enable corporate prioritisation of property expenditure.
- Ensuring that all possible cross-cutting opportunities are realised both within the Council and with other public bodies (Total Place).
- Ensuring that property is in a condition appropriate to use and need, safe and compliant with legislation and suitable and sufficient for the services delivered.
- Gathering, maintaining and updating key property information.
- Underpinning the importance of facilities management as integral to good estate management.

## 2.3 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
3 Year Revenue Strategy	How we will make crucial financial savings and carefully spend the money that is available to us over the next 3 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 5 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.



## **2.4 Bassetlaw 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.



### 3.1 Property Objectives

Property objectives have been identified as those that deal with current property issues and that fully support the Corporate Plan. The Asset Management Plan adopts a corporate asset management policy, which identifies priority actions, and which links directly to the main aims and priorities 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.

The focus of the strategy is towards optimising the use of the Council's land and buildings in terms of service benefit, affordability and best value for money.

The intention is to create an improved and well planned property portfolio, that is fit for purpose and able to meet changing requirements whilst at the same time is also one that costs less to run, and able to release funds to invest in improved delivery of front line services for the benefit of the community.

Specifically the objectives are:

- To have sufficient, fit for purpose, well maintained and managed property in the right locations to meet the need of services, including community facilities in district and local centres
- To identify opportunities for "Total Place Initiatives" in order to reduce the number of administrative office buildings in outlying district and to identify co-location opportunities to share with public sector partners where this benefits the parties in supporting improved service delivery or efficiency
- To make investment in property that is prioritised corporately according to strategic need and to enhance the Council's commitment to the environment
- To continue to support and promote regeneration and economic development and employment opportunities within the district
- To support transformation of service delivery and community infrastructure using strategic property solutions
- To have an estate that is fit for purpose for the delivery of all Council Services

- To only retain investment property that generates strong income streams to help fund asset maintenance and support service delivery
- To identify development opportunities that will encourage business into the district and with this create employment opportunities.
- To use Council land holdings to support affordable housing.

### **3.2 Required Outcomes**

The Asset Management Plan is based on the key outcomes identified below:

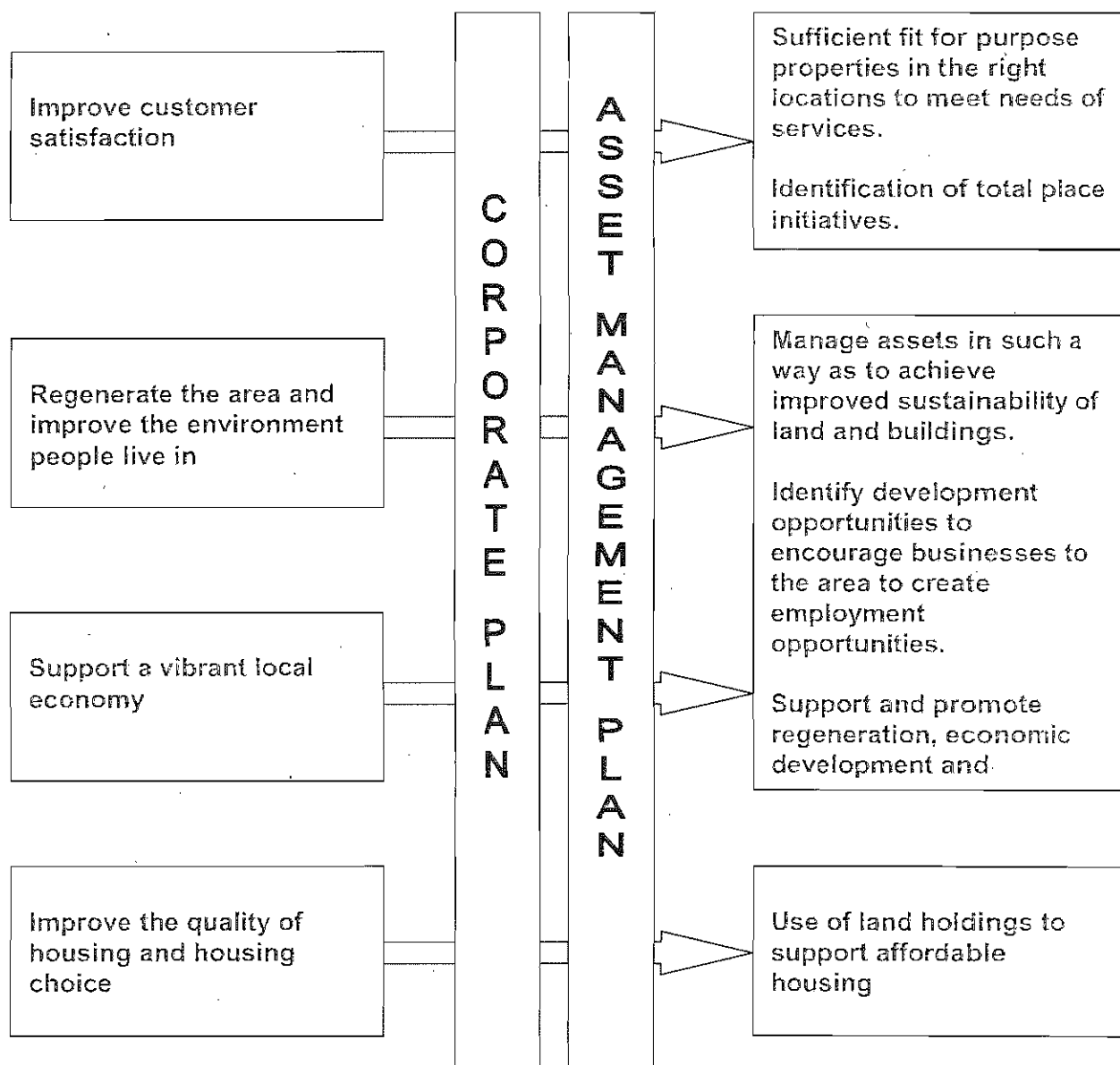
- To deliver schemes which are identified as priorities in the Council's Corporate Plan and Economic Development Unit's Service Delivery Plan. Schemes should be brought forward as part of the Local Development Framework (LDF) and accord with the latest strategic studies for example, retail capacity studies, employment and land availability studies.
- The establishment of a unified approach to property and facilities management that includes the centralisation of management of all Property and Facilities Management services
- Ensure that development schemes take into account whole life costing and link in with the Council's Climate Change Strategy objectives
- Centralisation of all related budgets
- Ongoing work towards the implementation of an effective Asset Data Records Management via the Council's new asset data records management system (Concerto)
- Office accommodation transformation
- Development of an improved surplus property disposals strategy
- To identify opportunity purchases available that would assist the Council in meeting its strategic objectives and to bring forward schemes that deliver new assets into the Council's property portfolio
- The identification of co-location of Council services together with opportunities to share accommodation with other public services
- The improved use of existing resources and to minimise risk through use of sensitivity analysis in project appraisal
- Addressing historic backlog maintenance
- Improving the performance of land and buildings held for investment purposes through targeted investment and improvement

- To be fully aware of market changes and influences so as to be able to maximise the effectiveness of the Council's property review process
- Supporting the sustainability agenda
- To be able to manage schemes to a predicted timescale and cost in accordance with a formal project management approach
- Ensuring that the portfolio is sustainable and flexible enough to meet the needs of services
- Buildings are located in the optimal position to meet the needs of customers, the service and staff.

## Corporate Priorities

## Plans

## Asset Management Plan Objectives



#### 4.1 Property Portfolio

The Council's property portfolio largely falls under two main categories: Operational Property and Investment Property.

The breakdown of property categories is as shown below:-

Category	Number	Asset Value (31/3/10)
Investment Properties	217	£17,154,000
Operational Assets	988	£28,181,000
Community Assets	65	£ 737,000
Assets under construction	5	£ 1,728,000
Surplus Assets	8	£ 3,219,000

#### 4.2 Investment Portfolio Breakdown

The investment portfolio has a total asset value of £17,154,000 and generates an annual revenue stream of £366,000 per year.

The investment property sectors are listed in the table below:-

Investment Type	Number of Properties
Miscellaneous Properties	12
Shops	31
Industrial Estates	7
Ground lease Industrial	1
Land Holdings	17
Markets	2
Leasehold Flats	147

#### 4.3 Operational Property Breakdown

The Council's operational estate is held for service delivery purposes. These properties have an asset value of £28,181,000 and this is broken down into the property types as shown below:-

Property Type	No of Properties
Admin & Operational Buildings	4
Civic Buildings	2
Museum	1
Car Parks	17
Toilets	7
Community Centres and Sheltered Housing schemes	20
Cemetery Buildings	2
TIC	1
Leisure Centres	2
Other Arts and Leisure facilities	2
Garages and garage sites	902
Golf Course	1
Other Buildings	14
Land holdings	13

#### 4.4 Community Assets Breakdown

The community assets held to provide services to benefit the community are detailed below. These properties have an asset value of £737,000 and their type is broken down in the schedule below.

Property Type	No of Properties
Parks and Open Spaces	47
Allotment Sites	14
Cemeteries (land only)	4

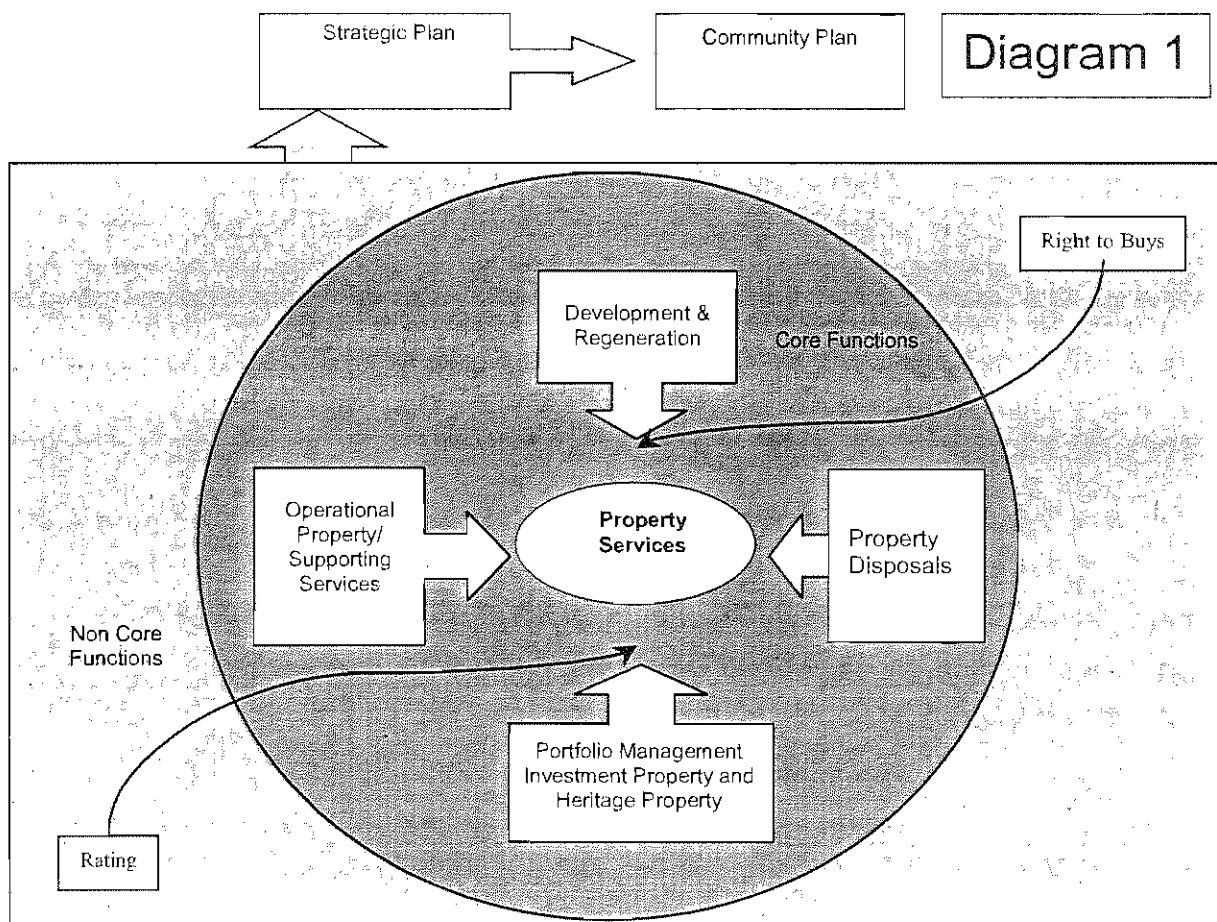
## 5.1 Introduction

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:-

- Development and Regeneration
- Property Disposals
- Portfolio Management – Investment Property
- 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.





## **5.2 DEVELOPMENT AND REGENERATION**

### **Mission Statement**

To pursue regeneration and development projects which will 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.

### **5.2 Development and Regeneration**

We are committed to making Bassetlaw a district that people want to live in; a district they can be proud of; a district that is clean, green, safe and healthy. Over the next three years we will work with our partners to regenerate the area and improve the environment people live in. We want to make Bassetlaw a district where people feel safe and are safe.

We understand the responsibility we have in protecting Bassetlaw's fabulous natural landscape and open spaces. We are determined to meet our residents' expectations of cleaner streets and cleaner towns. We will improve our award winning parks and deliver more play areas.

We will take action on derelict buildings and empty homes, bringing them back into use. We will improve the gateways to our towns and villages so that people can be proud to be entering Bassetlaw.

### **5.3 Development and Regeneration Workplan**

#### **- 'What needs to done'**

By undertaking an annual review and updates of this plan it will be possible to incorporate and report on details of progress on current and proposed asset development programmes and measuring success in delivery.

### **5.4 Actions**

The asset management regime is a cohesive set of actions that provides a balance between corporate control and operational priority. To bring about long-term change, a long-term perspective is required. By taking this view, medium and long-term issues affecting service delivery will be addressed. These include how services are planned and business transformation takes place within value for money initiatives, sustainability agenda, and affordability.

While the long term view enables the ability to plan beyond the constraints of the present economic recession. Regardless of this, short-term realities will be addressed in addition to the long-term vision.

The Local Development Framework (LDF) is the "portfolio of different planning documents that the council will prepare as a replacement to the Bassetlaw local

Plan. This core strategy is the key LDF document and provides the overarching spatial development framework for the District. It sets out a vision for change in Bassetlaw to 2026, along with place-specific policy approaches to be taken in order to deliver this vision.

The Asset Management Plan will be a key delivery vehicle for the Core Strategy, setting out how the Council will use its assets to contribute to the achievement of the overall vision for change.

The Council will examine the use of the Community Infrastructure Levy (CIL). The CIL is a charge that local Council's can make on all new development in their area in order that the necessary infrastructure needed to support that development (e.g. transport upgrades, school places, village halls, play areas etc) can be provided. The Council will explore the potential that CIL offers, especially where it can add value to the use of the Council's assets for community benefit over the next 12 months.

## **5.5 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 demand.

### 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 quality business start-up space
- Weak inward investment offer
- Market Volatility
- Significant areas of land already owned by developers

## **5.6 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 (LDF) 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 that will 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.

## **5.7 Development and Regeneration Workplan**

A workplan has been developed which details priority actions under this Strategy.

### **Mission Statement**

To meet the capital receipts targets set out in the five year Capital 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.

The disposal of land and buildings for commercial purposes will in the short to medium term be difficult. In the market place generally, with the exception of food retailing, the demand for commercial land regardless of its prime position is limited. This mainly due to the economic recession, and tied into this the limited supply of commercial funding opportunities. This, taken with the costs associated with the liability to pay rates on empty properties has impacted on commercial development.

In relation to residential building land, despite having a significant land bank it is clear that land values for residential development land have been severely impacted. Residential developers who have existing "land banks" have seen the value of their assets effectively halve in value since September 2007.

Research from property agents shows the emergence of stockpiles of over valued land sitting on house builder's balance sheets that cannot be turned into valuable assets until the housing market recovers. An indication of this at a local level being an intended sale of 3 sites that the Council had agreed to and where now the current offer is around 25% of the previously offered figure. It is clear that difficult to develop sites will not be seen as of interest to residential developers until their own land banks have been substantially reduced. However, this is not to say that the Council should not market smaller sites that will still be of interest to building companies looking to smaller scale developments.

Vacant land and buildings do have an inherent financial implication. For example in terms of ongoing maintenance, security, insurance, empty rates payments, all of which may influence the decision making process to the point where instead of holding an asset until such time as the market improves, it is more viable to seek early disposal to avoid any continuing outgoings and other vacant property management liabilities.

### **6.1 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.

## **6.2 Key Objectives**

- To achieve the General Investment Capital Receipts Target / Allowable income loss as summarised below:-

	2011/12 £	2012/13 £	2013/14 £	2014/15 £	2015/16 £
<b>Capital Receipts Target</b>	50,000	250,000	50,000	50,000	50,000
<b>Loss of Rental Revenue Stream</b>	0	4,100	0	0	0

- To generate Housing Revenue Account capital receipts as outlined below:-

	2011/12 £	2012/13 £	2013/14 £	2014/15 £	2015/16 £
<b>Property Disposals</b>	587,500	2,217,500	887,500	87,500	87,500

- 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
- Strategic Service Priorities
- Regeneration
- Identification of joint service delivery and partnership working
- Co-location
- Property rationalisation
- Community transfer of assets
- Sustainability.

The Council's capital receipts 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.

### **6.3 Disposals Workplan**

A workplan has been developed which details priority actions under this strategy. The disposal of surplus property assets provides funding that will help deliver priorities. Increasingly the identification, marketing and subsequent disposal of surplus, under-utilised or under performing property has become a priority for the Council. However the timing of these disposals must have regard to the prevailing market conditions in order to ensure that the maximum benefit to the Council is achieved.

The disposals workplan outlines the processes to be followed in terms of initial consultations to confirm that surplus premises are not required elsewhere within the authority, through to marketing and final disposal of the property interest.

The impact of the current economic climate and the remaining significant uncertainty regarding the timescale for economic recovery renders the development of a disposals workplan for a 5 year period that can be relied upon as somewhat problematic. It is not possible to predict when the market will recover, or what values will be achieved post recovery. Nevertheless, opportunities to dispose of surplus assets should still be pursued, in particular where these represent an ongoing liability to the Council regardless of the current market conditions.



## **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>

## **7.1 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 lease and tenancy agreements that have been adopted 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.
- Ongoing Programmed Property Maintenance (PPM) is required in order to ensure that investment assets are fit for purpose.
- The new Property Management software needs to be fully populated with data.
- More effective management of tenant rent arrears through early contact and use of bailiff action where necessary.

### 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/demand for properties held in portfolio
- Property condition
- Tenant default (failure to pay rent and comply with repair covenants)
- Property voids

## **7.2 Key Objectives**

- Property management to maximise investment return in line with market conditions.
- Debt management through liaison with tenants and if necessary, bailiff action to recover arrears.
- 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 in order to enhance the income streams outlined above.
- The disposal of under performing assets in order to reduce the Council's costs in terms of management and day to day maintenance and to provide a source of income to reinvest in replacement income producing assets

## **7.3 Portfolio Management and Investment Property Workplan**

A workplan has been developed which details priority actions under this strategy.





## **Mission Statement**

To provide operational property which is fit for the purpose and work to enhance the quality of operational property through innovative solutions.

### **8.1 Current Position**

#### Key Strengths

- Administrative buildings have been maintained on a planned programme.
- Health and Safety arrangements are in place including access audits.

#### Areas for Improvement

- A number of properties are maintained by Council services outside of Estates and these will benefit from centralised management in the future.
- New management software is now in place for estates and existing records are being transferred.
- 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 to meet five year programme.

## **8.2 Key Objectives**

- To understand the needs/requirements of Services to ensure that the property they occupy 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 (Total Place initiatives).
- Acquire new Properties where a service need has been identified and as a solution to resolve issues identified in first round suitability surveys.

## **8.3 Operational Property/Supporting Services Workplan**

A workplan has been developed which details priority actions under this Strategy. In effect there has to be a change in culture; Council's land and property is a corporate resource and when services operate out of these from these resources they are the temporary custodians of those public assets rather than owner occupiers however they still have the responsibility for maintaining their value.

Opportunities to adopt more agile ways of working through "Workstyle" opportunities, which include "Hot Desking and Touchdown facilities" together with remote based working. These cultural changes will need to be developed to ensure that the existing accommodation used for office based work is used efficiently and under ideal circumstances this will reduce the overall office space the Council requires. Through "Workstyle" efficiencies and the increased use of IT and smart working including home based work or working from remote locations this will be possible. The reduction in office space requirements will result in an overall reduction in running costs of the Council's administrative buildings. However, this will come with their own costs since these benefits will need to be properly resourced through investment by the Council in better systems, IT and accommodation.



Property asset management affects a wide range of Council services and portfolios.

### **9.1 Property Rationalisation**

- The ongoing improvement work to Queens Buildings as a solution for the provision of quality office accommodation that improves the customer experience and delivers substantial savings through the release of, decommissioning, and subsequent disposal of existing offices
- The identification of co-location with partner organisations
- The appraisal of opportunities to identify potentially significant cost savings through a reduction in space requirements. This could well be achieved through the concept of "Workstyle", a flexible working solution. In developing this strategy, there will be a requirement to investigate the better utilisation of Council meeting and training rooms, together with storage of archive data. Research will be required however if this is oversupplied in terms of space this is a potential area where savings may be achieved. Additionally, opportunities with other public organisations to share centrally a flexible archive should be considered.

### **9.2 Regeneration**

Regeneration is critical to the delivery of Council objectives. We have a strong ambition to regenerate redundant sites, which can be developed to provide an improved environment, better quality of housing, open space and business opportunities.

We have clear ambitions to improve the vitality of the town centres of Worksop and Retford and will seek to secure a step change in employment and housing growth around Harworth and Bircotes.

By the prudent use of our own assets we will seek to change the quality and provision of employment space, as well as delivering high quality, energy efficient affordable housing units while preserving and protecting both the built and natural environment.

We will seek to dispose of low quality, poor yield commercial premises and reinvest into more modern, higher quality premises which will not only give us a better return, but help shift the economy onto a higher value plane.

Objectives:

- Productive and competitive business (a competitive economy).

- Economic inclusion and increasing participation (raising aspirations, encouraging enterprise, increasing employability and learning and enhancing neighbourhood cohesion).

### **9.3 Identification of Joint Service Delivery & Partnership Working**

The Government has identified partnership working as a key means through which much of its policy programme is to be delivered at a local level. The success of this is dependent upon strong leadership, innovation and the spirit of partnership using expert understanding of the needs of residents, customers and citizens.

Initially a number of pilot areas were identified but without doubt in the current economic climate the opportunity for public sector organisations to work together and share resources will bring about 3 main benefits:

- Transforming services that will improve the experience of local residents and deliver better value
- Deliver efficiencies to validate the work
- Accumulate baseline knowledge about how effective cross agency working delivers the above.

### **9.4 Housing**

A1 Housing (Bassetlaw) Ltd, is the Council's Arms Length Management organisation (ALMO) which is committed to bringing up to the decent standard all of the Council's 7,000 dwelling houses by the end of the life of the Corporate Plan. The Housing Investment Programme business plan completed by A1 Housing indicates that there is still in excess of £41.5m that still needs to be spent to bring council owned dwellings to a decent standard. The 6 keys areas of work to be progressed being:

- Decent Homes Scheme to be completed
- Standards improved in the private rented sector
- Fuel poverty in the district reduced
- Greater choice of quality housing in the district
- The reduction of vacant homes across the district
- Increasing the number of affordable homes in the district.

### **9.5 Co-location of Services**

To provide a more customer focused and efficient organisation, the merits of multi-purpose, co-located service delivery buildings in strategic locations throughout the district needs to be examined. This opportunity would seek to

improve customer relationships, providing access to services, information and support, in good accommodation at one convenient location. It also reduces costs through the economies of single site provision and, wherever possible, through flexible design to allow for ease of adaptation in the future.

## **9.6 Community Transfer of Assets**

The transfer of assets to, and active management of community facilities by the communities themselves, is one way of achieving more responsive services that meet local needs and priorities. The Quirk Review of Community Management and Ownership of Public Assets concluded that community ownership and management of public assets can bring, in some instances, substantial social and community benefits.

This may in turn create more confident and empowered communities and this is an approach that should be recognised and supported. Since this may also mean that the Council can divest itself of certain properties, it no longer has any direct use for, and so as a consequence potentially making savings.

The announcement of central government's proposed "Decentralisation and Localisation Bill" and its potential effect on how this proposed legislation will affect how Bassetlaw manages its services and assets has yet to be seen. However, this will give further empowerment to local communities seeking to take over the operation of Council owned property assets to provide services as a local level.

Despite the above, Asset transfer may not always be the best way forward and in shaping any decision, consideration has to be given with regard to both the risks involved and the benefits to be gained from such arrangements. By reference to similar projects undertaken elsewhere in the country, experience and knowledge can be introduced into that decision making process.

## **9.7 Sustainability**

The concept of sustainability is widely interpreted, however the commonly accepted definition of the World Commission on Environment and Development in its report, *Our Common Future* (1987) is :- 'Meeting the needs of the present without compromising the needs of future generations'.

As a Council, there should be clear ambitions to be an exemplar of environmental sustainability at regional, national level; seeking to go beyond the requirements of Government policy and seeking to strive for continual improvement as well.

Sustainable development is now firmly embedded within the Council's strategies, policies and programmes, including the Corporate Plan 2010-13.

To achieve sustainability and carbon objectives in the short and long term, sustainable practise must be integrated into the management of the Council's assets. This should be maintained throughout any property life cycle and

including sustainability assessments considered in conjunction with all decisions that we make in relation to property assets.

A number of key sustainability themes for our asset management programme:

- **Energy efficiency:** improving the energy efficiency of property assets is critical.

The declining demand a building has on energy enables cost savings as well as reducing the associated carbon emissions. The integration of sustainable design techniques and options is an important element of this but increasing awareness of energy use for building occupiers and users can also provide significant savings. This creates a requirement to monitor the energy use in all operational property and to set targets for actions and programmes for reduction via engineering and behavioural solutions.

- **Carbon reduction:** increasing energy efficiency is important but it is not a stand-alone solution. There is also a need to investigate additional ways to reduce carbon emissions. The identification of opportunities for low carbon together with alternative fuels such as LPG, CNG, Hydrogen. Opportunities for power generation whether generated on or off our estate needs to be a key consideration in asset planning. For all asset projects it is necessary to review opportunities for zero or low carbon fuels as energy sources. Also to specifically review opportunities to develop renewable energy hubs and projects in the district associated with the assets.

- **Water consumption reduction:** alongside reducing carbon usage carbon management there is a need to reduce water use as well as identifying opportunities for recycling used water and the capture of rainwater (grey water) to improve environmental performance.

Consideration should be given towards monitoring the water use in all of our assets and set targets for action and programmes to reduce both from engineering and behavioural solutions together with opportunities to improve urban drainage where possible.

- **Use of Sustainable materials:** when selecting materials for use of construction or refurbishment consideration of both the environmental impact of their production as well as options for re-use or recycling in the future.

When considering the life cycle impact of decisions is not something that can be ignored. Work with supply chain will integrate this thinking into the decision-making processes. It is expected that for major projects sustainability assessments of materials needs to be evaluated for construction works, and specific targets for use of recycled materials is achieved.

A key part of whole life assessment must be to address the sustainability aspects of the facilities. In some areas there are clear links between whole life costs and sustainability, such as the direct costs of energy usage.

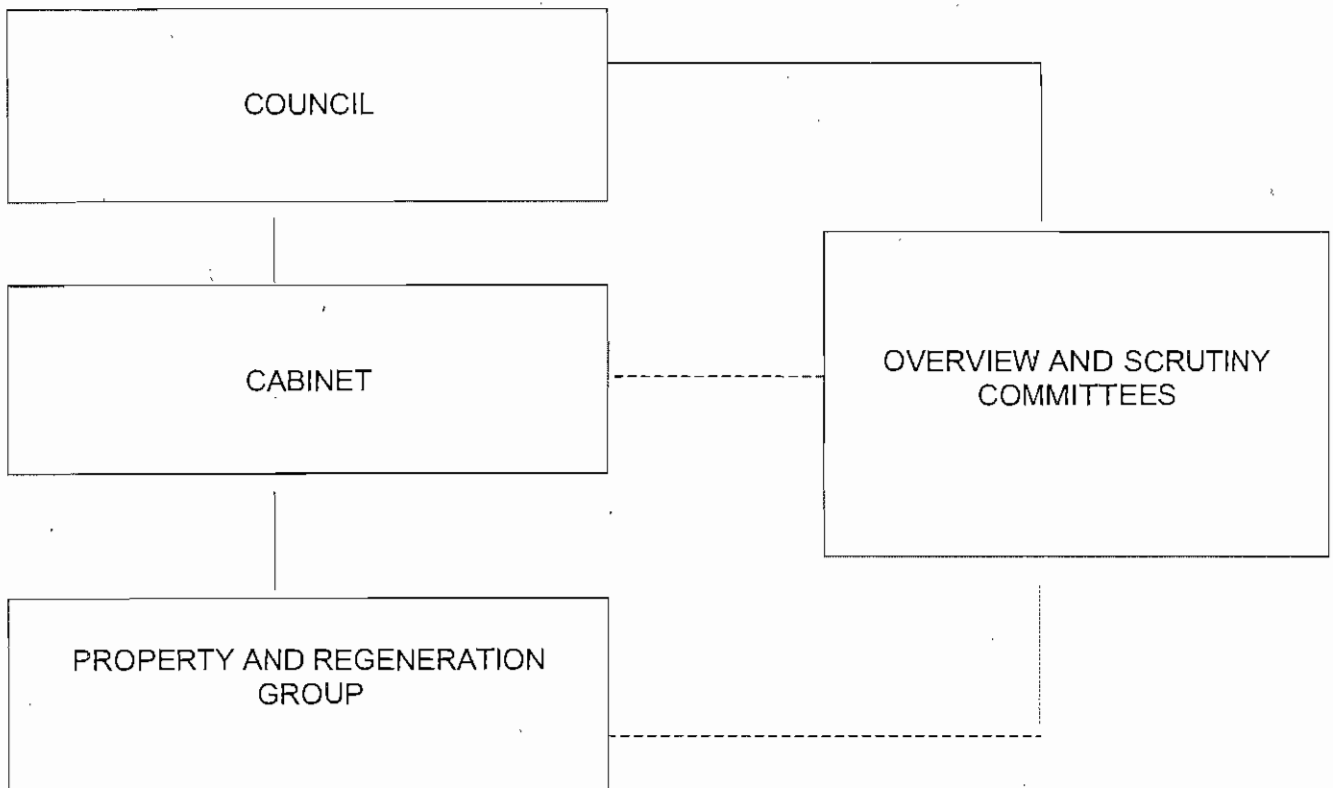
- **Waste minimisation and recycling:** reducing waste and identifying uses for waste that cannot be avoided should be part of day-to-day business across the operational estate. Appropriate facilities are available for the segregation and storage of wastes where this is required to enable sustainable waste practices. However waste management plans also need to be part of all of projects relating to all BDC assets. The principles of the site waste management plan regulations will be applied to all of any new projects undertaken by the Council, whether or not they meet the thresholds included in the legislation.
- **Sustainable design:** integrating sustainability into design whether for new build or refurbishment can enable a step change in sustainability performance of a building. The Council should be committed to using and applying the principles of sustainable design (e.g. Building Research Establishment Environmental Assessment Method) in all new build and refurbishment and have the objective of achieving Building Research Establishment Environmental Assessment Method 'Excellent' rating in all projects.
- **Preparing for our changing climate:** as evidenced by recent events we are increasingly experiencing a change in climate with more adverse weather patterns such as heavy early snow falls, storms and heavy flooding. Future predicted climate change will impact in all asset decision-making, seeking to ensure that the asset remains fit for purpose throughout its operational or design life. Bassetlaw DC has already made good progress in adaptation and mitigation to climate change, particularly in flood prevention.
- **Social and user environment:** the asset can have a considerable influence on the quality of service provided to the public. Sometimes user satisfaction may be as important as other issues such as financial and environmental aspects. By clear specifications and expectations regarding building use and how appropriate the Council's assets are for their intended use, their accessibility, together with user and staff perceptions of safety.

The above factors require consideration in relation to a buildings design, construction, and whilst a more conventional view might be focussed on cost and use, some sustainable options may be more costly, savings in terms of ongoing running costs may well outweigh the initial capital expenditure during refurbishment or construction.

## 10.1 Introduction

This section of the Plan aims to explain the Council's political and officer structures for managing its property assets.

## 10.2 Political Corporate Asset Management Structure



## 10.3 The Council

The Council has responsibility for agreeing the Asset Management Plan, Capital Strategy, and Capital and Revenue budgets.

## 10.4 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.



## 10.5 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 development of regeneration programmes within the District.
  - The approval of the Asset Management Plan
  - Using its own land and property resources to encourage new business and employment opportunities to the district
  - Using its land holdings to support affordable housing in conjunction with external funding.
9. Intervention in the market place with the Council undertaking development that private developers might not undertake and the increasing role of the Local Authority both as a facilitator and enabler.

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

#### **10.6 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.

#### **10.7 Corporate Property Officer (CPO)**

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;
- To collate and disseminate information in relation to land, buildings, and other property related assets.

The Corporate Property Officer or his nominated representative attend all working groups and regularly advises Members at the Property & Regeneration Group. The CPO's staff provide professional, technical, and administrative support to the above processes.

## 11.1 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.

Physical condition surveys have been undertaken on 66 properties and sites. The survey then divides the building or site up into a number of elements which is then allocated a condition category from A to D. Each element also has a repair budget allocated to it as well as an identified life expectancy until that element requires repair or replacement.

Where only a repair is identified for an element the budgeted sum reflects an upgrade to condition B. There may be circumstances where a different standard is appropriate for example a short life building used for a temporary purpose. In all cases however the asset must comply with statutory requirements such as health and safety, disabled access, food hygiene.

## 11.2 Condition Grades

**A** = Good.- Performing as intended and operating efficiently.

**B** = Satisfactory.- Performing as intended but exhibiting minor deterioration.

**B(C)** = Items currently condition B but will fall to condition C within 5 year period.

**C** = Poor.- Exhibiting major defects and/or not operating as intended.

**D** = Bad.- Life expired and/or serious risk of imminent failure.

In addition, a repair cost has been entered against each repair to bring the component up to a sound/operationally safe condition. An estimate of time remaining until the repair is implemented has also been allocated. The time allocation covers a five year projection. The extent of items has been measured and a descriptive note recording location within premises so that items can be located. A note describing the fault and corrective work has been provided together with its location by floor and room number in the main condition report document for the physical condition surveys.

### **11.3 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 the 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.

### **11.4 Scope of Work**

- Disability Discrimination Act (DDA) - ongoing program of access audits and reports.
- Control of Asbestos at Work Regulations – Maintaining and updating the asbestos register.
- Control of Legionella HSE approved code of practice – risk assessments and ongoing responsibility for water monitoring regimes.
- Regulatory Reform (Fire Safety) Order 2005 - risk assessments review to ensure compliance with the order.
- Energy Performance of Buildings Regulations – annual update of Display Energy Certificates and advisory report.
- Carbon Reduction Commitment (CRC) – mandatory emission trading scheme to deliver reduction in greenhouse gases.
- Electrical Testing – to ensure compliance with the Electricity at Work Act 1989.
- Portable Appliance Testing (PAT) – testing of electrical equipment on an annual basis.

### **11.5 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 2009/10 budget process which will be spent in 2010/11. Further resources of £75,000 per annum from 2011/12 is also included in the new Capital Programme. 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. It should be noted that whilst a property is vacant pending disposal it will continue to be a draw on the Council's budget in terms of vacant property management costs.
- 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's heritage properties.
- 7) Invest to save bids will be submitted to carry out energy efficiency improvements to Council property.
- 8) The use of SCAPE to facilitate repairs and maintenance to properties identified in the backlog maintenance schedule with the associated opportunities that will become available to achieve better value for the Council, in terms of the Council's money being spent locally and staff time being directed to work projects rather than the normal tender and procurement process that can become a potentially protracted process.
- 9) The disposal of surplus or 'non-fit-for-purpose' property that is in poor condition, large backlog maintenance cost, or in poor legislative compliance
- 10) Effective management of investment estate through enforcement of tenant obligations under leases and tenancy agreements.
- 11) Properly planned and reactive maintenance prioritisation to comply with the maintenance.
- 12) The effective targeting of maintenance by reference to condition survey reports.
- 13) Limiting maintenance spends of non-strategic buildings to Health & Safety and legislative compliance reasons only.

- 14). Centralised maintenance budgets will be strictly controlled to ensure expenditure is only on maintenance related repairs.

## **11.6 Main Issues**

### *Backlog Maintenance Works*

Total remedial work required for the BUILDING and M&E Elements:

Building Survey £ 1,855,686.00

M & E Survey £ 363,600.00

TOTAL COST £ 2,219,286.00

Cost per m2 (average) £ 35.77/m2

(Note that this is based on an estimated Gross Internal Floor Area of 62,050m2)

## **11.7 Budget for Future Maintenance Works**

Total remedial work likely to be required within a five year period for the BUILDING and M&E Elements:

Building Survey £ 2,576,408.00

M&E Survey £ 391,200.00

TOTAL COST £ 2,967,608.00

Cost per m2 (average) £ 47.83/m2

(Note that this is based on an estimated Gross Internal Floor Area of 62,050m2)

These figures are exclusive of Prelims, Profit, Contingency, Fees, Expenses and VAT and are for backlog works only, they exclude costs relating to any proposed service or facilities developments. They are based on bringing all areas up to a sound and operational (not new) condition.

Through the proposed framework agreement with Scape it is envisaged that there is a potential to make savings in relation to the costs identified in the above program of works.

## 11.8 Breakdown of Condition Bands

The buildings surveyed fall into the following Condition Bands:

Band 1 (£0 - £25/m<sup>2</sup>) 32%

Band 2 (£26 - £75/m<sup>2</sup>) 26%

Band 3 (£76 - £100/m<sup>2</sup>) 06%

Band 4 (>£100/m<sup>2</sup>) 36%

The percentages above are based on the number of properties that fall into each band.

### Breakdown of Priority Grading

The buildings surveyed fall into the following Priority Gradings:

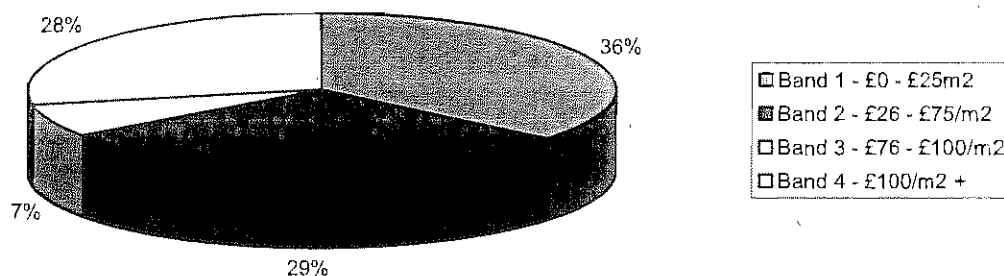
- Priority 1 - 1% £ 54,700
- Priority 2 - 42% £ 2,176,668
- Priority 3 - 57% £ 2,955,526
- Priority 4 - 00% £ 0

Bands applied:

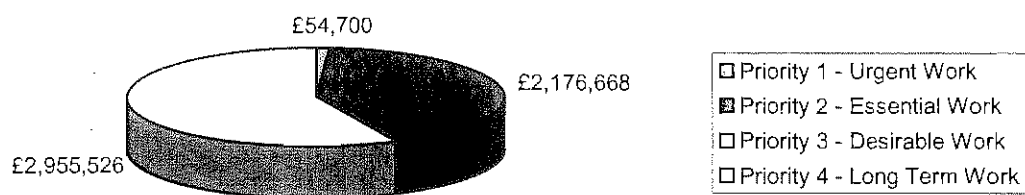
- Priority 1 - Urgent Work,
- Priority 2 - Essential Work,
- Priority 3 - Desirable Work
- Priority 4 - Long Term Work.



**Breakdown of Condition Bands  
for Bassetlaw District Council**



**Breakdown of Priority Grading Cost  
for Bassetlaw District Council**



### 11.9 Summary.

Contractors acting on behalf of the Council a physical condition survey of selected properties.

The surveys undertaken within the study relate to conditions prevailing on site in June 2009. See property schedule in Appendix 2.

## **12.1 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.

## **12.2 Co-ordination of Asset Management Information and its Integration with Relevant Financial Organisational 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 Valuation Standards 6<sup>th</sup> edition (red book) requirements. From 1<sup>st</sup> April 2010 local authorities have been obliged to introduce IFRS Accounting. IFRS places greater emphasis on Componentisation i.e. the requirement to depreciate separately those parts of an asset which have "a cost that is significant in relation to the total cost of the asset".

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.

### **12.3 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 realistic and 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. On each site there should be a building log book containing all necessary information in relation to statutory and legislative requirements including legionella, and asbestos records. In addition there should be an individual appointed as the Responsible Person and Building Occupier's Representative.

A review of controls will be carried out this year alongside the ongoing implementation of the new property management system.



### **13.1 Overview**

Performance monitoring is essential to ensure that the property portfolio is achieving strategic outputs. New indicators as detailed below 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.

### **13.2 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

### 13.3 Property Review/Suitability

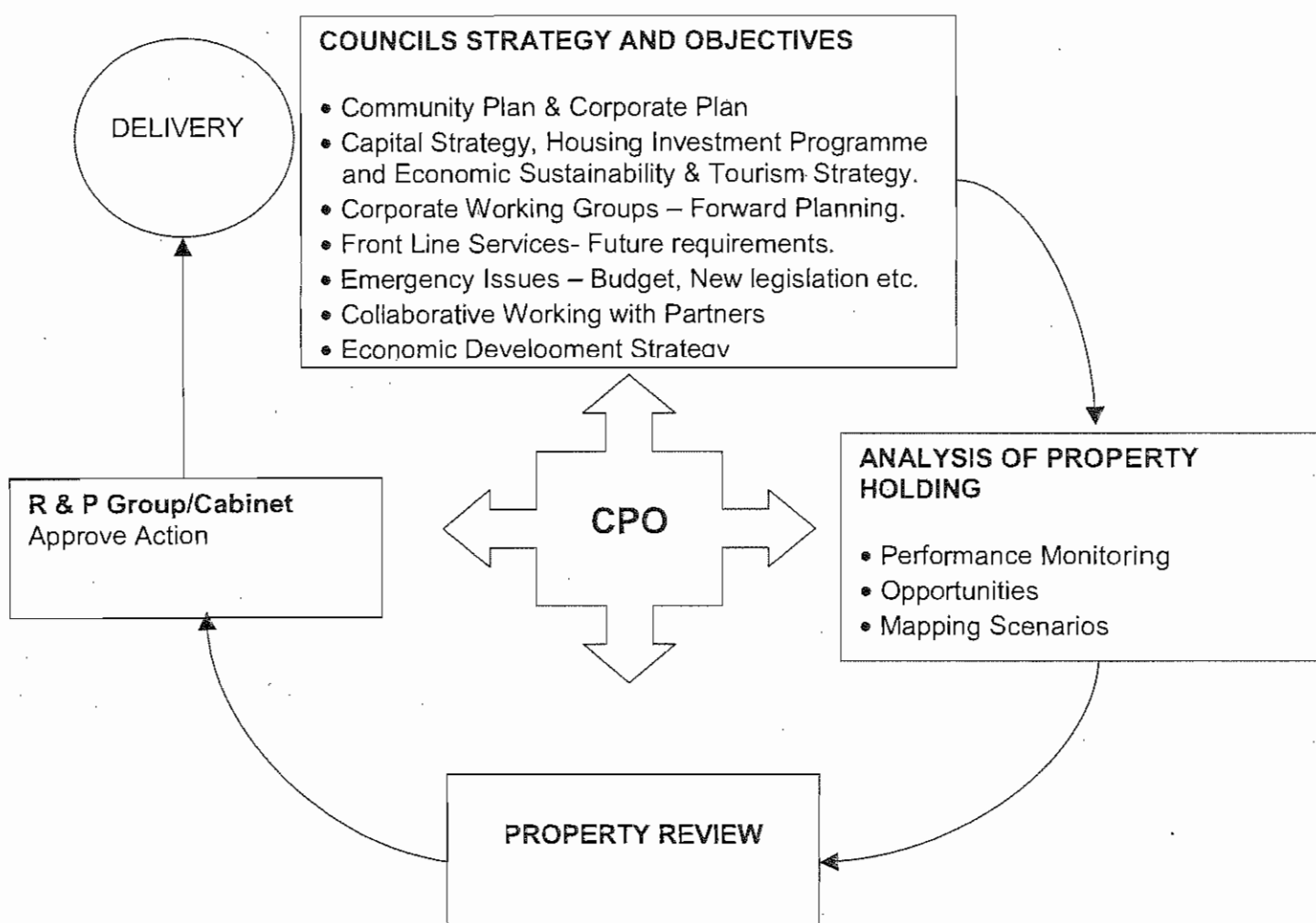
A robust property review exercise is fundamental in developing an effective management strategy.

Property review is undertaken on an ongoing basis. By setting, monitoring and reporting against performance targets, in conjunction a more formal review process. Assets are considered against whether or not they are being employed in delivering the identified requirements of the services.

## 14.1 Property Review/Suitability

A robust property review exercise is fundamental in developing an effective asset management strategy. The Council's 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 Corporate Property Officer (CPO) interacts regularly 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.

Following the outcome of the Comprehensive Spending Review there will be increased emphasis on public sector organisations to seek out opportunities to jointly work together by sharing premises and strategic locations in the district. The identification of co-location opportunities with other public sector organisations will seek to maintain customer focused services whilst aiming to reduce costs through economies of scale. This process may well also free up existing premises that fall surplus to an organisations requirements that then can be considered for potential disposal.

These locations may be satellite managed workspace, but the intention would be to have quality accommodation in one location that provides public access to services and maintains and improves relationships with customers.

## **14.2 Future Proposals**

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 for example:-

- 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.

### 14.3 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 Corporate Property Officer 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.

The Association of Chief Estates Officers (ACES) hold regular meetings for its members and discuss a wide range of property relates issues as well as issuing guidance to members. There has been increasing attention paid to Asset Management Plans and with the impact of the CSR this information is likely to be of increased benefit to its members.



# APPENDIX 1

## Summary of Key Objectives

<ul style="list-style-type: none"> <li>Implement property disposal strategy</li> </ul>	March 2010
<ul style="list-style-type: none"> <li>Develop 5 year PPM schedule that identified statutory and non statutory work</li> </ul>	Ongoing work
<ul style="list-style-type: none"> <li>5 year program to ensure front line properties are fit for purpose</li> </ul>	Ongoing From April 2011
<ul style="list-style-type: none"> <li>Central government target</li> </ul>	Central government timetable 2020
<ul style="list-style-type: none"> <li>Report to Cabinet approved</li> </ul>	Ongoing
<ul style="list-style-type: none"> <li>Centralisation of Property &amp; FM services</li> </ul>	Ongoing
<ul style="list-style-type: none"> <li>Operational property fit for purpose in line with condition surveys</li> </ul>	Ongoing
<ul style="list-style-type: none"> <li>IT system purchased</li> </ul>	In place
<ul style="list-style-type: none"> <li>Property records updated</li> </ul>	Ongoing work
<ul style="list-style-type: none"> <li>Develop employment opportunities in Worksop and Harworth</li> </ul>	Demand studies required – May 2011
<ul style="list-style-type: none"> <li>Improve the quality of our Town Centres</li> </ul>	Ongoing work to Bridge St. Market and Retford Market Square – April 2011
<ul style="list-style-type: none"> <li>Target with partners vacant garage sites especially rural ones for affordable housing</li> </ul>	Ongoing
<ul style="list-style-type: none"> <li>Maintain the provision of quality employment sites</li> </ul>	Ongoing

## APPENDIX 2

### 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	£
<b>Total</b>	<b>£</b>

## **8. RUNNING COSTS/ENERGY USE**

8.1 Water:

8.2 Gas:

8.3 Electric:

8.4 Business Rates:

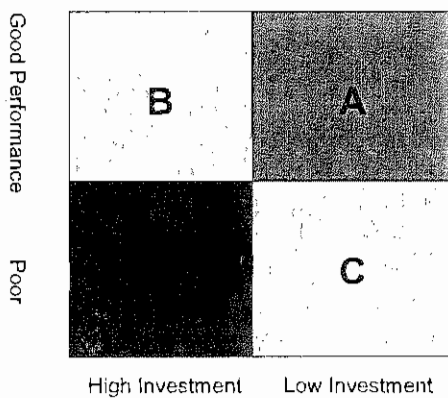
8.5 Management Issues:

## **9. COMMITTEE - Executive**

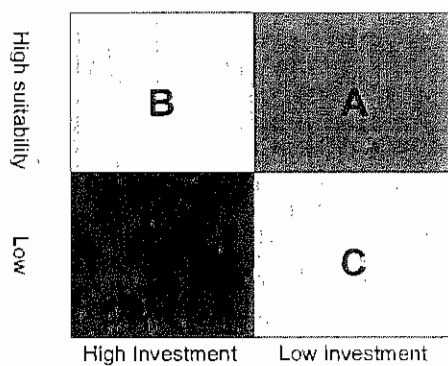
## **10. PLANNING -**

## 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



- 11.7 Suitability Matrix (Operational Properties Only)



## 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	
<b>TOTAL</b>	
<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.

An Action Plan would be identified in Property Review process.

## APPENDIX 3

### Backlog Maintenance

The schedule is based on physical condition surveys completed October 2009. These costs exclude any costs in relation to service or facilities development. They are based on bringing the premises up to a sound and operational (not new) condition.

#### Property Types and Addresses

Site	Address	Block	Total Cost
001	Queen's Building	01 - Main Building	£981,880* (see note 1)
002	Worksop Town Hall	01 - Main Building	£190,860
003	Worksop Town Hall	Link 01 - Main Building	£62,275
004	Retford Town Hall 01	Main Building	£232,100
005	17b The Square	01 - Main Building	£106,310
006	18 The Square	01 - Main Building	£140,530
007	Retford TIC	01 - Main Building	£17,350
008	Worksop TIC	01 - Main Building	£99,520
009	Harworth Housing Office	01 - Main Building	£32,290
010	Kilton Forest Golf Course	00 - Main Building	£15,000
010	Kilton Forest Golf Course	01 - Main Building	£85,800
011	Memorial Avenue Depot	01 - Main Building	£72,570
012	Carlton Forest Depot	00 - Site	£14,000
012	Carlton Forest Depot	01 - West House	£34,950
012	Carlton Forest Depot	02 - Training & Development Centre	£2,200
012	Carlton Forest Depot	03 - Environmental Services	£36,990
012	Carlton Forest Depot	04 - The Bungalow	£26,930
012	Carlton Forest Depot	05 - Carlton Forest House	£72,440
012	Carlton Forest Depot	06 - East House	£49,490
013	88 Albert Road	01 - Main Building	£28,500
014	Bircotes Leisure Centre	01 - Main Building	£327,653
015	The Pavillion, Kings Park	01 - Main Building	£14,764
016	Goosemoor Lane, Changing Rooms	01 - Main Building	£15,950

017	Retford Nurseries	01- Offices	£189,350
017	Retford Nurseries	02 - Racket Court	£44,550
017	Retford Nurseries	03 - Potting Sheds	£66,000
018	Sandhill Lake	Toilets 01 - Main Building	£23,500
019	Costhorpe Sports Ground	01 - Main Building	£8,860
019	Costhorpe Sports Ground	02 - Changing Rooms	£41,790
020	Langold Country Park	01 - Cafe	£12,500
020	Langold Country Park	02 - WC	£5,724
020	Langold Country Park	03 - Kiosk	£1,900
022	Amcott House Museum	01 - Main Building	£143,100
022	Amcott House Museum	03 - Store	£87,030
023	Chancery Lane	01 - Main Building	£4,860
024	Chapelgate	01 - Main Building	£7,660
026	Park Street	01 - Main Building	£22,340
027	Gateford	Road 01 - Main Building	£8,970
028	Scrooby Road	01 - Main Building	£8,240* (see note 2)
029	Main Street	01 - Main Building	£5,250
030	Worksop Cemetary	01 - Chapel	£41,500
030	Worksop Cemetary	02 - Office & WC	£11,328
030	Worksop Cemetary	03 - Sheds	£400
031	Retford Cemetary	01 - Main Building	£12,930
032	Carlton Phoenix	00 - Site	£2,000
032	Carlton Phoenix	01 - Main Building	£260,600
032	Carlton Phoenix	02 - Block 02	£178,000
033	Old Brewery Yard	01 - Main Building	£367,480
034	Canal Terrace	01 - Main Building	£53,500
035	Leverton Road	01 - Block 01	£148,350
035	Leverton	Road 03 - Block 03	£6,000
039	Goodwin Hall	01 - Main Building	£10,000
040	Former Baths, Albert Road	01 - Main Building	£109,900* (see note 3)
041	Northumberland Avenue Community	C 01 - Main Building	£23,650
042	CAB Central Avenue	01 - Main Building	£8,750
043	Chapelgate, Retford	01 - Car Park	£39,000
044	West Street, Retford	01 - Car Park	£27,500
045	Chancery Lane (North), Retford	01 - Car Park	£5,000



046	Chancery Lane (South), Retford	01 - Car Park	£1,000
047	Carolgate/Wharf Road	01 - Car Park	£15,250
048	Churchgate, Retford	01 - Car Park	£80,250
049	New Street, Retford	01 - Car Park	£64,750* (see note 4)
050	Adj 77 John Street, Worksop	01 - Car Park	£250
051	Adj 99 John Street, Worksop	01 - Car Park	£750
052	Lead Hill, Worksop	01 - Car Park	£19,200
054	1 to 11 Gateford Road Worksop	01 - Car Park	£25,770
055	Priorswell Road, Worksop	01 - Car Park	£51,700
056	Castle Hill, Worksop	01 - Car Park	£12,250
057	Adj 10 Newgate Street, Worksop	01 - Car Park	£44,500
058	Adj 28 Newgate Street, Worksop	01 - Car Park	£45,000
059	Adj 49 Newgate Street, Worksop	01 - Car Park	£54,250
060	Adj 65 Potter Street, Worksop	01 - Car Park	£18,000
061	16 Queen Street, Worksop	01 - Car Park	£39,000
062	Farr Park, Worksop	01 - Car Park	£1,000
064	Carr Road, Retford	01 - Car Park	£9,360
065	Adj Old Brewery Canal Terrace	01 - Car Park	£18,500
066	Little Theatre Retford	01 - Car Park	£250
		<b>Total</b>	<b>£5,186.894</b>

### Notes:

Note 1 - Refurbishment works to be completed within 2010/11 financial year for the following items:

- i) Window frame replacement - £220,000
- ii) Replacement kitchens - £60,000
- iii) Refurbished male and female wc's - £100,000

Note 2 - Under offer sale to be completed within 2011/12 financial year

Note 3 - Subsequently leased on full repairing and insuring terms

Note 4 - Car park in the ownership of Notts County Council and managed by Bassetlaw DC.



**BASSETLAW DISTRICT COUNCIL**

**CABINET**

**10 FEBRUARY 2011**

**REPORT OF HEAD OF FINANCE & PROPERTY**

**ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES**

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

**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 place a personal duty on the Chief Finance Officer to make a report to Council when considering its budget and Council Tax. The report must deal with the robustness of the estimates and the adequacy of reserves.
- 2.2 The Act requires Members to have due regard to the report in making their decisions. Where this advice is not accepted, it should be formally recorded within the minutes of the Council Meeting.

**3. Background and Discussion**

**Financial Controls**

- 3.1 There are safeguards to ensure that local authorities do not over-commit themselves financially. These include:
  - (a) The Chief Finance Officer's Section 114 powers, which require a report to Council if there is, or likely to be, unlawful expenditure or an un-balanced budget;
  - (b) The Prudential Code, which applies to capital financing.
- 3.2 There are also a number of Policies and Control Procedures that the Council operates to ensure good financial probity:

- The Council operates a comprehensive and effective range of financial management policies. These are contained within the Financial Procedure Rules, which are part of the Council's Constitution.
- The Council conducts an annual review of the effectiveness of the system of internal control and reports on this in the Annual Governance Statement.
- The Council has implemented effective risk management policies, identifying corporate, operational and budget risks and mitigating strategies. Capital projects are subject to a comprehensive scoring and prioritisation process, and monitored on a monthly basis by the Property & Regeneration Group.
- The internal and external audit functions play a key role in ensuring that the Council's financial controls and governance arrangements are operating satisfactorily.
- The review processes of Cabinet, Overview & Scrutiny, and the Audit & Performance Scrutiny Committees back this up.

### **Robustness of Estimates**

- 3.3 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 2011/12 revenue budget proposals and Capital Programme in the context of the Medium Term Financial Plan are:

#### **Revenue**

- 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 further reduced this year 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 still unclear. However it must be noted that Heritable bank and KSF bank have made payments to the Council of £1.017m (50%) and £0.552m (53%) respectively, (including a share of interest). The Council also received Secretary of State approval to capitalise £2.660m of the impairment costs of Icelandic investments in the 2009/10 Statement of Accounts.
- The Chancellor's Budget statement on 23 June 2010 announced "*a two-year pay freeze for public sector workforces, except for workers earning less than £21,000 a year who will receive an increase of at least £250 per year in those years.*" Although this is not yet agreed by the trade unions, it does present a level of certainty for the budgets, and those increases have been built into the employee estimates. In addition to this, the vacancy factor has remained at 2.5%, which appears achievable on recent trends.

- The transfer of leisure services to BPL in April 2010 has been well received, and the most recent financial information available suggests that the Leisure Trust continues to be financially viable, with no increased threat of default on the contract and subsequent management fee.
- Investment income interest rate assumptions have been set at 0.5%, which is prudent given current market forecasts.
- The budgets assume that further long-term borrowing of £8.6m will take place during 2011/12 in respect of the ongoing Decent Homes work. The revenue costs of this additional borrowing has been included within the budget. The Council also operates a Treasury Management Reserve to help to manage the impact of any adverse interest rate adjustments.
- Cabinet has already approved the Fees and Charges in December 2010. 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 new contract for the provision of insurance cover came into effect in October 2010. This increased the excess limits that the Council is liable for under any claim. However, the claims history over the last five-year period suggested that this would be financially beneficial when combined with the operation of a self-insurance Fund. A financial contribution into the Fund has already been made during 2010/11, and the remaining balance will be re-assessed against outstanding claim liabilities each year during the closure of accounts process.
- Nottinghamshire County Council have increased the Council's employer superannuation contributions by 1% from 1 April 2011. The new rate of 22.1% has been addressed within the budget, and will remain in place for three years until the end of 2013/14.
- A1 Housing continues to review its Service Level Agreements with the Council. No changes are expected during 2011/12.
- The Council Tax is proposed to remain at 2010/11 levels, thereby taking advantage of the 2.5% Council Tax Freeze Grant payable to individual local authorities by the Department of Communities and Local Government.
- Following national consultation, responsibilities for Concessionary Travel will transfer to the Upper Tier authorities (Nottinghamshire County Council) from 1 April 2011. Bassetlaw District Council will no longer hold budgets for this service.
- Job evaluation discussions are nearing agreement with the trade unions, and this will then allow payscales to be applied to the scoring system. The Cabinet has already approved the creation of a dedicated Job Evaluation Reserve to meet any residual costs.

- As a further measure against financial risk, the Council operates a strategic Corporate Contingency Fund in which £0.1m is allocated for the 2011/12 budgets. This is deemed to be sufficient to cover exceptional budget variances or emergencies that might occur in the year.

#### Capital

- 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, some amounts of Prudential Borrowing will be used 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 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, and a number of key projects have been completed with regard to flood alleviation schemes. The Council takes a proactive approach to flood mitigation, and further resources are being committed as part of the Capital Programme for 2011/12 and future years.
- The Council has made a bid for £20.5m to the HCA to complete the Decent Homes programme. Given the current national pressures on funding, this amount has been prudently reduced to £15.4m in the Housing Capital Programme to provide a more realistic position. The outcome from the bid will not be known until late January/February 2011.
- The Asset Management Plan and budget reports provide an indication of the levels of capital receipts anticipated during the five-year period. However, these are for information purposes only, as the capital budgets are formulated on actual receipts received and banked.
- The Capital Programme is set out in a separate report. In summary, the costs of borrowing used to fund the Capital Programme is accounted for in the 2011/12 revenue budget.

#### Statement of Accounts

- The Council is considering the implications of adopting the new International Financial Reporting Standards (IFRS) within the 2010/11 accounts. This will not only change the format and terminology of the financial statements, but will also change the basis of the content such as the grouped accounts (with A1 Housing), fixed asset categorisations, leased assets, and recognition of liabilities such as untaken annual leave.
- The Council has sound Financial Management arrangements in place as evidenced by the positive *Annual Audit Letter 2009/10* received from the Audit Commission.

## Adequacy of Reserves

- 3.4 The Local Government Finance Act 2003 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).
- 3.5 Earmarked Reserves are used to pay for specific commitments. The main reserves held by the Council are the Job Evaluation Reserve, the Treasury Management Reserve, and the Insurance Reserve.
- 3.6 The General Reserve is a corporate contingency to be deployed by either Cabinet or Council for any purpose within the legal powers of the Council. Examples of the purposes for which it might be used include: dealing with unforeseen in-year budget pressures, financing once-only items of expenditure, or creating a strategic earmarked reserve.
- 3.7 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. In the event of these Minimum Working Balances being compromised, Cabinet and Council, as advised by the Chief Finance Officer, must agree a plan to restore the balance in the following financial year.
- 3.8 The resulting levels of General Reserves and Balances from the proposed 2011/12 budget (i.e. at 31 March 2012) are summarised below. Further details are available in the budget report elsewhere on this agenda.

	31 March 2012 £'000
<b>General Fund Revenue</b>	
Minimum Working Balance	1,000
General Reserve	0
Other Revenue Reserves	877
	<u>1,877</u>
	<b>£'000</b>
<b>Housing Revenue</b>	
Minimum Working Balance	750
General Reserve	519
	<u>1,269</u>
	<b>£'000</b>
<b>Capital</b>	
Capital Receipts	2,586
Capital Reserves	0
	<u>2,586</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: 11/330

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: 22/02/11

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 3.3 above:

<b>AREA OF RISK</b>	<b>RISK FACTOR</b>	<b>ACTIONS TAKEN</b>
Revenue spending above 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 the year. Accountability clearly identified. A moratorium on spending is already in place for 2010/11 so spending officers are well aware of their financial responsibilities.
Achieving the savings target in future years	High	The outcome of the December 2010 financial settlement has left Bassetlaw with a substantial savings target for 2012/13 of £1.3m. To meet this target and retain Minimum Working Balances will require a co-ordinated and objective approach to be taken by Members and Officers together over the next nine months to identify the savings and ensure that they are implemented by 1 April 2012.
Income achievement	Medium	Income budgets have been further reduced to relatively low levels. Rigorous budget monitoring throughout the year. Budget accountability clearly identified. Corporate Charging policy introduced for fees and charges.
Achieving Star Chamber savings	Medium	Already removed from the base budget. Rigorous budget monitoring throughout the year. Accountability clearly identified.
Achieving vacancy rate	Medium	Vacancy target set at 2.5%. Budget accountability clearly identified. Managed via budget monitoring process.
Exposure to Borrowing interest rate changes	Medium	The costs of long-term borrowing increased by 1% as a result of the Comprehensive Spending Review in

October 2010. Budget estimates have been revised accordingly. In addition, changes in the housing subsidy rate will also impact on the General Fund budget. To mitigate this impact, the budget has been based on an assumed rate that is marginally higher than the forecasted rate.

Achieving target spending for capital programme	Medium	Property & Regeneration Working Group monitors and co-ordinates capital programme. Accountability clearly identified.
Volatility of grant income	Low	This is the first year of the new two-year financial settlement as reflected within the MTFP.
Investment interest rate changes	Low	Interest rate forecasts from Treasury advisors have been used in the calculation. Cash balances for investment have been assessed prudently, taking into account the strategy of using investments as an avoidance of borrowing. Consequently the budget is set at low levels of return.
Complying with grant requirements	Low	Very few grants in operation. No adverse audit commentary received.

## 6. **Conclusions**

6.1 Having considered the above risks, the conclusion of the Section 151 Officer is that the Council be advised that overall:

- The estimates are sufficiently robust, and,
- The levels of reserves and balances forecasted to be held at 31 March 2012 are adequate,

to allow the Council to set the Revenue Budget, Capital Programme and Council Tax for 2011/12, and provide indicative figures for 2012/13 and 2013/14.

## 7. **Recommendations**

7.1 That the Cabinet and Council note this report.

**Background Papers**  
Budget working papers

**Location**  
Accountancy office