

## **BABERGH DISTRICT COUNCIL**

**FROM:** Strategic and Financial Planning  
Task Group

**REPORT NUMBER**

**K158**

**TO:** JOINT OVERVIEW AND  
SCRUTINY COMMITTEES

**DATE OF MEETING** 7 December 2010

### **INTERIM STRATEGIC AND FINANCIAL PLANNING REPORT**

#### **1. PURPOSE OF REPORT**

- 1.1 To inform Members of the current financial position and enable appropriate scrutiny of the Draft Budget and savings proposals for 2011/12.
- 1.2 To update Members with further information since the Strategy Committee considered Paper K129 on the 4 November 2010.
- 1.3 To enable the views of the Joint O&S Committees to be considered by the Strategic and Financial Planning (SFP) Task Group and then Strategy Committee in January 2011 when the draft Budget proposals are put forward.

#### **2. RECOMMENDATIONS**

- 2.1 That the Committees consider this report and the accompanying appendices alongside Paper K129 in relation to the following key areas of the 2011/12 Draft Budget proposals:
  - Proposed efficiencies, savings and additional income for next year as set out in Appendix A
  - Net cost pressures as detailed in Appendix B
  - The Draft Capital Programme as set out in Appendix C
- 2.2 That the Committees' views on the above and any other issues are considered by the Strategic and Financial Planning (SFP) Task Group and then Strategy Committee in January 2011 when the draft Budget proposals are put forward.
- 2.3 That, subject to any changes in the underlying financial assumptions, the Committees note that the aim is to achieve a 2011/12 Draft Budget that is based on there being no Council Tax increase next year.

The Committees are asked to make appropriate observations and recommendations on the above to the Strategy Committee, which will be considered further by the Strategic and Financial Planning (SFP) Task Group before the Draft Budget proposals are submitted to the Strategy Committee.

### 3. **FINANCIAL IMPLICATIONS**

3.1 These are comprehensively set out in this report and Paper K129.

### 4. **RISK MANAGEMENT**

4.1 The risks are also comprehensively set out in Paper K129. The key risk remains around the actual level of grant reductions for Babergh over the next 4 years, the extent to which these are 'front loaded' for 2011/12 and the loss of grant relating to the transfer of concessionary fares administration to the County Council.

### 5. **KEY INFORMATION**

#### **Background**

5.1 Paper K129 details the financial position and interim proposals on Budget savings and other issues. It specifically sets out:

- Key headlines in relation to the Government's Spending Review Announcement on the 20 October 2010 (section 4). **Provisional grant figures for Babergh are expected on the 2 December**
- The strategic direction and approach that has been adopted in framing the Draft Budget and savings proposals for 2011/12 and for developing savings proposals for 2012/13 onwards (sections 5.10 – 5.12)
- The overall financial context for the next 3-4 years, based on the current Medium Term Financial Strategy (MTFS) which was approved in February 2010 - but this will need updating for the Spending Review and Babergh' latest financial position (sections 5.13 – 5.16).

#### **Savings, Efficiencies and Additional income**

5.2 This report updates Members on key areas, the first key element being savings, efficiencies and additional income. This was covered in sections 5.17 to 5.36 of Paper K129.

5.3 When Strategy Committee considered Paper K129 and the estimated savings that are required for 2011/12 of £1.7m, it was indicated that savings identified at that time could amount to slightly less than what would be required (between £30k and £73k – see table in section 5.21 of Paper K129).

5.4 However, the Task Group and officers have reviewed and updated the savings proposals and revised details are set out in Appendix A attached to this report.

5.5 As a result, the position has improved in that:

- There are fewer uncertainties than when the position was reported to Strategy Committee on the 4 November and some areas are showing higher levels of savings or income

- The potential total savings, efficiencies and additional income in Appendix A (as detailed in the 'definite/pursue' category) as a result now amount to nearly £1.2m
  - This is over £150k more than reported to Strategy Committee on the 4 November, although some of the savings still need to be firmed up and finally agreed.
- 5.6 Therefore, depending on the actual Spending Review impact on Babergh, sufficient savings should have been identified to achieve a balanced Budget for 2011/12. In addition, the Government has announced a 'New Homes Bonus' that could result in additional funding of at least £250k a year from next year.
- 5.7 The Task Group will need to consider the options in terms of reflecting all of this in the final overall Budget proposals, capital programme and reserves strategy that is recommended to Strategy Committee in January 2011.
- 5.8 A summary of the latest estimated financial position for 2011/12 is provided in the table below:

	£000	Comment
Additional savings identified	1,195	Appendix A
Savings previously agreed or identified	500	Includes the full year effect of long-stay parking charges, last year's voluntary redundancies exercise and the 2011/12 Collective Agreement with Unison
Council Tax 'freeze'	115	Govt. grant of 2.5% of taxbase
	1,810	
Less: Estimated Savings Target	-1,695	As Paper K129
<b>Potential 'cushion'</b>	<b>115</b>	

- 5.9 This potential cushion, as well as the New Homes Bonus, may be needed to either meet cost pressures, make good any further budget gap if the grant position is worse than expected or required if it is felt that less should be taken from general/earmarked reserves next year (to ease pressures in future years and/or help with the capital programme).

5.10 A summary of the potential savings for 2011/12 in terms of their source and impact is provided in the table below:

<b>Savings Category</b>	<b>£000</b>	<b>%</b>
Efficiency/Staff reductions – Appendix A	273	
Other staff reductions (that also involve service reductions)	59	
Collective Agreement with Unison	270	
Redundancies – as agreed in last year’s voluntary redundancies exercise	140	
<b>Total – staff related savings</b>	<b>742</b>	<b>44</b>
Other service efficiencies, changes in the way services are provided or budget reductions	610	36
Service reductions	174	10
Income generation	169	10
	<b>1,695</b>	<b>100</b>
Govt. grant – Council Tax freeze	115	
<b>Total savings/income</b>	<b>1,810</b>	

### **Cost Pressures**

5.11 The second key element of the overall Draft Budget proposals are the cost pressures that need to be built in. Details are provided in Appendix B (with further commentary on the capital programme and borrowing costs below). The total cost pressures indicated of £648k are £88k more than allowed for in the Medium-Term Financial Strategy.

### **Capital Programme**

5.12 The 3 year capital programme is the third key element of the Council’s spending plans. The Task Group is yet to finalise this but the views of the Joint Committee are sought on the provisional details set out in Appendix C.

5.13 Key points to note on this are as follows:

- There is limited capital funding available to finance the capital programme and expected capital receipts are not coming to fruition as expected, with a resulting impact on borrowing costs and the revenue budget

- Potentially, subject to the detailed final programme and consideration of alternative funding strategies by the Task Group, the impact on the revenue budget for 2011/12 (as indicated in Appendix B) could be £175k, which is over £120k more than the allowance in the Medium-Term Financial Strategy.

5.14 Consideration may be needed, therefore, to delaying or removing projects. The Committees are asked to give any views in relation to any schemes or projects where it is felt that could be appropriate.

### **Council Tax**

5.15 The Task Group is working on the basis of achieving a Budget for 2011/12 that is based on no increase in Council Tax as a result of the Government funding of 2.5% of the Council Taxbase.

5.16 The Task Group will aim to reflect that in their final recommendations on the Draft Budget.

## **6. EQUALITIES AND DIVERSITY IMPACT ASSESSMENT**

6.1 This will be undertaken as part of the final draft budget proposals submitted to Members.

## **7. APPENDICES**

- A – Savings categories and details
- B – 2011/12 Budget – Details of net cost pressures
- C – Capital Programme

## **8. BACKGROUND PAPERS REFERRED TO:**

- Spending Review
- New Homes Bonus - Government Consultation
- Medium Term Financial Strategy

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**SAVINGS CATEGORIES AND DETAILS**

<b>CATEGORY – DEFINITE/PURSUE FURTHER</b>	<b>Amount £000</b>
<b>Service Efficiency/Staff reductions</b>	
Waste & Recycling Contract – Introduce new customer access arrangements by embedding staff at the joint depot, thus reducing the number of staff by the equivalent of 1.5 FTE's. Introduce round changes to improve the efficiency of collection.	40
Countryside and health & safety work - Staff shared as part of shared services with MSDC - 1.0 FTE staff reduction.	22
Planning Policy - Senior Planning Policy Officer post – part time replacement of full-time post - Staff Reduction of 0.4 FTE. Ensures adequate resource to delivery on LDF programme and related planning policy work on revised timetable. Adoption of Core Strategy by 2012. Already implemented.	15
Sudbury Tourist Information Centre - A management transfer to Sudbury Town Council would ensure service continues at slightly reduced level, but at less cost. Redundancy payments in 2010/11. Up to 3 FTE staff reductions.	24
Legal Services - Integration of the Legal Services function with MSDC, including the Monitoring Officer. Already approved. BDC staffing establishment reduced by 0.4 FTE	25
A review of the Policy and Performance, and Information Management teams has been carried out to integrate further the workload of the two teams. The Policy and Performance Team has seen a reduction in its workload of approximately 0.4 FTE due to a reduction in external inspection and the abolition of the Place Survey, and the potential reduction to performance indicators and other performance management measures. The review also looked at the impact of further reducing the establishment of this team, but found this unacceptable as it would have a detrimental effect on the strategic planning cycle and the delivery of a range of projects managed by this team.  Within the Information Mgt Team, resources are now switching from the implementation of LAMP to work required on the Information Management Strategy. This will result in a reduction of 0.6 FTE. There is currently a vacant Senior Information Officer post and it is proposed that this is removed from the establishment, leaving a deficit of 0.4 FTE. It is proposed that this is made up by using the 0.4 FTE capacity within the Policy and Performance Team.	28.2
ICT - Review of how ICT staff resources were deployed. Amendments to the establishment have been agreed, including the absorption of some procurement and purchasing work by the Contract and Asset Management Division.	37.5
Information Management - The LAMP project has also streamlined the land charges process, which will allow a reduction in the Land Charges Officer establishment of 0.5 FTE.	8
Democratic Services - A review of the Section has been carried out. Because of improved working methods and a reduction in word processing volumes, it has been agreed that the Office Services establishment will be reduced by 0.5 FTE.	8

<b>CATEGORY – DEFINITE/PURSUE FURTHER</b>	<b>Amount £000</b>
Corporate Finance - Salary/external support budget provision for current/future pressures. Maximum – this would leave no scope for meeting IFRS and other requirements. Will need to scale down current activities to release capacity, which could have implications – 0.5 FTE reduction (75% GF share).	13.5
Corporate Finance - Reshaping of Corporate Finance Team focusing on core/statutory activities and eliminating or revising unnecessary activities. More detailed work needed on scope and implications. Potential redundancy and 0.5 FTE reduction.	15
Internal Audit - Reduce audit coverage to mainly 'Priority 1' and other essential work only, including reduction in audit work due to creation of SRP. This is based on renegotiating the current arrangement with SCC and/or appointing staff directly in conjunction with MSDC - equivalent to 1.0 FTE reduction.	18.5
Revs and Bens Shared Services Partnership - £4m savings over 10 years as a result of the revised Business Case for 3 Councils but these won't start to arise until 2012/13. Staff reductions in 2011/12 but implementation costs offset savings in year 1. Potential redundancies.	0 (in 2011/12)
Caretaking – 1.0 FTE Staff Reduction in the provision at the HQ through a voluntary redundancy package. Already approved. Redundancy costs in 2010/11.	18
	<b>272.7</b>
<b>Other Service Efficiency/Budget Reductions</b>	
Public Conveniences - Closure of rural sites. Investigations to reduce impact by consideration of other means of service delivery, including local management by Parish Councils or use of other service sectors.	75
Natural & Built Environment - OS data mapping costs. New route of funding for service through Govt procurement. However uncertain whether or not funding will be diverted from elsewhere.	10
Development Control - Reduce DC Committee meetings from 12 to 10 per annum – reduction in Members allowances.	2.5
Building Control – Funding for partnership work that is no longer needed.	12.5
Waste Strategy - Maintenance of recycling performance through re-negotiated gate fee at MRF. Subject to confirmation, £25 per tonne is a realistic estimate.	145
Joint Waste & Recycling Contract - Variation Order regarding the joint depot provision – due to the proposed 'energy from waste' facility there may not be such a need for a joint depot as originally planned. There is a possibility therefore that a contract reduction can be secured if we do not proceed with a new joint depot. This estimate is based on initial discussions is additional to the £50k already allowed for in 2010/11 Budget.	50
East House – no further requirement for revenue costs in maintaining the property if it is sold.	5
Quay Theatre – Reduce level of grant based on agreement to transitional funding in future years and a long term plan for Theatre.	16

<b>CATEGORY – DEFINITE/PURSUE FURTHER</b>	<b>Amount £000</b>
Leisure Trust - A new five year Agreement setting the level of management fee payable to South Suffolk Leisure (SSL) Trust SSL by BDC starts in April 2011. The proposal is to reduce the current funding level by £10k for year one of that agreement with a commitment to review the funding package in 2011/12 depending on the impact of the planned improvement works and financial stability issues.	10
Carbon Management Plan - Undertake capital expenditure on equipment renewals in order to reduce the energy requirements, thus reducing costs and our carbon emissions (SSL run facilities, therefore further reduction in management fee).	12.5
Contract & Asset Mgt - Reduce the Asset Management budget for costs incurred in managing the Council's General Fund assets	12.5
Natural and Built Environment – Further reduction to all controllable budgets including training. Risk that professional officers are unable to maintain competency. Could be challenged in event of prosecution in Court. Low risk. Seek efficiencies to maintain services or minimise impact on service provision.	20.7
Planning Control - Appeal decisions statements brought in-house – use of existing resources. May need reconsideration in event of a significant increase in planning applications.	10
Planning Control - Reduction in qualification/other training. Could affect competency/skill level in team resulting in poor decisions and increased appeals.	3
Emergency Planning - A review of the emergency planning budgets, other than the JEPU contract has been carried out. The Council has all the necessary emergency planning equipment at the moment. If there was an emergency to deal with, some of this may need to be replaced - but this is an area of minimum risk. The removal of the budget for emergency planning tools and equipment is therefore proposed. All internal emergency planning training is covered by the JEPU agreement; however external training is funded by the local authority. A 50% reduction in the emergency planning training budget is proposed.	2
ICT - A review of the ICT Capital Programme has been carried out, removing certain non-committed projects and shifting work between years. The results are reflected in the Capital Programme table.	N/A (reflected in cost of capital programme)
The ICT revenue budgets include the salary budget, which has been dealt with separately. The remainder of the budgets primarily deal with software licenses (approx £260k) and contract maintenance (approx £70k) where there is little if any scope for manoeuvre. The remaining budgets, including training, total approx £50k. However, a review has been undertaken and a saving made.	7.7
Consultation - The corporate consultation budget will be reduced following the abolition of the Place Survey, leaving a core corporate consultation budget of £4,200.	7

<b>CATEGORY – DEFINITE/PURSUE FURTHER</b>	<b>Amount £000</b>
Fairness and Equal Access - The Council is seeking to achieve the next assessment level with regard to this. This includes an IDeA Peer Review. The Council could set out to meet all the criteria of the next assessment level, but not take the final step of the peer review. The Fairness and Equal Access Group supports development of the actions plans necessary to achieve the next assessment level without the peer review.	3
Emergency Planning - Discussions with the Joint Unit (JEPU) have identified a savings option of £3,616 that will be proposed to SCEG.	3.6
Cost of Democracy - A review of the budgets has been carried out. These include: the Special Responsibility Allowances budget; Members' subsistence allowances; meeting refreshments; and phone rental allowances.	13
Cost of Democracy - It is proposed that three out of the four Member Seminars are held in the Council Chamber.	2
Corporate Support - A review has been conducted on the administrative support required for the division. It is proposed that the establishment is reduced by 0.5 FTE, but replaced by a 0.4 FTE bank of hours that can be used flexibly across the division.	1.6
HR & OD – The corporate training programme and budget have been reviewed and it is proposed that the budget is reduced by 10% - achieved by having an even more focused corporate training programme.	2.6
Corporate Services - A review of various budgets has been carried out. These include budgets for professional and consultancy services which, for example would be used for Counsel and employment law advice. By using the budgets in a more integrated way, it is felt that they can be reduced	5.6
Corporate Services - An even more focused approach to training would see a 10% reduction in the Corporate Services Division's training budgets. It is also proposed that the division's office equipment budget is reduced by 50%.	2.1
Recruitment – Estimated reduction in budget requirement due to not filling vacancies.	11.3
Audit & Inspection fees – Estimated reduced from abolition of CAA and Use of Resources assessments.	20
Insurance premiums – Reduction in some areas of low risk cover	8
Leased cars – Ongoing savings as part of 2010/11 collective agreement with Unison	11.1
Vacancy Management – annual allowance for savings as a result of not filling vacant posts	125
	<b>610.3</b>
<b>Service/Staff Reductions</b>	
Affording Housing - Reduce staffing by 0.5 FTE by filling full-time vacancy with part-time resource. Some reduction in scheme development feasibility work.	17.5
Substance Misuse Officer - BDC 'buys' 0.5 FTE of the work of Suffolk Coastal DC's post to provide preventative programmes in Schools and work with the police on trading standards issues etc. The savings proposal is that Babergh stops funding this post. If Suffolk Coastal DC or Babergh's independently funded Community Safety Partnership do not fund the whole of the post, Babergh would be liable for half of the redundancy cost, reducing the saving in the first year.	17

<b>CATEGORY – DEFINITE/PURSUE FURTHER</b>	<b>Amount £000</b>
Food and Safety Regulation - Revise statutory inspection programmes for H&S – critical impact if fatality occurred that would impact on Council reputation. 0.3 fte saving potentially through shared post with MSDC.	10
Cash Office - Reduce the opening hours or close completely – 0.5 FTE reduction if partial or 1.0 FTE if complete closure. (75% GF share).	15
	<b>59.5</b>
<b>Service Reductions (no staff reductions)</b>	
Free swimming – end of programme/Babergh subsidy.	37
Grounds Maintenance and Street Cleansing - Negotiations will be undertaken with the contractor to further reduce the spending provision in the contract on grounds maintenance and reduce the spending provision in the contract on street cleansing. Reductions in specification will be such that they minimise the impact on residents.	50
Concessionary Fares Scheme - remove Countywide discretion. This will depend on Countywide discussions with SCC following the transfer of responsibilities in April 2011.	0
Community Grants revenue budget – reducing this budget by £30k (in addition to the Quay Theatre grant cut and any AONB reductions over 10%) is achievable by spreading a 10% reduction across a wide range of existing grant recipients; it is still subject to further assessment of individual impacts, which may produce some variations. CAB and some service commissioning partners can be protected.	30
Sudbury Citizen Advice Bureau – not core funding but additional support for local surgeries and outreach work. Previously agreed budget not taken up; further discussions with CAB needed to clarify future position and need.	35
Economic Development - Remove two small schemes designed to support new businesses (loans and new initiatives).	5.6
Arts Development - Reduce budget by 40% (will mean a reduction on the number of arts projects being delivered).	5
Economic Development and Tourism - Reduce our contribution towards inward investment and tourism support services provided for Babergh by 'Choose Suffolk' (also known as the Suffolk Development Agency) by 25% in 2011/12. This may slightly reduce the economic and tourism developmental promotion of the District and could have a negative impact on 'Choose Suffolk'.	5
Affordable Housing - Reduce budget for research work. Minimal impact.	2
AONBs - Reduce contributions, which is linked to the reduction in grants and further thought needs to be given to this by officers and the Task Group.	0
Environmental Protection - Air Quality monitoring – discontinue. Day to day knowledge of pollutants along A12 will be lost but no critical impact.	4
	<b>173.6</b>

<b>CATEGORY – DEFINITE/PURSUE FURTHER</b>	<b>Amount £000</b>
<b>Income Generation</b>	
Building Control and Development Control fees – Building Control business plan to grow commercial income through provision of chargeable services to architects and agents and a return to pre 08/09 income for Building Control could arise next year. However, little sign of economic growth and increase in activity means increased income from planning applications unlikely but Government consultation proposals to enable local setting of fees from October 2011, which could result in additional income.	50
Car Parking - Increase fines on Excess Charge Notices by £10. No increase for last 3 years.	23.8
Car Parking – Pin Mill - Increase parking charges from 30p to 50p, and the annual residents parking fee by 50%, in order to compensate for the contribution of £5,000 pa to the new Community Interest Company at Pin Mill. In return the company will carry out the management of the car park.	0
Dedham Vale AONB – Rent income from this group moving into the Hadleigh HQ building (75% General Fund)	5.6
	<b>79.4</b>
<b>TOTAL – DEFINITE/PURSUE FURTHER</b>	<b>1,195.5</b>

<b>CATEGORY – UNCERTAIN</b>	<b>Amount £000</b>
<b>Service Efficiency/Staff reductions</b>	
Finance: Internal Audit - Further savings could be possible of around 0.6 FTE as a result of integration with MSDC and further prioritisation of essential/priority 1 audit work but these could be limited in 2011/12.	<b>15</b>
<b>Other Service Efficiency/Budget Reductions</b>	
Corporate subscriptions – review with Mid Suffolk DC to see if any savings can be achieved through a 'joint' approach	TBA
Chairman's reception - A review needs to be carried out to determine if savings can be made on this and an estimate of a £1,600 saving has been allowed for this exercise.	<b>1.6</b>
<b>Income Generation</b>	
Licensing - Increase in applications and growth in licensing activity may provide additional income. Needs to be seen in light of 2010/11 projections	<b>5</b>
Capital Financing – Generate a receipt of £300,000 through the sale of a 'ransom strip' at Bures, thus generating a reduction in borrowing requirements. First installment of £50,000 anticipated in 2011/12. (saving reflected in cost of capital programme)	N/A
<b>TOTAL- UNCERTAIN</b>	<b>21.6</b>

<b>CATEGORY – LAST RESORT (all service reductions)</b>	<b>Amount £000</b>
Discretionary Rate Relief (Option 1) - Reducing level granted so that only 80% relief is awarded (excluding Post Offices). Option 2 - Stop discretionary relief for those ratepayers whose rateable value is above the limit set by the Government for small business rate relief (£12,000) except for Pubs/Petrol stations £12,500 and leave Post Offices at 100%.	14.8 - 18

<b>CATEGORY – LAST RESORT (all service reductions)</b>	<b>Amount £000</b>
Canteen – If a further reduction in subsidy cannot be negotiated with the contractor then there is an option not to extend the contract beyond 31 <sup>st</sup> March 2011, and close the facility.	10
Corporate Finance – Further 0.5 FTE reduction to Corporate Finance establishment. Currently seen as too much of a reduction but further review of staffing/resource levels being undertaken to see what saving may be possible.	10
Contract & Asset Mgt -Terminate the Village of the Year competition.	0.9
Community Safety and Sport/Leisure - Keep current vacancies in services unfilled into next year by reducing Community Safety work and BeActive developments (includes a direct reduction in the BeActive project).	28
Policy and Communications - further reduce the staffing establishment by 0.6 FTE. Higher risk as this would start to have a detrimental effect on core activities. There would also be redundancy costs. This reduction should only be made through integration with MSDC.	0 (in 2011/12)
LGA conference - Do not attend or reduce attendance.	2
Democratic Services - Withdraw from the Rural Services Partnership. Would remove Babergh's voice and also not give us access to the SPARSE services such as benchmarking.	3.7
<b>TOTAL – LAST RESORT</b>	<b>69.4 – 72.6</b>

<b>CATEGORY - UNACCEPTABLE</b>	<b>Amount £000</b>
<b>Income Generation</b>	
Car parking - short stay charging.	<b>200 - 400</b>
<b>Service/further staff reductions</b>	
CABs - Debt Priority Advice service - Withdraw support. This service gives BDC debtors priority to see the CAB debt advisor.	5.2
Benefits - Reduce or stop disregarding the 10% discretionary element of war widows and war disablement pension.	8
Environmental Protection - Staff Reduction of 0.6 FTE on nuisance response/investigations – reduce to minimal standards and close cases. Prioritise planning enforcement and only undertake essential investigations. No natural wastage so potential redundancy, which would offset savings.	20
Food & Safety Regulation – By agreement with regulatory body (FSA) reduce inspection programmes of food premises by 50% -0.6 FTE staff saving possible but no natural wastage so potential redundancy costs that would have to be offset against the savings. High risk if not meeting statutory minimum requirements and reputational damage in event of Food poisoning outbreak.	20
Housing Standards – Staff Reduction 0.6 FTE - Amend approach to delivery of works of repair/adaptation using the Home Improvement Agency - BDC would only administer grants payments and would refer all applications to the agency. Risk that a critical assessment of need and extent of works together with a critical assessment of cost would be lost and unit costs would increase with impact upon Capital Budget. Further consideration needed on whether this is uncertain/last resort/unacceptable.	18

<b>CATEGORY - UNACCEPTABLE</b>	<b>Amount £000</b>
Community Safety - Removal of CCTV services.	43
Community Achievement Awards - Change to being a bi-annual event.	2
Business Evening - Change to a bi-annual event.	2.7
HR & OD – The establishment has been reviewed to determine whether it can be reduced. However, it has been concluded that to do so would have had a significant effect on all aspects of the HR section, including training and shared services initiatives. But the opportunity has been taken to ensure the establishment reflects the work being undertaken and resources have been re-aligned. In addition one post is now filled on a temporary basis to allow future flexibility/reduction.	14
JEPU - Withdraw completely - this would necessitate emergency planning arrangements being carried out in-house, so would negate any proposed saving to the Policy establishment. If there was an emergency, we could be in the embarrassing situation of having to call on JEPU resources, which just would not be acceptable.	20
<p>Reduce <i>Babergh Matters</i> from 2 to 1 per year or stop completely. This is the only communication medium which reaches every Babergh household; reducing frequency by one edition will significantly reduce the ability to provide detailed information for residents at this key period of change. Cutting Babergh Matters completely will have the result of removing any means of communication with all Babergh residents. This would hamper the work of the merger/integration project and remove the single vehicle for communicating with all Babergh residents at this challenging time of change.</p> <p>An alternative means of communication could be to issue topic specific publications as required to support particular initiatives (i.e. merger referendum etc). This would however still incur significant distribution costs. Alternative options could be joint communications with MSDC and SCC and use of other media to provide information to residents (i.e. through press contacts, electronic social media etc).</p>	16.8 – 33.6
<p>Policy and Communications - a review of the comms unit is still underway, but the current stance is that reduction in the establishment (practically this would be the 0.6 FTE Communications and PR Officer post) would significantly reduce the resource available during a crucial period. In addition the team has an important role in supporting and leading project based work (i.e. editor role for Babergh Matters and department specific publications).</p> <p>The following options are being looked at:</p> <ul style="list-style-type: none"> <li>• Review work scheduling and range of functions provided (i.e. concentrate on core functions i.e. press/PR and corporate communication).</li> <li>• Revise Communications plan to fit reduced resources</li> <li>• Consider integration of communications function with MSDC (linked to BMI project)</li> <li>• Consider joint working with SCC and other public sector organisations for the communications function, (management buy out/JEPU model).</li> </ul>	12.8

<b>CATEGORY - UNACCEPTABLE</b>	<b>Amount £000</b>
Members training - A 10% reduction in Members' courses and conferences - Could affect Members' knowledge and skills and, as there will be a new Council next year, this is not appropriate.	0.9
LGA – Withdraw.	11
Regional Employers' Group – Withdraw.	8.7
	<b>203.1 – 219.9</b>
<b>TOTAL - UNACCEPTABLE</b>	<b>403.1 – 619.9</b>

**2011/12 Budget - Details of net cost pressures**

	<b>Current Budget £</b>	<b>Increase/ (Decrease) £</b>	<b>Assumption/comments</b>
<b>Staffing</b>			
Annual increases		69,000	Incremental progression under PRP scheme.
Annual pay award		-9,000	Based on 0.5% budget saving in 2010 and pay 'freeze' in 2011 (cost of £250 increase only for those earning less than £21k a year). Would be a further £21.5k or £43k cost if allowance were made for either a 0.5% or 1% increase but cost could be met from reserves or increased savings from vacancy management if it arose.
Other Staff-related costs		18,500	Govt. NI increase.
Other Staff-related costs		74,000	Pension Fund increases – TBA following further discussions with County Council.

**Service Pressures**

<b>Affects all directorates</b>			
Indexation increases on Major/other Contracts		80,000	Open Spaces = estimated 2% increase, £19k. (MTFS 2.5% 24k); Waste Contract = allow 2% to be prudent, £36k. (MTFS 2.5% 45k). Some unavoidable inflation on other smaller contracts, premises and transport costs increases. Overall, £75k less than in MTFS.
Fees and Charges		-20,000	The current MTFS reflects an overall 2% increase in fees and charges and potential income of £54,000. Some of this could result from charges that are currently set by the Government e.g. planning fees. Other increases are at the Council's discretion. Further consideration and assessment still needed.

**Community Development**

Active Sport / Sports & Leisure Promotion		6,000	Budget was removed for 10/11 but may still be required.
Hadleigh Business Centre / Economic Dev.	5,000	15,000	Business Centre is not fully occupied, deficit in 11/12 is expected to be approx. £20k. There is a contractual obligation to pay for 50% of the losses. There still remains approximately 3.5 years to run on the lease and this may be an ongoing issue. Officers are investigating the possibilities of another organisation taking responsibility of the lease. Efforts continue to let the vacant units. As part of this process an open day will be held on the 18th November.
ASBO Officer – CDRP	34,900	8,500	Potential cost if Govt. funding of ASBO / CDRP work ceases (as seems likely). Some costs to be charged to HRA in future and Community Safety Partnership to determine priorities for funding.

	Current Budget £	Increase/ (Decrease) £	Assumption/comments
<b>Contract and Asset Management</b>			
NNDR	220,700	8,000	Increased business rates due to revaluation/inflation. Although large increases due to revaluation are offset by Transitional Relief, this relief is reduced year on year. Quotations being sought from specialist consultants on a no fee/no win basis to review our business rates assessments and appeal if necessary. Assume 50% success rate.
HQ Painting		17,500	Estimated requirement of £30-35k split between 2011/12 and 2012/13.
<b>Corporate</b>			
Photocopying Costs	47,780	2,500	Estimated savings from rationalisation not fully achieved but increased efforts to minimise any cost pressures to be put in place.
<b>Finance</b>			
HB/CTB Admin Grant	478,790	38,300	Likely reduction of 26% over 4 years – assumed 8% reduction for first year.
Revs & Bens shared service set up costs	50,000	-15,000	Reflects estimated net initial set up cost of £35k in revised business case.
Investment income	55,000	10,500	Base rate is not predicted to rise until the third quarter of 2011/12, therefore, a small increase to income has been included against the original budget for 2010/11. However, £10k will again need to be transferred to S106 monies and £1m of earmarked/other reserves are likely to be used in 2010/11 or 2011/12.
<b>Natural and built environment</b>			
Housing and Planning Delivery Grant	44,100	44,100	HPDG has been scrapped by the Government. This is the revenue element (also capital implications). The 'New Homes Bonus' could more than offset this in future years though.
Planning Inspectorate - Examination of core strategy		15,000	Estimated cost in region of £30k - timing not certain but could commence late 2011/early 2012. So may be split between 2011/12 and 2012/13.
<b>Strategic /Corporate Services</b>			
May 2011 District Elections	2,140	75,000	Council elections due in May 2011. Statutory requirement to hold these elections.
Capital Programme – Borrowing costs	222,970	175,000	MTFS allowance only £54k but delayed capital receipts and borrowing costs will result in a significant increase over and above this unless projects are removed from the capital programme, delayed and/or alternative financing strategy adopted.
<b>Shared Services</b>			
Local poll/referendum		35,000	MSDC merger referendum /poll but costs carry some uncertainty – to be met from slightly higher level of reserves.
<b>Overall Total Net Cost Pressure</b>		<b>647,900</b>	

## General Fund - 3 Year Capital Programme 2010/11-2013/14 - Summary

PROJECTS	2010/11 £	2010/11 Rev £	2011/12 £	2012/13 £	2013/14 £	Total 2011/14 £
ICT / Information Management	323,900	237,490	302,000	150,000	50,000	<b>502,000</b>
Contract & Asset Management	1,317,000	677,110	2,877,740	1,511,330	516,400	<b>4,905,470</b>
Community Development	548,800	656,970	179,510	128,500	128,500	<b>436,510</b>
Private Sector Housing	536,000	586,140	513,500	571,472	485,000	<b>1,569,972</b>
Natural & Built Environment	225,000	246,446	-	-	-	-
Mid Suffolk Merger Costs	-	386,000	12,000	60,000	444,000	<b>516,000</b>
Restructuring Costs	-	100,000	-	-	-	-
<b>TOTAL GENERAL FUND CAPITAL PROGRAMME</b>	<b>2,950,700</b>	<b>2,890,156</b>	<b>3,884,750</b>	<b>2,421,302</b>	<b>1,623,900</b>	<b>7,929,952</b>

CAPITAL FINANCING	2010/11 £	2010/11 Rev £	2011/12 £	2012/13 £	2013/14 £	Total 2011/14 £
Borrowing- non supported	768,000	1,169,695	813,640	1,201,840	1,146,900	<b>3,162,380</b>
Capital Receipts	1,124,798	595,000	1,680,600	819,000	198,000	<b>2,697,600</b>
Earmarked Reserves	-	-	602,200	-	-	<b>602,200</b>
LABGI	-	8,010	475,000	34,990	-	<b>509,990</b>
Grants/ External Contributions- other	1,057,902	1,117,451	313,310	365,472	279,000	<b>957,782</b>
<b>TOTAL FINANCING</b>	<b>2,950,700</b>	<b>2,890,156</b>	<b>3,884,750</b>	<b>2,421,302</b>	<b>1,623,900</b>	<b>7,929,952</b>

General Fund - 3 Year Capital Programme 2011/12-2013/14 - Detail

Projects		2010/11 £	2010/11 Rev £	2011/12 £	2012/13 £	2013/14 £	Total 2011/14 £
<b>ICT / Information Management</b>							
<b>Significant Major Projects</b>							
CAST Project		-	-	-	-	-	-
LAMP Phase 2	7044	-	61,190	-	-	-	-
<b>Infrastructure</b>							
Virtualisation *	7053	-		20,000			20,000
E-mail Archiving *	7054	10,000		10,000			10,000
Ongoing Govt Connect Costs *	7055	20,000	10,000	20,000			20,000
Committed schemes		70,100	65,100	78,000	70,000	50,000	198,000
<b>Infrastructure*</b>		100,100	75,100	128,000	70,000	50,000	248,000
<b>Applications</b>							
MVM Proactive Upgrade		-					-
Health & Safety Audits *		10,000					-
Shared Services Integration* **		80,000	10,000	25,000	25,000	-	50,000
Committed Schemes		-	-	-	-	-	-
<b>Applications * **</b>		90,000	10,000	25,000	25,000	-	50,000
<b>Service transformation</b>							
Broadband Development				50,000			
MapRite *	7060	10,000	10,000	10,000	-		10,000
Land Terrier *	7097	-		16,000	-		16,000
Shared Service Working* **	7059	55,000	12,960	30,000	25,000		55,000
Committed Schemes		68,800	68,240	43,000	30,000	-	73,000
<b>Service transformation *</b>		133,800	91,200	149,000	55,000	-	144,000
<b>Total Expenditure</b>		<b>323,900</b>	<b>237,490</b>	<b>302,000</b>	<b>150,000</b>	<b>50,000</b>	<b>502,000</b>
<b>Financing</b>							
Borrowing- non supported		5,000	118,940				-
Capital Receipts		312,100	109,000	302,000	150,000	50,000	502,000
Earmarked Reserves							
Grants/ External Contributions- other		6,800	9,550				-
<b>Total ICT / Information Management</b>		<b>323,900</b>	<b>237,490</b>	<b>302,000</b>	<b>150,000</b>	<b>50,000</b>	<b>502,000</b>

**General Fund - 3 Year Capital Programme 2011/12-2013/14 - Detail**

<b>Projects</b>	<b>2010/11 £</b>	<b>2010/11 Rev £</b>	<b>2011/12 £</b>	<b>2012/13 £</b>	<b>2013/14 £</b>	<b>Total 2011/14 £</b>
<b>Contract &amp; Asset Management</b>						
Street Parking Improvements	15,000	21,000	8,000	8,000	8,000	<b>24,000</b>
Adaptations to H.Q.	40,000	42,350	35,000	35,000	35,000	<b>105,000</b>
Car Parks - Ticket Machines / Network Rail / Other Planned Maintenance	140,000	156,700	40,000	40,000	40,000	<b>120,000</b>
Planned maintenance - Corporate Buildings	25,000	18,500	43,200	40,000	40,000	<b>123,200</b>
Pin Mill - Regeneration (Haven Gateway)	156,000	217,000	-	-	-	-
Calais Street Pavilion - Demolition & Improvements	-	22,300	-	-	-	-
Planned Maintenance at Kingfisher Leisure Centre	89,000	39,350	35,500	111,300	112,000	<b>258,800</b>
Enhancement of Kingfisher Facilities	500,000	35,000	535,000	-	-	<b>535,000</b>
Hadleigh Pool Repairs	-	-	25,000	25,000	25,000	<b>75,000</b>
Hadleigh Community Facilities	-	8,010	2,031,040	167,030	-	<b>2,198,070</b>
Play Equipment	25,000	25,000	25,000	25,000	25,000	<b>75,000</b>
Waste Transfer Station *	-	18,900	-	600,000	-	<b>600,000</b>
Refuse Fleet replacement	137,000	-	-	360,000	131,400	<b>491,400</b>
Bridge House Replacement Storage Facility	100,000	-	-	-	-	-
Carbon Reduction *	90,000	73,000	100,000	100,000	100,000	<b>300,000</b>
<b>Total Expenditure</b>	<b>1,317,000</b>	<b>677,110</b>	<b>2,877,740</b>	<b>1,511,330</b>	<b>516,400</b>	<b>4,905,470</b>
<b>Financing</b>						
Borrowing- non supported	371,800	482,995	638,840	867,340	516,400	<b>2,022,580</b>
Capital Receipts	639,200	-	1,161,700	609,000	-	<b>1,770,700</b>
Earmarked Reserves	-	-	602,200	-	-	<b>602,200</b>
LABGI	-	8,010	475,000	34,990	-	<b>509,990</b>
Grants/ External Contributions- other	306,000	186,105	-	-	-	-
<b>Total Contract &amp; Asset Management</b>	<b>1,317,000</b>	<b>677,110</b>	<b>2,877,740</b>	<b>1,511,330</b>	<b>516,400</b>	<b>4,905,470</b>

**General Fund - 3 Year Capital Programme 2011/12-2013/14 - Detail**

<b>Projects</b>	<b>2010/11 £</b>	<b>2010/11 Rev £</b>	<b>2011/12 £</b>	<b>2012/13 £</b>	<b>2013/14 £</b>	<b>Total 2011/14 £</b>
<b>Community Development</b>						
East LSP grants	58,300	82,750	33,110			33,110
Community Grants	128,500	142,320	145,200	128,500	128,500	402,200
Hadleigh Swimming Pool Enhancement work	140,800	399,400	-	-	-	-
University Campus Suffolk	187,000	-				-
Children's Play Builder Scheme *	2,500					-
CCTV Camera	-	1,000				-
Children's' Play Programme - Big Lottery funded	31,700	31,500	1,200			1,200
<b>Total Expenditure</b>	<b>548,800</b>	<b>656,970</b>	<b>179,510</b>	<b>128,500</b>	<b>128,500</b>	<b>436,510</b>
<b>Financing</b>						
Borrowing- non supported	320,200	405,620	19,800	128,500	128,500	276,800
Capital Receipts	136,100		125,400			125,400
Earmarked Reserves						
LABGI						
Grants/ External Contributions- other	92,500	251,350	34,310			34,310
<b>Total Community Development</b>	<b>548,800</b>	<b>656,970</b>	<b>179,510</b>	<b>128,500</b>	<b>128,500</b>	<b>436,510</b>

**General Fund - 3 Year Capital Programme 2011/12-2013/14 - Detail**

Projects	2010/11 £	2010/11 Rev £	2011/12 £	2012/13 £	2013/14 £	Total 2011/14 £
<b>Private Sector Housing</b>						
Private Sector Renewal - Mandatory	343,000	334,670	273,000	335,000	335,000	<b>943,000</b>
Private Sector Renewal - Discretionary	107,000	65,470	97,500	100,000	100,000	<b>297,500</b>
Affordable Housing Grants ****	86,000	186,000	143,000	136,472	50,000	<b>329,472</b>
<b>Total Expenditure</b>	<b>536,000</b>	<b>586,140</b>	<b>513,500</b>	<b>571,472</b>	<b>485,000</b>	<b>1,569,972</b>
<b>Financing</b>						
Borrowing- non supported	71,000	142,140	155,000	206,000	206,000	<b>567,000</b>
Earmarked Reserves						
LABGI						
Capital Receipts	37,398		79,500			<b>79,500</b>
Grants/ External Contributions- other	427,602	444,000	279,000	365,472	279,000	<b>923,472</b>
<b>Total Private Sector Housing</b>	<b>536,000</b>	<b>586,140</b>	<b>513,500</b>	<b>571,472</b>	<b>485,000</b>	<b>1,569,972</b>

\*\*\*\* Additional affordable housing grants may be made from S106 contributions where suitable housing schemes are identified.

General Fund - 3 Year Capital Programme 2011/12-2013/14 - Detail

Projects		2010/11 £	2010/11 Rev £	2011/12 £	2012/13 £	2013/14 £	Total 2011/14 £
<b>Natural &amp; Built Environment</b>							
Green Waste Scheme Enhancement	7271	-	135,000				-
Air Quality Management	7267	16,000	27,860				-
Sudbury Town Centre Enhancement (HERS) *	7272	-	20,000				-
Redevelopment of Sudbury Town Centre bus station		209,000	63,586				-
Redevelopment of Sudbury Town Centre ***		-					-
Preparation for development of British Sugar site, Sproughton		-					-
<b>Total Expenditure</b>		<b>225,000</b>	<b>246,446</b>	-	-	-	-
<b>Financing</b>							
Borrowing- non supported			20,000				-
Grants/ External Contributions- other		225,000	226,446				-
<b>Total Natural &amp; Built Environment</b>		<b>225,000</b>	<b>246,446</b>	-	-	-	-
<b>Mid Suffolk Merger Costs</b>							
Capitalised Redundancy Costs		-	386,000	-	-	-	-
ICT Integration Costs		-	-	12,000	60,000	444,000	516,000
<b>Total Expenditure</b>		-	<b>386,000</b>	<b>12,000</b>	<b>60,000</b>	<b>444,000</b>	<b>516,000</b>
<b>Financing</b>							
Borrowing- non supported						296,000	
Capital Receipts		-	386,000	12,000	60,000	148,000	220,000
<b>Total Mid Suffolk Merger Costs</b>		-	<b>386,000</b>	<b>12,000</b>	<b>60,000</b>	<b>444,000</b>	<b>516,000</b>
<b>Restructuring Costs</b>							
Capitalised Redundancy Costs		-	100,000	-	-	-	-
<b>Total Expenditure</b>		-	<b>100,000</b>	-	-	-	-
<b>Financing</b>							
Borrowing- non supported							
Capital Receipts		-	100,000	-	-	-	-
<b>Total Mid Suffolk Merger Costs</b>		-	<b>100,000</b>	-	-	-	-

**General Fund - 3 Year Capital Programme 2011/12-2013/14 - Detail**

Projects	2010/11 £	2010/11 Rev £	2011/12 £	2012/13 £	2013/14 £	Total 2011/14 £
<b>TOTAL GENERAL FUND CAPITAL PROGRAMME</b>	<b>2,950,700</b>	<b>2,890,156</b>	<b>3,884,750</b>	<b>2,421,302</b>	<b>1,623,900</b>	<b>7,413,952</b>

\* Non Committed Schemes

\*\* New scheme to be reviewed as part of the consideration of shared service options

\*\*\* Funding at risk

<b>CAPITAL FINANCING SUMMARY</b>	<b>2010/11</b>	<b>2010/11 Rev</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>Total</b>
	£	£	£	£	£	£
Borrowing- non supported	768,000	1,169,695	813,640	1,201,840	1,146,900	<b>2,866,380</b>
Capital Receipts	1,124,798	595,000	1,680,600	819,000	198,000	<b>2,477,600</b>
Earmarked Reserves	-	-	602,200	-	-	<b>602,200</b>
LABGI	-	8,010	475,000	34,990	-	<b>509,990</b>
Grants/ External Contributions- other	1,057,902	1,117,451	313,310	365,472	279,000	<b>957,782</b>
<b>TOTAL</b>	<b>2,950,700</b>	<b>2,890,156</b>	<b>3,884,750</b>	<b>2,421,302</b>	<b>1,623,900</b>	<b>7,413,952</b>