

Special Meeting of Cabinet

Thursday, 6 January 2011
at 10.30 am in the Council Chamber

Agenda Item 8 - Supplementary Papers

The General Fund Revenue Budget
2011/12 and Medium Term Financial
Plan 2011/12 – 2014/15

- (i) Budget Proposals of the
Administration 2011/12
- (ii) Revised Appendix A –
Medium Term Financial Plan
(MTFP) – 2010/11 to 2014/15
- (iii) Revised Appendix B – Review of
Earmarked Reserves

Note for Members

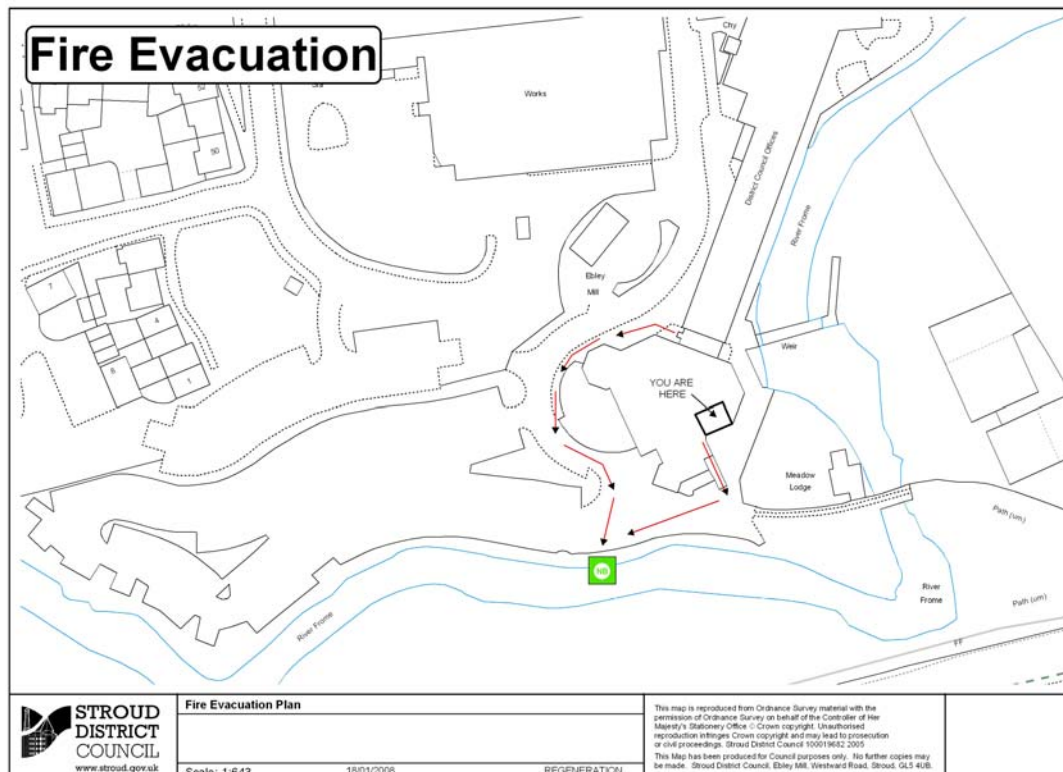
Please retain copies of all reports for
subsequent meetings within this cycle.

STROUD DISTRICT COUNCIL CABINET

Councillor Frances Roden	Leader and Chair of Cabinet
Councillor Keith Pearson	Regeneration and Vice-Chair of Cabinet
Councillor Elisabeth Bird	Climate Change
Councillor Joe Forbes	Community Services
Councillor Barbara Tait	Planning and Environment
Councillor Nigel Cooper	Finance
Councillor Debbie Young	Housing

**FIRE EVACUATION PROCEDURES
 FOR VISITORS AT EBLEY MILL**

- Upon hearing the fire alarm, visitors should immediately evacuate the building following the instructions given by the Chair at the start of each meeting.
- **DO NOT** stay, or return, to collect personal belongings.
- **DO NOT** use the lifts when the alarm is sounding.
- Upon evacuation, visitors should go to the NB assembly point. The assembly points are situated in the staff car park where a fire steward will be there to take a roll call.
- Visitors **must** remain at the assembly points until permission is given to leave.
- Visitors must **not** leave the site until instructed to do so.



Budget Proposals of the Administration 2011/12

Following the Governments announcements on the Provisional Finance Settlement and subject to confirmation of the final settlement, the Administration proposes the following changes to the budget set out in the Medium Term Financial Plan, Agenda Item 8, Appendix B.

These proposals have been made possible following the review and rationalisation of the Council's earmarked reserves. There are currently no other revenue or capital resources available to support ongoing service improvements.

Service improvement		Brief Description	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	Total £'000	Council Priority
Revenue								
1	Household/ Business energy efficiency	Help households/businesses invest in energy efficiency and attain the 40% house	50				50	Climate Change / Housing / Economy
2	Community Transport Initiatives	To support local voluntary & community organisations providing transport services	10				10	Resources
3a	Payment Kiosk	Revenue savings from investment in Payment Kiosk	-11	-11	-11	-11	-44	Resources
Total Revenue			49	-11	-11	-11	16	
Capital (Funded from reserves)								
3b	Payment Kiosk	To replace cash desk and generate savings (Invest to Save reserve)	37				37	Resources
4	Private Sector Housing Loans Scheme	Help vulnerable householders with essential repairs (Capital reserve)	50				50	Housing
5	Warm and Well Grants	Help with home insulation for low income households (Capital reserve)	60				60	Housing
6	Economic Regeneration	To fund schemes which assist the local economy (Capital to Economic Development reserve)	50				50	Economy
7	Energy efficiency & Renewable Energy scheme(s)	Funding to support invest to save energy efficiency and renewable energy schemes (Capital to Climate Change reserve)	200				200	Climate Change
Total Capital			397	0	0	0	397	

Narrative

1. **Household and Business Energy Efficiency** – The Council has funded support for businesses, households and community buildings to become more energy efficient for a number of years via a range of initiatives such as T2050, PAYS, WISE, and S2S. Under T2050 and PAYS, Home and business energy surveys have been instrumental in focusing limited resources to achieve priority measures. Further survey work help to identify new opportunities potentially for further cross tenure schemes to build upon the success of S2S. The business surveys have driven down energy costs and there is an opportunity to move towards a paid for service. Governments proposed ‘Green Deal’ looks likely to focus on the bulk roll out of easy to treat measures, this will struggle to address those in hard to treat homes and businesses or where the best solution is at a community scale and consequently the support offered by the Council should focus on these areas.
2. **Community Transport Initiatives** - Following the transfer of the responsibility for providing Concessionary Travel from the Districts to the County Councils and the consequent removal of funding for the transport token scheme, we are proposing to set aside funds to support local voluntary and community groups which provide vital transport services for vulnerable sectors of the community. This will help us ensure that alternative means of transport is available to those who are unable to use buses and require help with transport.
3. **Payment Kiosk** - it is proposed to implement a Payment Kiosk at Ebley Mill as an alternative means of taking payments for Council Tax, services and rents. This will generate an ongoing annual savings equivalent to half a post within the cash office and will payback the investment within 4 years.
4. **Private Sector Healthy Homes Loan** - This funding was previously provided by the Government as a capital grant to assist vulnerable home-owners with essential repairs (category 1 hazards) where their health and safety was at risk. The Government funding will cease from 2011/12 and so it is proposed that the Council continue to support this loan. Failure to address category 1 hazards has knock on implications for a range of service providers including the District Council, in the longer term funding opportunities may exist to access funding from other bodies.
5. **Warm and Well Grants** - This funding was previously provided by the Government as a capital grant to assist low income families with insulating their homes. There is a significant demand for this service which will no longer be funded by the Government from 2011/12. It is proposed that the Council continue to support this scheme. The funding proposed will be reviewed during this budget consultation period alongside the funding proposed for the Household and Business Energy Efficiency surveys (Item 1 above) to ensure the use of the resources available is optimised.
6. **Economic Regeneration** - Following the reduction in the annual revenue budget available to support Regeneration projects, it is proposed that funding is set aside to support projects that assist with regeneration affecting local businesses and the local economy.
7. **Energy Efficiency and Renewable Energy Schemes** - There are a number of schemes currently being investigated that could potentially generate an income through Feed in Tariffs and savings from displaced energy. It is proposed that some funding is set aside to support investment in viable schemes with further work undertaken to identify other funding streams to support the investment.

REVISED Appendix A

General Fund Medium Term Financial Plan (MTFP) – 2010/11 to 2014/15

Ref:		Original 2010/11 £'000	Revised 2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
OB1(a)	Original Budget 2010/11 (Service Revenue Expenditure)	14,709	15,554	15,294	15,294	15,294	15,294
OB1(b)	Less: Budget & Efficiency Savings already identified		(345)	(571)	(571)	(571)	(571)
OB1(c)	RESTATED SERVICE REVENUE EXPENDITURE	14,709	15,209	14,723	14,723	14,723	14,723
TA1	Technical Adjustments						
TA1(a)	Transfer of Concessionary Fares responsibility to GCC			(659)	(659)	(659)	(659)
TA1(b)	Budgets carried forward from 2009/10	409					
TA1(c)	Increase in Employers Pension Contributions	0	0	5	89	208	282
TA1(d)	Net transfers to / from (-) Pension reserve	(264)	(264)	(338)	(412)	(486)	(560)
TA1(e)	Increase in Pension Reserve Contributions	0	0	250	250	250	500
TA1(f)	Net transfer to / from (-) Other Reserves	335	335	135	135	85	85
	Subtotal	480	71	(607)	(597)	(602)	(352)
C1	Corporate Income & Expenditure						
C1(a)	Drainage Board	83	88	90	92	94	96
C1(b)	Interest payable & similar charges	210	120	80	90	160	190
C1(c)	Interest & investment income	(390)	(421)	(220)	(230)	(460)	(540)
C1(d)	Icelandic Bank Capitalisation & Impairment		40	40	40	40	40
C1(e)	Accounting adjustments for impairment charges & FRS17	(35)	(712)	(711)	(711)	(711)	(711)
	Subtotal	(132)	(885)	(721)	(719)	(877)	(926)
	ADJUSTED BUDGET	15,057	14,394	13,394	13,406	13,243	13,445
	Non-Pay Inflation	0	0	0	0	0	0
	Pay Inflation (Flat rate increase £250 below £21,000)			50	50	50	50
	Subtotal	0	0	50	50	50	50
	BASE BUDGET	15,057	14,394	13,444	13,456	13,293	13,495
	Budget Pressures						
P1	Previous Year's Policy Decisions						
P1(a)	Service Changes agreed by Council	375	175	193	244	217	236
P1(b)	Service Improvements	0	0	60	0	0	0
	Subtotal	375	175	253	244	217	236
P2	Current & Future Year's Changes						
P2(a)	New Leisure Contract	0	0	80	80	80	80
P2(b)	Reduced Income from Fees & Charges		0	50	50	50	50
	Subtotal	0	0	130	130	130	130
	TOTAL Budget Pressures	375	175	383	374	347	366
	Future Year's Budget & Efficiency Savings						
	TOTAL Future Year's Budget & Efficiency Savings	0	0	(20)	(71)	(44)	(44)
	STANDSTILL BUDGET INCLUDING EFFICIENCY SAVINGS	15,432	14,569	13,807	13,759	13,596	13,817
	PROPOSED NET REVENUE BUDGET	15,432	14,569	13,807	13,759	13,596	13,817
F1	Funded By:						
F1(a)	Precept on Collection Fund	8,028	8,028	8,081	8,135	8,188	8,242
F1(b)	Government Revenue Support / Business Rates	7,184	7,184	5,446	4,673	4,557	4,215
F1(c)	CLG Funding for Council Tax freeze	0	0	202	202	202	202
F1(d)	LABGI / PSA grants / Homelessness	0	0	30	0	0	0
F1(e)	Collection Fund surplus/-deficit	0	0	121	0	0	0
F1(g)	Transfers from / to (-) Specific Reserves			200			
F1(f)	Use of / addition to (-) working balances	218	(644)	(274)	748	648	1,157
	TOTAL Funding	15,432	14,569	13,807	13,759	13,596	13,817
	Budget Requirement	15,213	15,213	13,851	13,011	12,947	12,660

REVISED Appendix A

	Original 2010/11 £000	Revised 2010/11 £000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
GENERAL FUND BALANCES						
General Fund Balance b/f	2,815	2,815	3,459	3,733	2,985	2,337
Change in Balances	(218)	644	274	(748)	(648)	(1,157)
General Fund Balance c/f	2,597	3,459	3,733	2,985	2,337	1,180
Reductions in expenditure, or increases in income, to maintain balances at £1.0m	0	0	0	0	0	0
General Fund Balances as % of Net Revenue Budget	16.83%	23.74%	27.04%	21.70%	17.19%	8.54%

	Original 2010/11 £000	Revised 2010/11 £000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
PENSION FUND RESERVE						
Balance brought forward	955	955	691	597	420	124
Transfers:						
To Pension Reserve	515	515	515	515	515	515
From Pension Reserve (Current)	(779)	(779)	(779)	(779)	(779)	(779)
From Pension Reserve (post actuarial review)	0	0	(79)	(163)	(282)	(356)
Net transfer from reserve	(264)	(264)	(343)	(427)	(546)	(620)
Additional contributions	0		250	250	250	500
Reserve balance carried forward	691	691	597	420	124	3

Review of Earmarked Reserves

(Includes Budget Proposals of the Administration 2011/12)

REVISED Appendix B

Reserve Name	CDP Priority	Bal as at 31/03/10 £'000	In year receipts £'000	Transfer in £'000	Committed/ Transfer out £'000	Bal as at 31/03/11 £'000	Comments and Recommendation	Officer Responsible
Capital	Resources	1,391	325	380	(1,254)	842	Fully committed to schemes in the capital programme	Sandra Cowley
Climate Change/Renewable Energy	Climate Change	0	50	214	-	264	New reserve to fund climate change initiatives and invest to save renewable energy projects	Barry Wyatt
Closed Circuit Television	Resources	61	-	-	-	61	For replacement and upgrading of CCTV cameras in Stroud and Dursley	Phil Sullivan
Economic Development / Regeneration	Economy	86	-	50	-	136	Maintain following reduction in revenue support. Review again during the year.	Barry Wyatt
Efficiency / Invest to Save	Resources	200	-	-	(37)	163	To support efficiency proposals where upfront investment required. (Payment Kiosk £37k)	Sandra Cowley
Housing	Affordable Housing	244	-	-	-	244	Committed to the GF costs of housing development e.g. Woolaways project	Sandra Cowley/ Carl Brazier
Information Communication Technology	Resources	494	-	-	(267)	227	ICT Infrastructure replacement plan in place to support reserve balance.	Sandra Cowley/Nick Watkins
Legal Counsel	Resources	45	30	11	-	86	Heavily used over recent years. Review of use of Counsel currently taking place.	Alison Sharpe/Peter Cruden
Planning Appeal Costs	Resources	168	25	-	-	193	Maintain. One large appeal could use all the reserve	Barry Wyatt/Phil Skill
Planning Delivery Grant	Resources	226	-	88	-	314	Reclassify as Planning Strategy Reserve. Spending Plan in place	Barry Wyatt/Phil Skill
Pension Fund	Resources	955	515	-	(779)	691	Fully committed as per MTFP.	Sandra Cowley
Property Maintenance	Resources	609	-	-	-	609	Annual contributions have been stopped. Building Condition survey in 2011.	Alison Fisk
Redundancy/Pension costs	Resources	129	-	11	-	140	Needed to cover one-off redundancy/pension costs.	Sandra Cowley
Risk Management / Insurance	Resources	172	-	-	(52)	120	To meet uninsured costs & insurance excesses. Reduced based on history of annual costs	Sandra Cowley
Stratford Park Leisure Centre Sinking Fund	Resources	174	30	71	(184)	91	Fully committed. Needs to be topped up. Agenda item 10 refers.	Ray Figg
Reserves Closing								
Local Plan Preparation	Resources	88	-	-	(88)	0	Close - Transfer to Planning Strategy Reserve	Barry Wyatt
Miscellaneous General Fund	Resources	21	-	-	(21)	0	Close - Transfer to SPLC Sinking Fund	Sandra Cowley
Opportunity Land Purchase	Resources	100	-	-	(100)	0	Close - Transfer to Capital (£80k) & SPLC (£20k)	Alison Fisk
Interest Equalisation	Resources	300	-	-	(300)	0	Close - Transfer to Capital Reserve	Sandra Cowley
Hydro power	Climate Change	14	-	-	(14)	0	Close - Transfer to Climate Change Reserve	Jon Beckett
Concessionary Fares	Resources	200	-	-	(200)	0	Close - Transfer to Balances	Sandra Cowley
S106 Maintenance	Resources	15	-	-	(15)	0	Take into Revenue Budget	Sandra Cowley
Total movements in reserves		5,692	975	825	(3,311)	4,181		