

A meeting of the **CABINET** will be held in the **CIVIC SUITE 0.1A, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, PE29 3TN** on **THURSDAY, 22 SEPTEMBER 2011** at **7:00 PM** and you are requested to attend for the transaction of the following business:-

APOLOGIES


Contact
(01480)

1. MINUTES (Pages 1 - 6)

To approve as a correct record the Minutes of the meeting of the Cabinet held on 21 July 2011.

Mrs H J Taylor
388008

2. MEMBERS' INTERESTS

To receive from Members declarations as to personal and/or prejudicial interests and the nature of those interests in relation to any Agenda item. Please see notes 1 and 2 overleaf.

3. COUNCILLOR T V ROGERS

To note the resignation of Councillor T V Rogers as a Cabinet member and the intention to appoint Councillor J A Gray as Executive Councillor for Resources and Councillor D Tysoe as Executive Councillor for Environment.

4. FINANCIAL FORECAST (Pages 7 - 32)

To receive a report by the Head of Financial Services.

S Couper
388103

5. CAMBRIDGESHIRE TRAVEL PLAN GUIDANCE (Pages 33 - 42)

By way of a report by the Head of Planning Services to consider the draft Cambridgeshire Travel Plan Guidance.

P Bland
388340

6. DISABLED FACILITIES GRANT BUDGET (Pages 43 - 50)

To consider a report by the Head of Housing Services regarding the demand for disabled facilities grants and the implications for the 2011/12 budget.

S Plant
388240

7. EXCLUSION OF PRESS AND PUBLIC

To resolve:-

that the public be excluded from the meeting because the business to be transacted contains information which relates to

individual/organisations and is likely to reveal the identity/terms of the contract.

8. CALL CENTRE OPTIONS BEYOND 2012 (Pages 51 - 66)

To consider a report by the Head of Information Management regarding the options for the District Council's Call Centre beyond 2012.

**C Hall
388116
M Hinton
388196**

9. OFFICER EMPLOYMENT PROCEDURE RULES

The Executive Leader to confirm that under the requirement of paragraph 4 (e) of the Officer Employment Procedure Rules, the Cabinet has no material or well founded objection to the proposals to establish a Corporate Support Office.

Dated this 14 day of September 2011



Head of Paid Service

Notes

1. *A personal interest exists where a decision on a matter would affect to a greater extent than other people in the District –*
 - (a) *the well-being, financial position, employment or business of the Councillor, their family or any person with whom they had a close association;*
 - (b) *a body employing those persons, any firm in which they are a partner and any company of which they are directors;*
 - (c) *any corporate body in which those persons have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or*
 - (d) *the Councillor's registerable financial and other interests.*
2. *A personal interest becomes a prejudicial interest where a member of the public (who has knowledge of the circumstances) would reasonably regard the Member's personal interest as being so significant that it is likely to prejudice the Councillor's judgement of the public interest.*

Please contact Mrs H Taylor, Senior Democratic Services Officer, Tel No. 01480 388008/e-mail Helen.Taylor@huntingdonshire.gov.uk /e-mail: if you have a general query on any Agenda Item, wish to tender your apologies for absence from the meeting, or would like information on any decision taken by the Cabinet.

Specific enquiries with regard to items on the Agenda should be directed

towards the Contact Officer.

Members of the public are welcome to attend this meeting as observers except during consideration of confidential or exempt items of business.

Agenda and enclosures can be viewed on the District Council's website – www.huntingdonshire.gov.uk (*under Councils and Democracy*).

If you would like a translation of Agenda/Minutes/Reports or would like a large text version or an audio version please contact the Democratic Services Manager and we will try to accommodate your needs.

Emergency Procedure

In the event of the fire alarm being sounded and on the instruction of the Meeting Administrator, all attendees are requested to vacate the building via the closest emergency exit.

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Agenda Item 1

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CABINET held in the Civic Suite 0.1A Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN on Thursday, 21 July 2011.

PRESENT: Councillor J D Ablewhite – Chairman.
Councillors N J Guyatt, T V Rogers and T D Sanderson.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors B S Chapman and J A Gray.

27. MINUTES

The Minutes of the meeting of the Cabinet held on 23 June 2011 were approved as a correct record and signed by the Chairman.

28. MEMBERS' INTERESTS

No declarations were received.

29. REVENUE MONITORING: 2010/11 OUTTURN AND 2011/12 REVENUE BUDGET

A report by the Head of Financial Services was submitted (a copy of which is appended in the Minute Book) which contained details of the final outturn for revenue expenditure for 2010/11 and the variations between the original and the outturn budget for that year.

Executive Councillors were pleased to note that as a result of under spending the Council had been successful in saving an additional £1 million in revenue reserves. Having expressed their thanks to staff for their efforts in achieving the budgetary outcomes, the Cabinet

RESOLVED

- (a) that the spending variations for the revenue budget for 2010/1011 be noted;
- (b) that the present position in terms of the revenue budget for 2011/12 outturn be noted, and
- (c) that the position on debts collected and written-off as set out in Annex C to the report now submitted be noted.

30. CAPITAL MONITORING:2010/11 AND 2011/12 BUDGET

A report by the Head of Financial Services was submitted (a copy of

which is appended in the Minute Book) detailing the outturn for capital expenditure in 2010/11 and adjustments for 2011/12 budget.

In noting variations in the programme, the Cabinet

RESOLVED

that the report be received and the expenditure variations noted.

31. TREASURY MANAGEMENT ANNUAL REPORT 2010/11

A report by the Head of Financial Services was submitted (a copy of which is appended in the Minute Book) which reviewed the respective levels of performance for the year ending 31st March 2011 by fund managers in the investment of the Council's Capital Receipts.

In accordance with the Chartered Institute of Public Finance and Accountancy's Treasury Management Code of Practice, Executive Councillors received the views of the Overview and Scrutiny (Economic Well-Being) Panel on the matter.

Having acknowledged that the Council had performed well with regard to the returns it had achieved on its investment in the year, the Cabinet

RESOLVED

that the contents of the report be noted prior to its submission to the Council.

32. CAMBRIDGESHIRE FUTURE TRANSPORT INITIATIVE

Consideration was given to a report by the Head of Planning Services (a copy of which is appended in the Minute Book) on the Cambridgeshire Future Transport Initiative, being developed to provide alternative ways of meeting county-wide transport needs. The report had been considered by the Overview and Scrutiny Panel (Environmental Well Being) whose comments were relayed to the Cabinet.

Members were acquainted with the background to the initiative which had agreed by those partners involved in the delivery of passenger transport across Cambridgeshire in response to an announcement by the County Council that all public transport subsidies across the County would end by April 2015. The work was being overseen by a cross-authority member led Governance group comprising the County Council, NHS Cambridgeshire, Cambridgeshire Acre with representation from Huntingdonshire District Council and support from consultants and would result in the development of Transport for Cambridgeshire partnership .

In considering the perceived implications for the Council, Executive Councillors were advised that the authority currently supported comprehensive and highly regarded community transport based services across the District within a budget of £83.5k per annum.

Under the new arrangements this budget would be aligned with other partners to improve transport services throughout Cambridgeshire. The Cabinet recognised the importance of safeguarding current services delivered through Service Level Agreements and the need to ensure that the Initiative's objectives reflects those within the new Council Plan.

Having acknowledged the Overview and Scrutiny Panel's input into the matter, the Cabinet

RESOLVED

- (a) that the on-going development of the Cambridgeshire Future Transport Initiative and the work of the Governance and Solutions Group in association with the community objectives contained within the Council Plan for 2011 – 2015 be noted and supported; and
- (b) that the alignment of the current District Council Rural Transport Budget with the budgets of other Cambridgeshire partners within the future Transport Initiative, in order to deliver more effective transport services, be approved in principle subject to the protection of existing services or their replacement as part of the overall project.

33. REPRESENTATION ON ORGANISATIONS

The Cabinet was invited to consider appointing representatives to serve on the Nene & Ouse Community Transport Board of Trustees and the One Leisure Huntingdon Sports Centre Joint Committee.

Whereupon, it was

RESOLVED

- (a) that Councillor P L E Bucknell be appointed to serve on the Nene & Ouse Community Transport Board of Trustees; and
- (b) that Councillors S Cawley, J J Dutton and T D Sanderson be appointed to serve on the One Leisure Huntingdon Sports Centre Joint Committee.

34. LEISURE CENTRE MANAGEMENT AGREEMENTS

(The Chairman announced that he proposed to admit the following urgent item in accordance with Section 100B (4) of the Local Government Act 1972 given the need to sign the agreement by the end of July 2011)

Consideration was given to a report by the General Manager, One Leisure (a copy of which is appended in the Minute Book) seeking approval to negotiate new Management Agreements for the District's five leisure centres.

Members were advised that the five secondary schools linked to the leisure centres sites had committed themselves to achieving Academy status and as a result of this, ownership of the school sites would transfer from the County to the appropriate schools/colleges. As a consequence, management agreements would now need to be entered into directly with the schools/colleges themselves. Having been advised that materially the agreements would be the same as that with the County Council and that Ernulf School and Longsands School in St Neots have already combined to create a unified body, the Cabinet

RESOLVED

that the Head of Legal and Democratic Services, after consultation with the Executive Councillor for Health and Active Communities, be authorised to negotiate and finalise the draft heads of terms for the districts leisure centres and enter into a lease and a new management agreement, initially with Longsands Learning Partnership and in due course with each of the other schools and colleges aspiring to academy status as necessary.

35. EXCLUSION OF PRESS AND PUBLIC

RESOLVED

that the press and public be excluded from the meeting because the business to be transacted contains exempt information relating to the financial or business affairs of the authority.

36. DEVELOPMENT OF ONE LEISURE, ST IVES

Consideration was given to a report by the General Manager, One Leisure (a copy of which is appended in the Annex to the Minute Book) outlining proposals to re-model the St Ives Leisure Centre. Executive Councillors were advised that the proposals were intended to reduce the Centre's net operating costs and to increase admissions and participation levels to meet both Government and Council health agenda targets.

The Cabinet were acquainted with details of the four options for the future of the Centre and the rationale, financial implications and potential income level of each.

Particular reference was drawn to the proposed closure of the rifle range which had not been incorporated into the remodelling proposals. Members were advised that the area produced a minimal amount of income and that the Rifle and Pistol Club were not in a position to make a significant contribution to the cost of providing a smaller facility within the development. Furthermore, Executive Councillors were advised that alternative target shooting sports clubs were being run in Yaxley and Cambridge.

Having received the deliberations of the Overview and Scrutiny Panels (Economic Well Being and Social Well Being) and in thanking them for their input, the Cabinet

RESOLVED

- (a) that option B for the redevelopment of One Leisure St Ives be supported and the Leisure Centres General Manager requested to issue tenders in respect of this; and
- (b) that following the final tender evaluation a further report be submitted to the Cabinet including an assessment of the business case and the social impact of the proposal.

Chairman

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FINANCIAL FORECAST (Report by the Head of Financial Services)

1 PURPOSE

- 1.1 This report is the start of the process leading to the formal approval of the 2012/13 budget and Medium Term Plan (MTP) next February. It provides Members with an update on :
- the financial plans approved in February,
 - progress on identifying and delivering savings
 - areas where there are new or continuing uncertainties.

This provides the starting point for the draft budget in December which will consider changes to service delivery and Council Tax levels.

- 1.2 It also seeks approval for the basis on which the Minimum Revenue will be calculated (see Annex E).

2 BACKGROUND

- 2.1 The Council's financial plan (approved by Council in February) is based on funding a deficit budget from reserves to provide time to implement a phased savings plan. The **highlighted lines** in the table below show the savings required and the reliance on reserves to enable that phasing.

Overall Summary	Forecast	Budget	MTP			
	10/11 £M	11/12 £M	12/13 £M	13/14 £M	14/15 £M	15/16 £M
Net Spending before savings	23.5	25.6	26.4	27.4	28.7	29.5
Proposed Savings	-0.4	-3.0	-4.3	-5.5	-5.7	-6.6
Savings still required		0.0	-0.8	-1.0	-1.5	-2.0
Net Spending after Savings	23.1	22.6	21.3	21.0	21.5	20.9
Funded by:						
New Homes Grant		-0.8	-1.5	-2.1	-2.7	-3.4
Formula Grant (RSG)	-12.9	-10.5	-9.3	-9.2	-8.7	-8.9
Special Council Tax Grant		-0.2	-0.2	-0.2	-0.2	0.0
Council Tax	-7.2	-7.5	-7.6	-7.9	-8.1	-8.4
SHORTFALL Met from Reserves	3.0	3.6	2.7	1.6	1.7	0.3
Council Tax	£124.17	£124.17	£127.27	£130.46	£133.72	£137.06
<i>Increase</i>		£0.00	£3.10	£3.18	£3.26	£3.34
Remaining Reserves EOY	13.0	9.4	6.6	5.0	3.3	3.0

- 2.2 The key issues considered in this report are:
- The impact of the 2010/11 outturn.
 - Progress in delivering the identified savings

- Updating and where possible assessing the risks identified in the report and the new ones that have subsequently emerged.
- Identifying the savings still required
- Considering future levels of Council Tax increase

3 SUMMARY

The financial result for 2010/11 was beneficial allowing a reduction in the deficit that had to be funded from reserves.

Savings:

- Good progress has been achieved on many of the items with the potential for some to over achieve.
- Some will not be achieved.
- Some are still dependent on Member debate and confirmation.

The plans that this Council has made and is continuing to make for house building are likely to give a major increase in New Homes Bonus.

There are many significant uncertainties in Government Funding including:

- Grant levels for 2013/14
- Localisation of Business Rates
- Reductions in General Grant to fund New Homes Bonus
- Localisation of Council Tax benefits
- Changes to the responsibilities for Housing Benefit

There are many other uncertainties including the future economic situation and the achievement of some of the existing savings proposals.

It therefore appears, at least at this stage of the financial cycle, that the Council should target savings within the following range:

UNIDENTIFIED SAVINGS	Budget	MTP			
	12/13 £M	13/14 £M	14/15 £M	15/16 £M	16/17 £M
Current plan	0.8	1.0	1.5	2.0	2.0
Proposed Range					
Lower End	0.5	1.2	1.2	1.2	1.1
Higher End	1.3	3.6	4.1	5.5	6.0

4 2010/11 OUTTURN

- 4.1 Last year (2010/11) the Council managed to keep its spending £1M below forecast due to holding posts vacant wherever possible in order to be ready to deliver targeted savings for the current year, successful revaluation appeals and other, mainly one-off, savings partially offset by lower planning fees. £1.6M was used from the Special Reserve to fund redundancies leaving a balance of £0.3M. £1.9M was taken from general reserves to fund the spending deficit leaving Revenue Reserves (including the £0.6M delayed spending reserve) of £14.2M at 1st April 2011.
- 4.2 Capital expenditure of £7.1M was £0.4M higher than forecast due mainly to lower slippage than expected. Due to the mix of assets finally funded the Minimum Revenue Provision (statutory requirement to provide for repaying debt) will be £64k lower than forecast but this may turn out to be off-set by higher figures for future years when the detailed review of the capital programme is carried out in the autumn.

5. SAVINGS

- 5.1 Annex A shows the list of savings identified last year and the latest view on their certainty.
- 5.2 **For the purpose of the initial forecast it is assumed that these items will all be achieved, including the “mothballing” of CCTV, the increase in car park fees and the reduction in grants to the voluntary sector. However two scenarios for partial non-achievement are included in Section 10 “risks and unknowns” and Annex D.**
- 5.3 It is obviously very important that, where items are not yet definite, the necessary decisions are made as soon as possible so that the amount that needs to be added to the target for “savings not yet identified” can be determined so work can commence to identify alternative proposals.
- 5.4 Annex D considers the impact of some of the savings not being achieved and the potential for the target for some items (e.g. pay and allowances) being exceeded.

6. GOVERNMENT FUNDING

- 6.1 There are a range of Government Grants that fund part of the Council's expenditure and they include:
- **Council Tax and Housing Benefits Grant (£40.6M)** – a generally full reimbursement of the sums paid out to applicants but with a number of technical complexities.

The government has announced its intention to transfer the processing of Housing Benefits from Local Authorities to the DWP. This will be a phased transfer of existing cases between 2013 and 2017. No new claims will be taken by Authorities from October 2013.

The fraud function will cease from April 2013 but though the Council would need to retain an element of this work it is possible that the reduction in the Government admin subsidy will not recognise this. The worst case scenario is that the funding of the residual team would fall on the Council at a cost in the region of £75k per year.

Other potential financial impacts include further disproportionate losses in administration subsidy, redundancy costs, increased costs of collecting overpayment debts and increased fraud between 2013 and 2017 on existing case load.

The Government have also issued a consultation on the Localisation of Council Tax Benefits from April 2012 which is designed to “help more people back into work, maintain protections for pensioners and save the taxpayer up to £480 million a year”. Effectively the Council’s Government funding would reduce by £900k per year, from £9M to £8.1M, on the basis that the Council would set up its own scheme which preserved the benefits levels for certain government defined vulnerable groups but significantly reduced payments to other applicants as part of the Government’s philosophy of encouraging them to return to work or better paid work.

If these changes do not succeed, the likelihood is that the Council would be unable to collect the £900k of council tax previously met from benefits. This would reduce the tax base thus sharing the loss over all bodies that levy a Council Tax in Huntingdonshire. This Council’s share would be 8.4% or £76k.

- **Council Tax Reward Grant** – a fixed grant of £184k per year for 4 years from 2011/12. This is equivalent to 2.5% of Council Tax income, to reward any Council, like Huntingdonshire, that did not raise their Council Tax this year.
- **New Homes Reward Grant** (£0.8M rising to £5.9M by 2016/17) – Introduced from this year to reward those Councils that achieve Housing Growth by giving a payment equivalent to the growth in the taxbase at the national average Council Tax for 6 years. The scheme is intended to be permanent so the sum will rise as each new year of growth is added until year 7 when the first year will drop out to be replaced by the figure for year 7. There will be an

added sum of £350 for each of the homes that will be social rented. 20% of the sum earned is deducted by the Government and paid direct to the County Council.

The New Homes Reward Grant is a very significant grant for this Council. The approved plan includes a forecast of £4M per year by 2016/17. The Council's latest planning projections for the phasing and scale of housing growth suggest this sum could be even higher at £5.9M. Whilst approval of the Enterprise Zone will potentially result in additional extra housing in the medium term the whole profile is dependent upon public demand for the houses. As such, this will be an area for critical review at every stage of our future financial planning.

Whilst no allowance is made here for the off-setting reductions in national Formula Grant totals that the Government has recognised will be required, allowance has been made in Section 10 "risks and unknowns" and Annex D.

NEW HOMES GRANT	11/12 £M	12/13 £M	13/14 £M	14/15 £M	15/16 £M	16/17 £M
Current Approved MTP Grant Receivable	0.8	1.5	2.1	2.7	3.4	4.0
This Forecast Grant Receivable	0.8	1.7	2.7	3.5	4.7	5.9
VARIATION (- = LOSS)		0.2	0.6	0.8	1.3	1.9

- **Formula Grant** (£10.5M falling to £8.6M by 2016/17) – This is intended to equalise needs and resources and also fund any additional tasks that have been transferred to local authorities over time. It uses a very complex formula based on regression analysis and can be extremely volatile when the formulae are changed. As a result it incorporates a damping factor that ensures that any authority that has a loss of grant greater than a Government determined percentage will have that extra loss protected at the cost of those authorities that should have gained. The resulting amount is artificially split between "Revenue Support Grant" and the redistribution of nationally pooled business rates.

The final Formula Grant figure for 2011/12 and the indicative figure for 2012/13 includes protection of £1.176M and £1.054M respectively due to the true grant figure requiring a reduction in excess of the Government limit. All things being equal, the protection will be phased out over time worsening the position compared to the current plan.

FORMULA GRANT	11/12	12/13	13/14	14/15	15/16	16/17
	£M	£M	£M	£M	£M	£M
Current Approved MTP						
Grant Receivable	10.5	9.3	9.2	8.7	8.9	9.1
This Forecast						
2010/11 True Grant	9.3					
Forecast reduction CSR 2010 %		-12.0%	-1.0%	-6.0%		
Forecast increase thereafter					+2.5%	+2.5%
Forecast True Grant		8.2	8.2	7.7	7.9	8.1
Protection	1.2	1.1	0.9	0.8	0.7	0.6
Grant Receivable	10.5	9.3	9.1	8.5	8.5	8.6
			-0.1	-0.2	-0.3	-0.5

Notes:

- *Formula Grant includes Revenue Support Grant and NNDR which are in aggregate distributed in line with the grant formula.*
- *% reductions are from the Comprehensive Spending Review 2010.*
- *It is assumed that the protection will reduce annually.*
- *Excludes any assessment of the reduction in Formula Grant that the Government will need to make to fund the shortfall in funding for the New Homes Bonus.*

6.2 The Government has now commenced consultation on a scheme to replace Formula Grant from April 2013 with each authority being able to keep a proportion of the Business Rates they collect with the starting point linked to the figures used in the 2012/13 Formula Grant. Their concept is that this would encourage authorities to prioritise economic development because they would be allowed to keep a proportion of the growth in Business Rates in their area. There are currently a significant number of unknowns including:

- How the 2012/13 Formula Grant will be adjusted for inflation, demographic change, new responsibilities, planned reduction in local government funding, shortfall on New Homes Bonus etc. etc.
- The proportion of any growth the Council would be allowed to keep.
- Whether it would rise by RPI in line with the increase in Business Rates each year. In any year RPI may be above or below the actual inflation impacting on local authorities.
- How any new responsibilities would be funded.
- How often the system would need to be “re-set” because of demographic change and significantly varying levels of growth or decline and what the new figures would be based on (surely not the existing grant formula).
- How any growth in enterprise zones would be allocated to individual authorities by the LEP.

6.3 A number of papers are expected to be issued during August and these may begin to provide some of the answers but in the meantime there is clearly a trade off to be considered between potential growth in business rates and reductions in the total sums

that the Government intends to allocate to Local Authorities and the added diversion of sums to the New Homes Bonus.

7. CAPITAL

- 7.1 In recent years the Council has maintained a significant capital programme. However as a result of the emerging financial pressures and the conclusion of the Pathfinder House and Depot projects the capital programme is now much diminished.
- 7.2 In the light of the reduced programme it is proposed to reduce the contingency for future years as shown below. The 2016/17 contingency will be replaced by individual bids when the draft MTP is produced in the autumn but for the purpose of the forecast it is assumed that it also will be reduced by £1M.

Net Capital Programme	11/12 £000	12/13 £000	13/14 £000	14/15 £000	15/16 £000	16/17 £000	17/18 £000	18/19 £000	19/20 £000
Current Approved MTP									
Based on bids	11.9	3.3	3.0	2.4	2.8				
Contingency for future years						4.1	4.1	4.3	4.4
Proposed Contingency						3.1	3.2	3.3	3.4

Estimated outturn prices

8. ASSUMPTIONS

- 8.1 At this initial stage of the MTP process further changes to net spending are limited in number. They include:
- revisions to interest rates and the amounts that interest is earned on due to last year's outturn and any changes included in this report.
 - inflation and interest rate adjustments.
 - latest forecast of the current years outturn
 - a few items significant items that warrant changes at this stage.
- 8.2 Elsewhere on your agenda is a report relating to likely extra costs on Disabled Facilities Grants. This was too late to include in the forecast model and so an assumption has been included in the "Risks and Unknowns" section.
- 8.3 Annex B provides further information.

9. INITIAL SAVINGS REQUIREMENT

9.1 The table below is based on:

- the changes already explained (i.e. those where it is deemed possible to make a reasonable assessment of the financial impact),
- a 2.5% annual increase in Council Tax from 2012/13 onwards,
- the full achievement of the identified savings in Annex A

SHORTFALL	Budget	MTP			
	12/13 £M	13/14 £M	14/15 £M	15/16 £M	16/17 £M
Net Spending before unidentified savings	-22.2	-21.7	-22.6	-22.6	-23.2
Funded by:					
Government Grants	-11.2	-11.9	-12.2	-13.2	-14.5
Council Tax	-7.6	-7.9	-8.1	-8.4	-8.7
Reserves	-3.4	-1.8	-2.2	0.8	0.0
Unidentified Savings		-0.2	-0.2	-0.2	0.0

Further detail and additional years in Annex C

10. RISKS AND UNKNOWNNS

10.1 However this level does not take account of a significant number of items where the impact cannot be reasonably forecast and which will have a direct impact on net spending or funding and hence the unidentified savings target.

10.2 The most fundamental issue continues to be assessing the economic impact of the various international financial issues. There are many number conflicting views on whether there are major problems ahead for the UK, “euroland” or the USA. Some commentators believe that there will be further financial impacts on the UK and, if so, there would be impacts on the Council due to:

- Lower income from planning fees, building control fees and leisure charges.
- Lower New Homes Bonus
- More applicants for housing and council tax benefit
- Higher homelessness.
- Reductions in Government Grant.

10.3 The final detail of the Government’s proposals resulting from the Hutton review of public sector pensions is still awaited. There are clear indications that changes will emerge that will reduce the cost

from options such as introducing increases to employee contribution rates, basing pensions on career averages and altering the age at which pensions become payable. Some benefit has implicitly already been taken in the Actuary's approach last year but it is not yet possible to gauge how much further benefit there might be and in what time-scale.

10.4 Other issues include:

- Council confirmation and decisions on the items contained in the savings list (Annex A)
- Levels of pay awards, inflation and interest rates
- Ability to maintain income levels
- Grant changes for 2013/14
- Impact of growth in Business Rates
- Certainty of assumptions on New Homes Bonus and loss of Formula Grant (or its replacement) to fund it.
- Costs of demographic growth
- Extra cost of Disabled Facilities Grants
- Change in Pension Fund contributions
- Ability to achieve the turnover allowance
- Impact of changes to the benefits systems.
- Future capital programmes have items with shorter asset lives resulting in higher revenue cost for repaying borrowing.
- The potential for costs relating to "orphan" contaminated land sites.
- High priority service developments not already in the MTP and any unavoidable spending requirements not referred to in this report emerging.
- Repayment of past land charge fees.

10.5 Annex D attempts to quantify a lower and higher end assumption of the costs of these items in order to give a range for the level of savings that still need to be identified.

11. REVISED SAVINGS RANGE

11.1 Based on the details in Annex D the revised range of savings still to be identified is shown below:

UNIDENTIFIED SAVINGS	Budget	MTP			
	12/13 £M	13/14 £M	14/15 £M	15/16 £M	16/17 £M
Proposed Range					
• Lower End	0.5	1.2	1.2	1.2	1.1
• Higher End	1.3	3.6	4.1	5.5	6.0

12. COUNCIL TAX OPTIONS

- 12.1 The Council currently raises £7.4m through Council Tax by charging the average band D tax payer £124.17. It is the 20th lowest of the 201 District Councils which have an average of £168 and a maximum of £310.
- 12.2 The current financial plan is based on keeping the annual Council Tax increase down to 2.5% per year. The Government intend to replace the previous capping regime with a system whereby the Council can increase the Council Tax by any sum but this would then be limited to a pre-announced Government limit if they were subsequently unable to achieve a majority in a local referendum.
- 12.3 Obviously the most critical element is the timing of the announcement and the size of the Government Limit. Clearly, if it were in excess of 2.5%, the Council could consider a higher increase. Alternatively it may be considered at some stage that Taxpayers would rather pay a higher increase to preserve services they would otherwise lose. To attempt this there would need to be very strong indications of general public support before the costs and administrative effort of undertaking a referendum were considered to be worthwhile.
- 12.4 Some examples of the reductions in savings resulting from further increases in the Council Tax level are shown below:

5% tax increase in 2012/13, an extra 2.5% (£3.10 **per year** on a band D property), would avoid £0.2M of savings.

5% tax increase for the next 5 years (Band D Council Tax at the end of £158.48) would avoid £1.1M of savings.

An increase next year to £168, the current District Council average, followed by 2.5% per year, would avoid £2.8M of savings.

13. TIMETABLE FOR BUDGET APPROVAL

13.1 The key dates in the process are shown below:

September	Forecast
8	Overview & Scrutiny
22	Cabinet
28	Council
December	Draft Budget and MTP
1	Overview & Scrutiny
8	Cabinet
14	Council
February	Final Budget, MTP and Council Tax Level for 2012/13
2	Overview & Scrutiny
16	Cabinet
22	Council

14. CONCLUSIONS

14.1 The significant levels of uncertainty about various issues means that, at least for this stage of the budget process, it is necessary to consider a range for the level of extra savings that will be required.

14.2 If higher levels of Council Tax increase were considered to be appropriate then the level of savings would reduce as illustrated in para. 12.4 above.

14.3 It is important that the Council focuses on the items that it can influence and the most significant aspects are:

- Confirmation and clarification of those items in Annex A which are still uncertain.
- Consideration of the planning assumption for future Council Tax increases
- Identification of a list of further acceptable savings that can be ready to introduce at short notice depending on the resolution of some of the unknown items.

14.4 Cabinet are required to approve the basis for calculating the Minimum Revenue Provision each year. The recommended basis is shown at Annex E.

13. RECOMMENDATIONS

Cabinet is requested to:

Approve the annuity basis for the calculation of Minimum Revenue Provision as outlined in Annex E.

Note the contents of this report

Make appropriate comments and recommendations to Council on this year's budget process

ACCESS TO INFORMATION ACT 1985

Source Documents:

1. Working papers in Financial Services
2. Financial Forecast (September 2010), 2010/11 Outturn, 2011/12 Revenue Budget and the 2012/16 MTP

Contact Officer: Steve Couper, Head of Financial Services ☎ **01480 388103**

ANNEXS

- A Identified Savings List**
- B Assumptions**
- C Summary Forecast**
- D Unidentified Savings Range**
- E Basis for calculating MRP**

IDENTIFIED SAVINGS

Scheme	SAVINGS												NOTES	
	REVENUE						NET CAPITAL							
	2011	2012	2013	2014	2015	2016	2010	2011	2012	2013	2014	2015		2016
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Reorganisation - Senior managers	-260	-400	-730	-730	-730	-730								This year will be achieved and approximately £300k in a full year based on confirmed changes. Consultation is underway on the first stage of a proposal to restructure PPP which if approved would more than achieve the 2012/13 target but leave further savings required for 2013/14. The second phase of PPP restructuring would further reduce the further savings required. Consultation has commenced on staff allowances, the 2011/12 pay award and changes to the grade structures. The 2011/12 target will not be achieved by about £110k but if the other proposals are approved then the target for subsequent years will be significantly exceeded.
Pay & allowances Review	-375	-375	-300	-350	-350	-350								Achieved Dependent upon turnover.
Reduced pay award 2010	-156	-156	-156	-156	-156	-156								
Turnover savings	-114	-114	-114	-114	-114	-114								
Increased charges for bulky waste	-20	-20	-20	-20	-20	-20								Not expected to be achieved as take up of service is reducing.
Reduce refuse collection by one round	0	-100	-100	-100	-100	-100								Round optimisation work being carried out this year but it may be more practical to defer introduction until June which would reduce next year's saving.
Recycling Gate Fees	-18													Expected to be achieved
Consultants (markets)	-5	-5	-5	-5	-5	-5								Expected to be achieved
CCTV Van - remove satellite system	-8	-8	-8	-8	-8	-8								Van sold and service ceased
Reduction in CCTV Cameras	-15	-15	-15	-15	-15	-15								No of cameras reduced and saving achieved.
Reduce CCTV to a basic service	-129	-172	-172	-172	-172	-172								Expected to be achieved
Mothball CCTV	0	-300	-300	-300	-300	-300								Service under review - range of options to be considered later in the year
Countryside - reduce staff and increase income	-101	-149	-199	-199	-199	-199								Expected to be achieved
Transfer Countryside to a trust	0	0	0	-100	-100	-100								No work undertaken as not due until 2014/15
Reduced grounds maintenance standards	0	-150	-150	-150	-150	-150								Expected to be achieved
Operations Division Reorganisation	-196	-250	-250	-250	-250	-250								Expected to be achieved

SAVINGS		REVENUE						NET CAPITAL						NOTES
		2011 £000	2012 £000	2013 £000	2014 £000	2015 £000	2016 £000	2010 £000	2011 £000	2012 £000	2013 £000	2014 £000	2015 £000	
Scheme														
Environment Strategy Funding		-20	-20	-20	-20	35								Already achieved
Small scale environmental improvements staff saving		0	-25	-50	-50	-50								Included in error - will not be achieved
Rental of space in PFH		0	-75	-150	-150	-150								Problematic - no current interest
A14 improvements - assumed cancellation		-100	0	0	0	0								Already achieved - but requirements will re-emerge when a new A14 scheme does come forward.
Planning Enforcement - staff savings		-77	-77	-77	-77	-77								Already achieved.
Planning efficiencies		-48	-48	-48	-48	-48								Already achieved.
Increase in car park charges		0	-150	-300	-300	-500								This is in addition to the three yearly inflation increases of 10% this year and in 2014/15. This year's increase will not be fully achieved because of delays in implementing the updated orders. Future years projected savings will be dependent upon formal agreement of, and then successful delivery of, an updated car parking management plan.
Transport efficiencies		0	-95	-95	-95	-95								Already achieved - but needs to be retitled as Planning efficiencies.
Community Grants reductions			-51	-294	-294	-294								£51k expected to be achieved 12/13; 2013 onwards subject to Member decision Feb 2012 (Study in hand)
Environmental Health staff savings		-201	-201	-201	-201	-201								Already achieved
Environmental & Community Health savings				-75	-75	-75								Some already achieved, target amount likely to be achieved by 2013/14
Housing staff efficiency savings		-45	-100	-100	-100	-100								Expected to be achieved (part is subject to staff consultation)
Homelessness Grant		-85	-85											Expected to be achieved
Transfer of some housing calls to call centre		-11	-11	-11	-11	-11								Budget adjustment made
Internal Audit saving		-24	-24	-24	-24	-24								Achieved
Internal Audit saving		-23	-23	-23	-23	-23								Achieved
Procurement Support to ECDC		-7	-5	-5	-5	-5								Likely
E-Marketplace		-20	-20	-20	-20	-20	5							Achieved and more anticipated.
Further Financial Services savings		-24	-48	-48	-48	-48								Approved voluntary redundancy

SAVINGS		REVENUE						NET CAPITAL						NOTES
		2011	2012	2013	2014	2015	2016	2010	2011	2012	2013	2014	2015	
Scheme		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Lower reduction in Benefits Admin Grant		-67	-56	-56	-56	-56								Subject to DWP decisions. Best information available.
Customer Services - Staff savings		-80	-90	-115	-115	-115								Will only achieve about £40k in 2011/12
Reduce call centre hours			-20	-20	-20	-20								Will be reviewed at June 2012 O&S committee
Reduce call centre system costs		0	-10	-30	-30	-30								On target to achieve £60k savings from 2013/14
Reduce Yaxley Customer Service Centre costs		-35	-35	-55	-55	-55								Hours have been reduced at Ramsey and Yaxley but not to the extent originally envisaged. Other savings have been identified to compensate and will be reflected in the draft budget in the autumn.
Reduce Ramsey Customer Service Centre costs		-30	-42	-42	-37	-37								St Ives CSC closed at end of May. Saving expected.
Reduce St Ives Customer Service Centre costs		-28	-28	-43	-43	-43								Too early to assess.
Reduce hours at Huntingdon Customer Service Centre		0	0	-7	-14	-14								
Leisure Reception Automation		-15	-15	-15	-15	-15	60							Achieved
Leisure Savings		-90	-280	-390	-490	-490								Net saving in current year is expected to be achieved. Future years are dependent upon the St Ivo development proceeding as soon as possible. Cabinet have agreed it can proceed to tender stage before making a final decision.
Transfer Leisure Centres to a Trust		0	0	0	0	-400								Requires detailed assessment and political confirmation.
Network Saving		-32	-53	-53	-53	-53								Expected to be achieved
Help Desk Saving		-75	-75											Achieved for 11/12 and should be achieved in 12/13, however, additional software Licences may be required for home workers c20k.
IMD Staff savings		-17	-23	-36	-36	-101								Expected to be achieved
IMD Contract Savings		-35	-35	-110	-35	-75								These savings should be achievable
IMD Shared Service Income		-10	-15	-20	-30	-30								Income in 2011/12 higher than forecast (expect c 30k), remaining years on target.
IMD Infrastructure Savings			-15	-15	-15	-15								Still to be confirmed but expect extra £16k per year saving but requires a one-off payment of £72k (capital).
Town Centre Partnerships - reduced funding		-40	-80	-100	-100	-100								On target to be achieved
District wide - E version only		-50	-50	-50	-50	-50								On target to be achieved
Hunts. Matters - cease production		-10	-10	-10	-10	-10								Achieved

SAVINGS		REVENUE						NET CAPITAL						NOTES
		2011	2012	2013	2014	2015	2016	2010	2011	2012	2013	2014	2015	
Scheme		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Increased licensing income		-35	-35	-35	-35	-35								Achieved
Licensing - efficiency and higher charges		-7	-14	-21	-28	-35								Expected to achieve subject to volumes holding up and above inflation increases in later years remaining unchallenged
Document Centre - efficiency and external work		-33	-40	-50	-60	-75								Expected to achieve early years based on maintenance savings. Less certainty in later years as external work still modest
Members Allowances Review					-6	4								Expected to achieve.
Members Allowances		-30	-30	-30	-30	-30								Achieved – does not take account of any changes arising from smaller cabinet and any other consequential changes.
Subscriptions		-14	-14	-14	-14	-14								Achieved-Assuming no payment to any successor to East of England Regional Assembly
Central Services - Reorganisation		-170	-220	-220	-270	-270								Achieved
Extra Car Parking, Huntingdon Town Centre		20	-18	21	19	-62	-2,166	2,166						Values and phasing subject to review dependent on final development agreements.
CCTV - Camera replacements							-81	-81	-75	-82				Awaiting decision on future of CCTV before committing any expenditure.
ICT Replacements and Server Virtualisation		10	10	10	10	10	-27	58	-60	-60				Expected
Replacement Printing Equip.							-92	70						Expected
Multi-functional Devices							-2	2	3	1	2			Expected
Provision for Bin Replacements							-114	-101	-118	-157	-204	56		Expected
Vehicle fleet replacements.							197	-217	-442	64	-101			Expected
Housing Capital Grant (non-earmarked)							-64							Expected

SAVINGS	REVENUE						NET CAPITAL						NOTES
	2011	2012	2013	2014	2015	2010	2011	2012	2013	2014	2015	2016	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Huntingdon Bus Station						-890	190	150					Expected
Crime and Disorder - Lighting improvements						-20	2					25	Expected
Huntingdon Marina Improvements							-62						Expected
Play Equipment & Safety Surface Renewal							-5	-48	-37	-33	-48		Expected
Community Facilities Grants							-69	-69	-69	-69	-69		Expected
Crime and Disorder - Lighting improvements							-25	-24	-25	-25	-25		Expected
Repairs Assistance							-90	-90	-90	-90	-90		Expected
Social Housing Grant							-500	-500	-500	-500	-500		Expected
Local Transport Plan							-83	-83	-83	-89	-89		Expected
Safe Cycle Routes							-194	-93	-93	-95	-95		Expected
St Neots Transport Strategy Phase 2							-90	-90	-80				Expected
Accessibility Improvement /Signs in footpaths and car parks							-35	-30	-30	-30	-30		Expected
Huntingdon Transport Strategy							-90	-90	-90				Expected
St Ives Transport Strategy							-80	-80	-80				Expected
Ramsey Transport Strategy							-80	-41	-45				Expected
Bus Shelters - extra provision							-41	-42	-42				Expected
St Ives Town Centre 2 - Completion							-20	-425	-509				Expected
Small Scale - District Wide Partnership							-79	-79	-80	-60	-60		Expected
AJC Small scale improvements							-86	-86	-86	-86	-86	-90	Expected
Village Residential Areas							-57	-60	-60	-60	-76		Expected
New Public Conveniences							-100						Expected
total	-2,955	-4,285	-5,456	-5,728	-6,571	-1,107	-3,939	-242	-2,226	-1,598	-836		

ASSUMPTIONS

INFLATION	for Apr 2012	for Apr 2013	for Apr 2014	for Apr 2015	for Apr 2016
<i>Performance Pay</i>	2.0%	2.0%	2.0%	2.0%	2.0%
<i>Pay award</i>	1.0%	2.5%	2.5%	2.5%	2.5%
<i>Prices</i>	2.5%	2.5%	2.5%	2.5%	2.5%
<i>electricity</i>	3.7%	13.2%	6.0%	13.2%	6.0%
<i>gas</i>	0.0%	1.8%	3.4%	6.5%	12.7%
<i>fuel</i>	8.5%	5.0%	5.0%	5.0%	5.0%
<i>car park charges \$\$</i>			10.0%		
<i>planning fees</i>	15.0%	2.5%	2.5%	2.5%	2.5%
<i>Pension rate</i>	17.8%	17.8%	17.8%	17.8%	17.8%

\$\$ in addition to increases in MTP

Utility inflation will be reviewed at draft budget stage

INTEREST RATES	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017
Temporary Borrowing and Investments	1.00%	1.60%	2.60%	3.60%	4.50%	4.50%
PWLB 40 year borrowing	5.50%	5.60%	5.70%	5.60%	5.40%	5.30%

Provision has been made for lump sum pension payments to cover the underfunding of the Pension Fund as opposed to having higher employers' contributions as agreed in last year's MTP. There is an off-setting fall in the inflation provision.

A forecast of £150k per year for One Leisure's out-performance of their savings targets has been included.

A saving of around £100k per year has been achieved from a recent Insurance retendering exercise and is included in the plan.

There is potential for slippage on certain MTP schemes including the St. Ivo Leisure Centre development and the new Multi-storey car park in Huntingdon and these will be assessed in detail at the draft budget stage.

FORECAST	BUDGET		MTP				FORECAST							
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
2011/12 BUDGET/MTP	22,615	21,348	20,998	21,452	20,949	21,793	22,027	22,647	23,284	23,937	24,610	25,301	26,010	26,740
Variations:														
Interest	-53	-114	-141	-168	-70	-83	-128	-170	-210	-247	-279	-308	-332	-353
Provision for Loan Repayments (MRP)	-64	-69	-79	-93	-106	-40	-118	-207	-232	-319	-409	-492	-565	-657
Inflation	-660	-488	-1,004	-1,313	-1,440	-1,749	-1,623	-1,459	-1,427	-1,343	-1,328	-1,386	-1,553	-1,836
Unidentified Savings	0	751	811	1,374	1,784	2,027	2,511	2,580	2,565	2,594	2,419	2,064	1,536	884
MTP Variations	310	746	989	1,228	1,268	1,268	1,268	1,268	1,268	1,268	1,268	1,268	1,268	1,268
total	-467	826	576	1,029	1,437	1,423	1,910	2,012	1,965	1,954	1,671	1,146	354	-694
NEW FORECAST	22,148	22,174	21,574	22,481	22,386	23,216	23,937	24,659	25,249	25,891	26,281	26,447	26,364	26,046
FUNDING														
Use of revenue reserves	-3,122	-3,363	-1,753	-2,162	-772	0	0	0	0	0	0	0	0	0
Remaining revenue reserves EOY	11,050	7,687	5,934	3,772	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
New Homes Grant	-832	-1,712	-2,673	-3,521	-4,662	-5,912	-6,268	-6,611	-6,808	-7,042	-6,983	-6,591	-5,936	-5,027
Special Council Tax Grant	-184	-184	-184	-184	0	0	0	0	0	0	0	0	0	0
Formula Grant (RSG)	-10,522	-9,288	-9,086	-8,476	-8,548	-8,624	-8,706	-8,792	-8,883	-8,981	-9,109	-9,336	-9,569	-9,809
Collection Fund Deficit	-105	0	0	0	0	0	0	0	0	0	0	0	0	0
Council Tax	-7,383	-7,627	-7,878	-8,137	-8,404	-8,679	-8,963	-9,256	-9,557	-9,868	-10,189	-10,519	-10,860	-11,210
COUNCIL TAX LEVEL	£124.17	£127.27	£130.46	£133.72	£137.06	£140.49	£144.00	£147.60	£151.29	£155.07	£158.95	£162.92	£166.99	£171.17
% increase	0.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
£ increase	£0.00	£3.10	£3.18	£3.26	£3.34	£3.43	£3.51	£3.60	£3.69	£3.78	£3.88	£3.97	£4.07	£4.17
Forecast Capital Spending	11,933	3,321	3,005	2,441	2,777	3,101	3,231	3,272	3,417	3,566	3,718	3,875	4,035	4,200
Accumulated net "Borrowing" EOY	29,168	31,131	32,536	33,091	33,721	34,400	35,077	35,567	35,928	36,258	36,575	36,889	37,244	37,639
Net Interest and Borrowing Costs	472	1,132	1,673	2,193	2,614	2,935	3,098	3,353	3,645	3,841	4,021	4,195	4,329	4,470
- total	2%	5%	8%	10%	12%	13%	13%	14%	14%	15%	15%	16%	16%	17%
- as % of total net spending														
Unidentified Spending	0	0	-150	-150	-191	-1	-121	-635	-1,194	-1,477	-2,116	-3,057	-3,845	-4,892
Adjustments still required														

IMPORTANT – These spending adjustments are before allowing for Risks and Unknowns – See Section 11.1 & Annex D for the proposed range.

REVISED UNIDENTIFIED SAVINGS RANGE

Paragraph 9 and Annex C of the Report are based on those issues where it is reasonably straightforward to make an assessment of the financial impact of the items.

Section 11 highlights the many items where this is not possible and so the following two tables propose revised savings levels based on a low end and high end view of these difficult to assess items.

LOW END ASSUMPTION	Extra savings needed (+) ##:				
	12/13	13/14	14/15	15/16	16/17
	£M	£M	£M	£M	£M
Initial level (Section 9 and Annex C of the report)	0.0	0.2	0.2	0.2	0.0
1% increase in pay award in 2012/13 @@	0.2	0.2	0.2	0.2	0.2
2% extra reduction in Government Grant in 2013/14		0.2	0.2	0.2	0.2
0.4% growth per year in Business Rates from 2014/15			-0.2	-0.4	-0.6
10% Reduction in New Homes Bonus grant due to slower housing completions	0.1	0.2	0.3	0.4	0.5
Reduction in Government Grant equivalent to 10% of New Homes Bonus increase from 2013/14		0.1	0.2	0.2	0.3
0.425% increase in net spending every year to cover cost of increased population. There is no provision for demographic growth in the forecast.	0.1	0.2	0.3	0.4	0.5
Extra £1M for disabled facilities grants this year and £0.5M in future years	0.1	0.2	0.2	0.3	0.4
	0.5	1.1	1.2	1.3	1.5
Savings Items					
Over achievement on Pay & allowances Review \$\$		-0.4	-0.5	-0.6	-0.7
Over achievement on Reorganisation \$\$	-0.2				
Minimalist CCTV - save 2/3rds	0.1	0.1	0.1	0.1	0.1
Community Grants reductions – save 2/3rds		0.1	0.1	0.1	0.1
Minor savings items	0.1	0.1	0.1	0.1	0.1
	0.0	-0.1	-0.2	-0.3	-0.4
Low end assumption	0.5	1.2	1.2	1.2	1.1

\$\$ Subject to staff consultation

@@ If RPI does not fall and there is thus a need for higher than the budgeted 2.5% pay awards this could logically be funded from higher than 2.5% Council Tax increases.

HIGHER END ASSUMPTION	Extra savings needed (+) ##:				
	12/13	13/14	14/15	15/16	16/17
	£M	£M	£M	£M	£M
Initial level (Section 9 and Annex C of the report)	0.0	0.2	0.2	0.2	0.0
1% increase in pay award every year @@	0.2	0.5	0.7	1.0	1.3
3% loss in Leisure Centre fees and charges from 12/13	0.2	0.2	0.2	0.2	0.2
4% extra reduction in Government Grant in 2013/14		0.4	0.4	0.4	0.4
0.4% growth per year in Business Rates from 2014/15			-0.2	-0.4	-0.6
30% Reduction in New Homes Bonus grant due to slower housing completions	0.3	0.6	0.8	1.2	1.5
Reduction in Government Grant equivalent to 15% of New Homes Bonus increase from 2013/14		0.1	0.2	0.3	0.4
0.85% increase in net spending every year to cover cost of increased population. There is no provision for demographic growth in the forecast.	0.2	0.4	0.6	0.9	1.1
Removal of turnover allowance due to lower turnover and employee numbers		0.3	0.3	0.3	0.3
Residual cost of fraud team if not funded by Government		0.1	0.1	0.1	0.1
Potential reduction in tax base from non-collectable Council Tax following localisation reductions	0.1	0.1	0.1	0.1	0.1
Extra £1M for disabled facilities grants this year and £0.5M in future years	0.1	0.2	0.2	0.3	0.4
	1.1	2.9	3.4	4.4	5.2
Savings Items					
Over achievement on Pay & allowances Review \$\$		-0.3	-0.4	-0.5	-0.6
Over achievement on Reorganisation \$\$	-0.2				
Basic CCTV save 1/3rd	0.2	0.2	0.2	0.2	0.2
Transfer Countryside to a trust - save none			0.1	0.1	0.1
Rental of space in PFH - save half		0.1	0.1	0.1	0.1
Increase in car park charges - save half	0.1	0.2	0.2	0.3	0.3
Community Grants reductions - save 1/3rd		0.2	0.2	0.2	0.2
Transfer Leisure Centres to a Trust – save none				0.4	0.4
Minor savings items	0.1	0.1	0.1	0.1	0.1
	0.2	0.5	0.5	0.9	0.8
Higher end assumption	1.3	3.6	4.1	5.5	6.0

@@ Assumes RPI does not fall and thus a need for higher than the budgeted 2.5% pay awards. This should logically be funded from higher than 2.5% Council Tax increases.

NOT INCLUDED IN EITHER ASSUMPTION	Extra savings needed (+) ##:				
	12/13	13/14	14/15	15/16	16/17
	£M	£M	£M	£M	£M
1% increase in non-pay inflation rate if fees and charges adjusted appropriately each year&&				0.1	0.1
2% increase in Pension Fund contributions in 2013/14		0.4	0.4	0.4	0.4
1% increase in all interest rates from 2011/12 onwards	0.1	0.1	0.0	0.1	0.1

&& Excludes income items where above inflation increases already assumed

Reorganisation	Extra savings needed (+) ##:				
	12/13	13/14	14/15	15/16	16/17
	£M	£M	£M	£M	£M
Target Saving	-0.4	-0.7	-0.7	-0.7	-0.7
Achieved	-0.3	-0.3	-0.3	-0.3	-0.3
PPP phases 1 and 2 \$\$	-0.3	-0.3	-0.3	-0.3	-0.3
Still required	-0.2	0.1	0.1	0.1	0.1

\$\$ Excludes any protection and redundancy costs

ANNUAL MINIMUM REVENUE PROVISION POLICY 2011/12

When a Council finances capital expenditure from borrowing, the resulting costs are charged to the Council Taxpayers over the whole life of the asset so that those who benefit from the asset share the cost. There are two elements to the cost – the interest on the borrowing is charged in the year it is payable, whilst the money to repay the sum borrowed is charged as a “minimum revenue provision” (MRP) to the revenue account each year, starting with the year after the borrowing takes place. Once money is in the MRP it can only be used for repaying borrowing.

The Department for Communities and Local Government (DCLG) has issued guidance on what constitutes prudent provision and this requires the Council to determine an approach and publish this each year.

There are three options for the calculation of the MRP:

Equal annual installments

This is the easiest and simplest approach but the combination of the equal installments of principal and the reducing interest makes the cost high to start with but then reducing year by year.

Depreciation basis

The Depreciation basis is the most complex. It starts by mirroring the equal annual installments method but also requires adjustments every time the life of an asset is varied.

Annuity basis

By setting the rate for the annuity equal to the expected long term borrowing rate the cost is the same for each year like a conventional mortgage. It is only marginally more work than the equal installments approach. This was the basis agreed in previous years.

The Annuity basis is, by far, the most equitable approach and it is therefore proposed that it continues to be the Council’s MRP policy.

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FINANCIAL FORECAST
(Report by the Overview and Scrutiny Panel (Economic Well-Being))

1. INTRODUCTION

- 1.1 At its meeting held on 8th September 2011, the Overview and Scrutiny Panel (Economic Well-Being) considered the report by the Head of Financial Services on the Financial Forecast. The following paragraphs contain a summary of the Panel's discussions on the report.

2. THE PANEL'S DISCUSSIONS

- 2.1 The Panel has discussed the approach the Council might take to setting the Council Tax for 2012/13. Having recommended that analysis of the implications of not increasing Council Tax next year should be included in the options under consideration, it has been noted that it would require an increase of 30% for Huntingdonshire to reach the current average level of Council Tax for District Councils. It has also been pointed out that an increase of 5% would cover the lower end of the unidentified savings. Members are, therefore, of the view that all of the options for Council Tax merit serious consideration.
- 2.2 With regard to the Council's planned savings through pay and allowances, the Panel has been advised that changes to the salary scale, which are currently the subject of consultation with employees, will make savings significantly greater than those included in the budget. The changes are designed to reflect changes in the employment market, but Members have stressed the need to ensure they apply to all levels of employees to demonstrate equity and leadership in this matter.
- 2.3 On a related matter, it has been suggested that the Council should take into account whether front-line or support services are involved when planning to make savings. The Council's support services will be the subject of a study by the Panel, which will commence shortly. The view has further been expressed that the Council should examine the opportunities to make savings amongst those functions that do not appear in Annex A to the report by the Head of Financial Services. There will be a need for Overview and Scrutiny to monitor the effect of the savings on service levels to the public.
- 2.4 Owing to the level of uncertainty associated with the Financial Strategy and changes in the Council's circumstances since last year, a comment has been made that the Council should review its existing plans, adopt a flexible approach and be more rigorous in its identification and analysis of options for changes to the way services are delivered.
- 2.5 Other comments made during the Panel's deliberations include the expression of a view that as a non-statutory function the leisure service should make greater savings than those currently planned and that the Council should not assume it will get the full benefit of the New Homes Bonus as parishes will expect to have a say in how it is used.

2.6 Having concluded their discussions, the Panel has recommended the Cabinet to:

- approve the annuity basis for the calculation of Minimum Revenue Provision as outlined in Annex E to the report, and
- note the contents of this report.

3. CONCLUSION

3.1 The Cabinet is invited to consider the discussions of the Overview and Scrutiny Panel (Economic Well-Being) as part of their deliberations on this item.

Contact Officer: A Roberts, Scrutiny and Review Manager
☎ 01480 388015

Background Documents

Report and Minutes of the meeting of the Overview and Scrutiny Panel (Economic Well-Being) held on 8th September 2011.

**OVERVIEW & SCRUTINY
(ENVIRONMENTAL WELL BEING)
CABINET**

13TH SEPTEMBER 2011

22ND SEPTEMBER 2011

CAMBRIDGESHIRE RESIDENTIAL TRAVEL PLAN GUIDANCE (Report by Head of Planning Services)

1. INTRODUCTION

- 1.1 The purpose of this report is to consider the draft Cambridgeshire Residential Travel Plan Guidance that has been developed by the County Council in discussion with the City and District Councils.
- 1.2 The report also considers the schedule for taking the Guidance forward, including the Consultation Plan.

2. BACKGROUND INFORMATION

- 2.1 A Residential Travel Plan (RTP) is a package of measures which seeks to increase sustainable travel at a residential development. It does this by reducing the need for travel, reducing single-occupancy car travel and by providing and encouraging the use of more sustainable travel choices, such as walking, cycling, public transport, car sharing and car clubs.
- 2.2 The concept of Travel Plans is one that has become more popular over recent years, particularly due to the environmental and economic benefit of reducing congestion, which in turn reduces the contribution of road transport to air pollution and climate change.
- 2.3 National and regional guidance and policy has not in the past required Local Planning Authorities to request RTPs. However, the draft National Planning Policy Framework (draft NPPF) which the Government is currently consulting on does make it clear (in paragraphs 89 and 90) that Travel Plans are a key tool in facilitating the use of sustainable travel modes which support reductions in greenhouse gas emissions and congestion. In particular, the draft NPPF states (in paragraph 90) that "All developments which generate significant amounts of movement, as determined by local criteria, should be required to provide a Travel Plan".
- 2.4 Local Planning Authorities in Cambridgeshire have worked together to develop the draft Cambridgeshire Residential Travel Plan Guidance (or "the draft Guidance") as a means of ensuring that RTPs are provided as part of planning applications by developers. In effect this will enable City and District Councils to request RTPs from

developers for residential developments. The Local Transport Plan (LTP3) also carries reference and support for RTPs, with them being mentioned alongside all other types of travel plans.

- 2.5 This document is being taken forward by the County Council as Supplementary Guidance, which will have similar weight to a statutory Supplementary Planning Document in decision making if it has been subject to a) public consultation, b) Sustainability Appraisal, and c) been endorsed by County, City and District Council Members.
- 2.6 The content of the draft Guidance has been agreed between the County, City and District Officers.
- 2.7 The draft Guidance has been subject to Sustainability Appraisal to ensure that it contributes to sustainable development, by considering all social, economic and environmental factors. The Sustainability Appraisal revealed that the draft Guidance is likely to have positive effects in all social, environmental and economic areas, except for one social area (crime and fear of crime), where the Guidance is likely to have no obvious effects. Both the draft Guidance and the Sustainability Appraisal are available as Background Papers to this report.

3. PROPOSALS

- 3.1 In accordance with national guidance, the schedule to develop the Guidance includes carrying out a 6-week period of public consultation. Prior to any such exercise being undertaken, the City and District Council's are presenting this draft Guidance, including the Sustainability Appraisal and the Consultation Plan to Members, for them to note and to allow them to provide feedback.
- 3.2 The draft Guidance and its supporting Sustainability Appraisal are large documents that can be found on the Member Services pages of Modern Gov at the following link;
http://projects.huntsdc.gov.uk/Members_Services/default.aspx
- 3.3 The detailed Consultation Plan can be found at Appendix 1.
- 3.4 Following this consideration and feedback, the draft Guidance will be revised to allow public consultation to be undertaken and following the completion of this exercise and its consideration thereof and revisions made, it will then be presented for adoption as Supplementary Guidance by all the Cambridgeshire Local Authorities.

4. IMPLICATIONS

- 4.1 There are no significant Resource or Performance implications associated with this work.

4.2 In terms of Climate Change, the draft Guidance encourages developers to promote sustainable alternatives to the car as part of their developments, such as walking, cycling and public transport. In so doing, this draft Guidance will assist in reducing harmful emissions across the County, thereby assisting in reducing the impact of climate change and will assist in improving air quality.

4.3 In terms of Access and Inclusion, the draft Guidance will help to enhance access to services by promoting a wider range of sustainable transport options, and encourage wider social benefits such as promoting active travel that can assist in improving both health and community well-being.

5. CONCLUSIONS

5.1 This work builds on national and local policy and guidance as outlined at Appendix 2 and follows good practice in having a definitive guide for Cambridgeshire and the benefits that will ensue for the County as a whole as outlined in the report.

5.2 At the conclusion of the consultation, the results and emerging recommendations will be reported to Members, as well as those at County, City & other District level, at a later date.

6. RECOMMENDATION

It is RECOMMENDED;

- i) **to note the draft Cambridgeshire Residential Travel Plan Guidance as a basis for public consultation**

BACKGROUND INFORMATION

LTP 3.

Cambridgeshire Residential Travel Plan Guidance - Sustainability Appraisal Scoping Report (May 2010).

Cambridgeshire Residential Travel Plan Guidance - Habitats Regulations Assessment Screening Report (May 2010).

Contact Officer: Paul Bland – Planning Services Manager (Policy)

 **01480 388430**

Appendix 1

Consultation Plan

Document	Consultees	Method of communication	Consultation outcome
Consultations up to December 2010			
<ul style="list-style-type: none"> ▪ Residential Travel Plan (RTP) Guidance 	CCC Teams	Email, meetings	Agreed
	Planning Policy Forum	Email, meetings	Agreed
	Chief Planning Officers	Meetings	Agreed
	CCC Members – Environment Services Spokes	Meeting	Noted
<ul style="list-style-type: none"> ▪ Habitats Regulations Assessment (HRA) Screening Report 	Natural England	Email	Approved
	Wildlife Trusts	Email	No comments
	RSPB	Email	No comments
<ul style="list-style-type: none"> ▪ Sustainability Appraisal (SA) Scoping Report 	Natural England	Email	Approved
	Environment Agency	Email	Approved
	English Heritage	Email	No comments
Consultation of County Members prior to District Member consultation and Public Consultation, January/February 2011			
<ul style="list-style-type: none"> ▪ RTP Guidance ▪ SA Scoping Report ▪ Consultation Plan 	CCC Members - Growth and Environment Policy Development Group (PDG)	Meeting	
<ul style="list-style-type: none"> ▪ RTP Guidance ▪ SA Scoping Report ▪ Consultation Plan 	CCC Members - Cabinet	Meeting	
Informal Consultation with District Members, March to September 2011			
<ul style="list-style-type: none"> ▪ RTP Guidance 	Cambridge City Council -	Meeting	

Document	Consultees	Method of communication	Consultation outcome
<ul style="list-style-type: none"> ▪ SA Scoping Report ▪ Consultation Plan 	Development Plan Steering Group (DPSG)		
	East Cambs District Council (DC) Members	Meeting	
	Fenland DC Members	Meeting	
	Hunts DC Members	Meeting	
	South Cambs DC Members	Meeting	
Public Consultation¹ for 6 weeks – date to be agreed			
<ul style="list-style-type: none"> ▪ RTP Guidance ▪ SA Scoping Report 	Statutory and non-statutory consultees	Email, post, County & District websites and main receptions, press adverts	
County & District Consultation following Public Consultation – to be agreed			
<ul style="list-style-type: none"> ▪ RTP Guidance ▪ Consultation Statement 	Planning Policy Forum	Email or meeting	
	Chief Planning Officers	Meeting	
	Development Control Managers	Meeting	
Endorsement of RTP Guidance – to be agreed			
<ul style="list-style-type: none"> ▪ RTP Guidance ▪ Consultation Statement 	CCC Members - Growth and Environment PDG	Meeting	
	CCC Members - Cabinet	Meeting	
	Cambridge City Council Members	Meeting	
	East Cambs DC Members	Meeting	
	Fenland DC Members	Meeting	
	Hunts DC Members	Meeting	
	South Cambs DC Members	Meeting	

Further Supporting Information on the Guidance

National Policy and Guidance

Currently residential travel plans are not well-established in national planning policy. *Planning Policy Guidance 13 (PPG 13)* explicitly supports local authorities requesting travel plans from developers, but this policy only specifies travel plans for workplaces and for schools.

The draft National Planning Policy Framework (July 2011) is expected to replace existing PPGs and PPSs by the Spring of 2012, and this specifically states that Travel Plans are a key tool in facilitating reductions in greenhouse gas emissions and congestion from all new developments which generate significant amounts of movement..

Department for Transport (DfT) later released the guidance *Making Residential Travel Plans Work (2005)* which seeks to establish the place of residential travel planning in the planning process.

Residential travel planning is further supported by DfT's *Smarter Choices – Changing the Way We Travel (2004)*. This document stresses the importance of using 'softer' measures, such as travel planning, to persuade people to travel sustainably, alongside 'hard' measures such as providing transport infrastructure. The DfT has published proven results of the effectiveness of Smarter Choices in influencing travel behaviour.

Local Policy and Guidance

One of Cambridgeshire's Local Transport Plan (LTP) objectives is "*to develop integrated transport and to promote public transport, walking, cycling and other sustainable forms of transport.*" More specifically, the LTP makes reference to Smarter Choices and dedicates a whole chapter to Smarter Travel Management.

In addition, the County Council's Climate Change and Environment Strategy (CCES) clearly identifies the importance of sustainable travel, as a way of reducing the county's greenhouse emissions:

Climate Change Policy 5 (CC5): "We will work to bring about a shift to more sustainable transport (smarter travel), including walking, cycling and public transport."

The CCES itself has been developed from national policy and indicators. Therefore this Guidance will contribute towards reducing climate change, by encouraging sustainable travelling at new residential developments in Cambridgeshire.

Cambridgeshire County Council has been working collaboratively with local planning authorities to produce the Residential Travel Plan guidance. Once complete, it will allow local planning authorities to use the guidance in preparing their Local Planning Documents. Currently South Cambridgeshire District is the only authority which has an adopted policy, which explicitly requires the preparation of Residential Travel Plans. It is envisaged that local planning authorities will adopt this Guidance as Supplementary Guidance to enable them to have a stronger policy backing to request Residential Travel Plans from developers.

The purpose of the Guidance is to provide a background on Residential Travel Plans,

to explain the residential travel planning process, and to specify the local requirements for Residential Travel Plans.

This Guidance is intended for use by developers, consultants, Cambridgeshire's City and District Councils, and any other stakeholders involved in the residential travel planning process.

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**CAMBRIDGESHIRE RESIDENTIAL TRAVEL PLAN GUIDANCE
(Report by the Overview and Scrutiny Panel (Environmental Well-Being))**

1. INTRODUCTION

- 1.1 At its meeting held on 13th September 2011, the Overview and Scrutiny Panel (Environmental Well-Being) considered the report by the Head of Planning Services on the Cambridgeshire Residential Travel Plan Guidance. The following paragraphs contain a summary of the Panel's discussions on the report.

2. THE PANEL'S DISCUSSIONS

- 2.1 The Panel has reviewed the draft Residential Travel Plan (RTP) Guidance, which has been developed by the County Council in discussion with the City and District Councils. It has been noted that adoption of the Guidance is intended to make the County Council's policy position more robust.
- 2.2 Members have focussed on the threshold above which an RTP will be requested. It is proposed that Huntingdonshire will require an RTP for any development with 80 or more dwellings. This is in accordance with national Guidance on Transport Assessment (Department for Transport, 2007). However, other District Councils have indicated they will use a lower figure. Fenland District Council will use 25 dwellings or more and South Cambridgeshire District Council will use 20 dwellings or more, or, if this is not known, where the site area is 0.5 hectares or more. The Panel is of the view that the requirement to produce an RTP represents a significant burden for developers and that the figure proposed by Huntingdonshire is required for the policy to be viable.
- 2.3 The Panel has suggested that social housing agencies should be included in the Consultation Plan in Appendix 1 to the report by the Head of Planning Services. Some Members of the Panel have also commented on the apparent inconsistency demonstrated by the County Council by introducing the requirement for developers to produce RTPs when it is reducing its support for public transport.
- 2.4 At the conclusion of their discussions the Panel endorsed the Cambridgeshire Residential Travel Plan Guidance.

3. CONCLUSION

- 3.1 The Cabinet is invited to consider the discussions of the Overview and Scrutiny Panel (Environmental Well-Being) as part of their deliberations on this item.

Contact Officer: A Roberts, Scrutiny and Review Manager 01480 388015

Background Documents - Reports and Minutes of the meeting of the Overview and Scrutiny Panel (Environmental Well-Being) held on 13th September 2011.

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**OVERVIEW & SCRUTINY PANEL
(ECONOMIC WELL BEING)**

08 SEPTEMBER 2011

CABINET

22 SEPTEMBER 2011

**DISABLED FACILITIES GRANT BUDGET
(Report by the Head of Housing Services)**

1. PURPOSE OF REPORT

- 1.1 This report informs Cabinet that the demand for disabled facilities grants (DFGs) will exceed the 2011/12 budget provision. It explores the reasons for this and provides options for dealing with the situation.

2. BACKGROUND INFORMATION

- 2.1 The Council must award a DFG for work to achieve one or more of a set of purposes defined by statute. DFGs are awarded on the recommendation of an occupational therapist (OT) and funds aids and adaptations like ramps, stair lifts and level access showers. Occasionally the works required are more involved and may result in an extension to a property, if this is the best solution. DFGs enable elderly and disabled people to live independently and therefore contribute towards their quality of life. The Council must be satisfied that a DFG is necessary and appropriate and that to carry it out is reasonable and practicable. The Council is expected and required to set a budget that can cope with the likely level of demand placed upon it.
- 2.2 A local authority must inform the applicant in writing of the outcome of an application as soon as reasonably practicable and not later than six months after the date of the application.
- 2.3 When demand exceeds available budget authorities are able to defer payment of approved cases for up to 12 months but this cannot be used to limit demand or reduce expenditure. When money becomes available these approved cases are first in line to be paid followed by all the other cases for that financial year. This approach does not solve the problem it merely defers the problem.

3. REASONS FOR INCREASED DEMAND/COST

- 3.1 The waiting time for OT assessment for HDC residents compared to other districts has been longer. Over the last 3 years the OT service has put extra resources into Huntingdonshire. This has resulted in higher referral rates. The waiting time has been broadly equitable with other districts since May 2011. It was anticipated that the volume of referrals would reduce once equity had been achieved but this has not been the case so far. The OT service has reported a general increase in demand.

Year	Number of OT referrals	Average per month
2009-10	347	28.92
2010-11	404 (+57)	33.67
2011-12	134 (April to July)	33.5

3.2 There were 135 enquiries outstanding from last year at the end of December 2010. These jobs, because of the lead time to prepare, have carried over for funding in the current year. In addition, the referrals in the current year from the OT service have, so far, continued at the higher rate of the previous year.

3.3 Grants Approved.

Year	Grant Approvals	Average number per month
2009-10	188	15.66
2010-11	320 (+132)	26.66 (+11)
2011-12	98 (April to 30 August)	19.6

APPROVED GRANTS			
	2009/10	2010/11	2011/12 (to 30 August)
Number			
Adult	167	300	93
Child	21	20	13
Total	188	320	106
Total cost	£	£	£
Adult	790,293	1,507,862	502,321
Child	231,424	298,982	223,238
Total	1,021,717	1,806,844	725,559
Average cost	£	£	£
Adult	4,732	5,026	5,401
Child	11,020	14,949	17,172
All	5,435	5,646	6,845

*Grants approved in the year will not equal spend in year due to works/payments overlapping financial years.

3.4 There has been a general increase in the number of referrals including higher value works such as conversions and extensions to homes (see tables at 3.3 and 3.10). Some of the approvals last year are a cost to this year's budget.

3.5 The Child OT service has reported that their considerable backlog of complex cases has now been addressed due to increased staffing resources. They are now visiting children's cases within their 18 week target.

3.6 They have commented that the nature of children's disability has changed over the years, and continues to change. The advances in medical care mean that children are surviving now who would have previously died, a portion of these children are surviving with very profound and complex disability.

3.7 The OT service has said that it is difficult to predict workflows because whilst there is no longer a long waiting list of children who have waited up to two years there is an increasing number of severely disabled children surviving in to childhood and with a more complex pattern of disability.

- 3.8 An additional influence on increased costs has been the introduction of new building regulation since last October which has increased the thermal insulation requirements of extensions and conversions. Builders have stated that over the last year there has been a significant increase in material costs and plumbing materials eg copper pipes and fittings etc have doubled in price.
- 3.9 The following two tables are a breakdown of the table of 'Approved Grants' at paragraph 3.3.

APPROVED WORKS (Grants) EXTENSIONS/CONVERSIONS			
	2009/10	2010/11	2011/12 (to 30 August)
Number			
Adult	3	9	5
Child	5	10	7
Total	8	19	12
Total cost			
Adult	71,924	196,654	129,866
Child	105,565	235,715	168,338
All	177,489	432,369	298,204
Average cost			
Adult	23,975	21,850	25,973
Child	21,113	23,571	24,048
All	22,186	22,756	24,850

- 3.10 It is difficult to predict the average cost of child cases because they are tailored to the individual's sometimes complex needs in comparison to adult adaptations that in general relate more to standard jobs such as access to bathing facilities.

APPROVED OTHER WORKS (Grants)			
	2009/10	2010/11	2011/12 (to 30 August)
Number			
Adult	164	291	88
Child	16	10	6
Total	180	301	94
Total cost			
Adult	718,369	1,311,208	372,455
Child	125,859	63,267	54,900
All	844,228	1,374,475	427,355
Average cost			
Adult	4,380	4,506	4,232
Child	7,866	6,327	9,150
All	4,690	4,566	4,546

- 3.11 There is insufficient budget 2011/12 to progress the following cases. Not all of these works are capable of completion during 2011/12.

APPLICATIONS ALREADY RECEIVED (AWAITING APPROVAL)			
	Extensions/conversions	Other	Total
Number			
Adult	12	75	87
Child	7	13	20
Total	19	88	107
	£	£	£
Total cost			
Adult	300,000	537,950	837,950
Child	170,000	87,500	257,500
All	470,000	625,450	1,095,450
Average cost			
Adult	25,000	7,173	9,632
Child	24,286	6,731	12,875
All	24,737	7,107	10,237

4. FUNDING REQUIREMENT 2011/12

- 4.1 The funding requirement of demand capable of being completed/commenced and requiring payment during 2011/12 is as follows:

	Number of cases 2011/12	Funding Requirement £000	
Budget			1,217
Spend at 24 August		528	
Approved and committed		619	
Sub total		1,147	1,147
Remaining budget			70
Applications capable of completion (already in the system but not approved*)		626	
New applications expected Sept - December** (at 20 approvals per month)	80	560	
Sub total		1,186	1,186
Budget shortfall			1,116

*Approximate cost - builders quotes not received.

**applications take approximately 3 months to process so those received between January and March will be funded from the following year's budget. The mix between large and small jobs is unknown. It is assumed that there will be considerably less extensions/conversions for child cases. The average number of grant approvals has been assumed to be 20 per month. An average grant of £7k has been used for estimation purposes.

5. OPTIONS

- 5.1 The table below shows the increase in capital investment and revenue impact for different service levels that could be provided (delays in applicants receiving adaptations to their homes).

Delay in Completion of Adaptation Months	Extra Cost	
	Capital £000	2012/13 Revenue Impact £000
0	1,116	104
3		78
6		52

- 5.2 If the additional budget required is to be delayed by six months this could be included as part of an MTP process for additional resources for 2012/13.

6. CONCLUSIONS

- 6.1 The combination of increased demand/referrals for DFGs and the increased cost of DFGs means that 2011/12 budget is insufficient if the Council wishes to continue its current approach of dealing with DFGs without delay, recognising that any delay in providing DFGs would have a detrimental impact on the quality of life of those requiring adaptations to their home.
- 6.2 To maintain the current level of service, an increase of £1.116m would be required to the 2011/12 budget. These Grants are funded over 10 years and so the additional revenue cost will be £104k in 2012/13 but rising to around £134k for the remaining nine years. This would enable the Council to fund the backlog of DFG applications in addition to those that will be received during the year until December.
- 6.3 Investigations are ongoing to establish the likely demand going forward. It is likely that an increased budget provision will be required in future years and this will form part of the MTP review in the autumn.
- 6.4 Any delay in approvals is likely to result in complaints and adverse media.
- 6.5 The approval of a supplementary estimate will be a key decision.

7. RECOMMENDATION

- 7.1 It is recommended that Cabinet determine the service standard to be provided, by reference to the table at paragraph 5.1, and approve the applicable supplementary capital estimate.

BACKGROUND INFORMATION

Nil

**Contact Officer: Steve Plant, Head of Housing Services
01480 388240**

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DISABLED FACILITIES GRANT BUDGET
(Report by the Overview and Scrutiny Panel (Economic Well-Being))

1. INTRODUCTION

- 1.1 At its meeting held on 8th September 2011, the Overview and Scrutiny Panel (Economic Well-Being) considered the report by the Head of Housing Services on the Disabled Facilities Grant Budget. The following paragraphs contain a summary of the Panel's discussions on the report.

2. THE PANEL'S DISCUSSIONS

- 2.1 The Panel has noted that there has been an increase in demand for Disabled Facilities Grants (DFGs) in 2011/12 and consequently there are insufficient funds to progress a number of cases in the current year. It is estimated that to maintain the current level of service, an increase of £1.116m would be required to the 2011/12 budget. The Panel has noted that there are a number of different service levels that can be provided to those who required adaptations to their homes, which would result in differing delays to completion times. Members have also advised there is an option for authorities to defer payment of approved cases for up to 12 months but this cannot be used to limit demand or reduce expenditure. It merely defers the problem to the following year.
- 2.2 In considering the options which are available, Members have been reminded that Cabinet has previously agreed that applications for DFGs should be dealt with as expeditiously as possible. Having recognised that any delay in providing DFGs could have a detrimental impact on the quality of life of those who require adaptations, Members are of the opinion that the Council should continue with its current policy and the Cabinet is invited to approve a supplementary capital estimate with no delays in applicants receiving adaptations to their homes.

3. CONCLUSION

- 3.1 The Cabinet is invited to consider the discussions of the Overview and Scrutiny Panel (Economic Well-Being) as part of their deliberations on this item.

Contact Officer: A Roberts, Scrutiny and Review Manager
 **01480 388015**

Background Documents

Report and Minutes of the meeting of the Overview and Scrutiny Panel (Economic Well-Being) held on 8th September 2011.

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