

**EPPING FOREST DISTRICT COUNCIL**  
**NOTES OF A MEETING OF FINANCE AND PERFORMANCE MANAGEMENT SCRUTINY**  
**PANEL**  
**HELD ON TUESDAY, 13 JANUARY 2009**  
**IN COUNCIL CHAMBER, CIVIC OFFICES, HIGH STREET, EPPING**  
**AT 7.00 - 9.10 PM**

<b>Members Present:</b>	D Jacobs (Chairman), G Mohindra (Vice-Chairman), K Angold-Stephens, J Philip, A Watts and J M Whitehouse
<b>Other members present:</b>	R Bassett, M Cohen, Mrs D Collins, Mrs A Grigg, Mrs H Harding, Mrs M Sartin, D Stallan, Ms S Stavrou and C Whitbread
<b>Apologies for Absence:</b>	M Colling and J Hart
<b>Officers Present</b>	J Gilbert (Director of Environment and Street Scene), A Hall (Director of Housing), P Haywood (Chief Executive), D Macnab (Deputy Chief Executive), P Maddock (Assistant Director Accountancy), B Moldon (Principal Accountant), R Palmer (Director of Finance and ICT), J Preston (Director of Planning and Economic Development), S Tautz (Performance Improvement Manager), S Dave (Senior Accountant), A Hendry (Democratic Services Officer) and S Mitchell (PR Website Editor)

**43. WEBCASTING INTRODUCTION**

The Chairman made a short address to remind all present that the meeting would be broadcast on the Internet, and that the Council had adopted a protocol for the webcasting of its meetings.

**44. SUBSTITUTE MEMBERS (COUNCIL MINUTE 39 - 23.7.02)**

The Panel noted that there were no substitute members.

**45. DECLARATION OF INTERESTS**

No declarations of interest were made.

**46. MINUTES**

The notes from the previous meetings held on 20 October and 11 November 2008 were agreed.

**47. TERMS OF REFERENCE / WORK PROGRAMME**

The Panel discussed if item 10 on the work programme, 'medium term financial strategy' should be taken off the programme as the figures were not available in time to go to the January meeting. The report went to the Cabinet Finance Committee and then to the full Cabinet meeting.

The Panel decided that they would like the report in February after it had been to the Finance Cabinet Committee.

**RESOLVED:**

- (i) That the medium term financial strategy report be put to the February meeting.
- (ii) That in future years if timescales allow, that the Finance and performance Management Scrutiny Panel be consulted on the Medium Term Strategy in parallel with the Cabinet Finance Committee.

#### **48. DATA QUALITY STRATEGY - REVIEW**

The Panel considered the report on the review of the Council's Data Quality Strategy Review. The report was introduced by the Performance Improvement Manager, Mr S Tautz.

Members were advised that performance information was increasingly being used for the external assessment of the authority's performance and that the strategy set out a commitment to ensure arrangements for ensuring that the quality of key data met the highest standards.

It was noted that the Data Quality Assessment undertaken by the Council's external auditors was the first stage of an annual performance indicator audit. Although part of this assessment related to the quality of performance data, the audit also looked in detail at corporate data quality arrangements.

This was the first time that the Data Quality Strategy had been reviewed since its adoption in 2006. The review had been carried out not only to satisfy the recommendations of the Audit Commission following its data quality work in 2007/08, but also to identify opportunities for changes and improvements to the strategy in order to also address other data quality issues.

The following areas for improvement were detailed in the revised version of the strategy:

- the establishment of a formal timetable for the compilation and submission of relevant performance indicator data in a timely manner, to reduce gaps in completion rates and ensure that occurrences of incorrectly complete returns is reduced;
- regular analysis of performance indicator data to validate the existence of an effective audit trail and ensure the accuracy of each indicator and its supporting data;
- the incorporation of quality assurance procedures relating to the compilation and submission of performance indicator data into the Data Quality Strategy;
- the sharing of data quality good practice throughout the Council;
- the production of detailed guidance on the compilation and submission of performance indicator data, tailored to the Council's own information systems, for issue to operational staff; and
- the routine quarterly reporting of performance against performance indicators to the Corporate Executive Forum.

Councillor Philip commented that section 2.1 had to reference to a structured audit trail, should this not be part of the strategy. Mr Tautz replied that they had tried to weave in an audit trail throughout the document. They had also introduced a range of controls around the PIs so that Directors could sign off on them. Internal audit also carry out an annual audit, but he would add more references to the text.

Councillor Whitehouse asked if the TEN Performance Management system was only a single data entry system. He was told that it was, as the data was only inputted once by responsible officers within service directorates.

Councillor Angold-Stephens, referring to paragraph 5.8 of the strategy said that an officer should be identified to be responsible for the annual review. Mr Tautz was happy to take this suggestion forward.

In reference to paragraph 7.1, Councillor Angold-Stephens asked if any comparisons with any similar councils were undertaken and would we gain anything from doing this? Mr Tautz said that there were regular cross council performance officer meetings and that councils in Essex had likely adopted similar strategies. Any comparisons made would only be useful for Essex authorities.

Councillor Watts said his main concern was that the strategy was something in isolation and not something that could be related back to the day to day workings of the Council. He did not see enough of the daily output being linked to our daily systems and then into the final strategy outcomes. There needed to be an extra paragraph, perhaps in paragraph 2.1, to state the information being produced is for this strategy. Mr Tautz agreed to take this on board and add suitable text.

#### **RESOLVED:**

That, subject to the amendments proposed by the Scrutiny Panel, the review undertaken of the Council's Data Quality Strategy be endorsed.

#### **49. DETAILED BUDGET REPORTS**

The Director of Finance and ICT, Mr Palmer, introduced the draft detailed budgets for the General Fund and the Housing Revenue Account (HRA). It was intended that the recommendations from the Panel would go to the Overview and Scrutiny Committee on 29 January 2009 and then on to the Cabinet.

The Panel noted that the current year's estimates were prepared against the background of economic turmoil that had affected all local authorities. There had also been a poor settlement from the government for the support grant; this year was only 1%, next year 0.5% and the same for the year after.

There were still some items to come forward, so the draft budget was still very much a work in progress. The Council was looking to add about half a million pounds to the reserve. The Council's Policy is that we return a general fund reserve of 25% of the total budget.

Councillor K Angold-Stephens said that the Council Tax target had been set at 2.5%, was that still the case? Mr Palmer replied that the Finance Cabinet Committee, in December 2008 had confirmed that the Council Tax would be set at 2.5%.

Councillor Whitehouse wanted to know what assumptions the officers had made about salaries and inflation for the year. He was told that officers had assumed a 2.5% increase on salaries and a 2.5% increase in inflation.

The Panel then went through the various portfolio holders estimates. The attending portfolio holders introduced each section.

**Leaders Portfolio:**

Councillor Mrs Collins introduced the Leaders portfolio estimates. The key points being:

**Total Portfolio Budget –**

- Original estimate 2008/09 £2.728m, revised 08/09 to £2.542m and 09/10 £2.489m.
- Year on year reduction of £239,000 that was due to a CSB saving of £144,000 from the top management restructure; and
- A DDF saving of £90,000 as there were no District elections next year.

**Growth Items –**

- CSB growth items of £42,000 to fund increase in member's allowances recommended by the independent remuneration panel; and
- £10,000 for ongoing work on the development of the Community Strategy.
- Main item of DDF spend was the improvements to the main reception area, which had been re-phased with £11,000 in 08/09 and £20,000 in 2009/10.

The Panel noted that:

**Elections –**

£35,000 reduction year on year due to £90,000 DDF.

There were saving from having no District elections next year being off-set by an increase in recharges from the Policy Unit.

**Corporate Activities –**

£43,000 reduction year on year due to the savings from the top management restructure. These savings had been reduced by increased recharges to Corporate Policy Making and CSB growth of £10,000 was included for work on the Community Strategy.

**Member Activities –**

A £146,000 reduction year on year, due to significant fall in support service recharges following the management and portfolio restructure.

**Other activities –**

This area has also benefited from a reduction in support service recharges and had reduced from £46,000 to £31,000.

**Support Services –**

A £45,000 year on year reduction included a £10,000 CSB saving on consultation budget. This saving arose from bringing together activities previously performed separately in the Performance Management Unit and Public Relations.

Councillor Philip asked if the County and European elections were being fully reimbursed why was a spend still showing. He was told that the budget still had to cover staff costs.

Councillor Whitehouse asked if the increase in member allowances included member travel costs. He was told that they were included.

**Community Wellbeing Portfolio**

Councillor Ms S Stavrou introduced the Community Wellbeing portfolio estimates. The key points being:

Total Portfolio Budget –

- Original estimate for 2008/09 shown as £1.034m, with revised 08/09 £1.089m and 09/10 £1.167m.
- A reduction of £683,000 on the published 08/09 budgets had resulted from the transfer of Concessionary Fares to the Civil Engineering and Maintenance Portfolio.
- The year on year increase on the amended figures of £133,000 was primarily due to inflation and changes in staff time allocations.

Growth Items –

- CSB growth of £115,000 for Safer Communities had been included in the original budget, but due to the time taken to recruit to new posts this growth had now been re-phased.
- A CSB saving of £16,000 had arisen from the furniture exchange scheme coming to an end.
- DDF spending had been increased by £5,000 in 08/09 and £11,000 in 2009/10 for a new Safer Communities project in association with the Home Office.

The Panel noted that:

Emergency Planning –

Year on year increase of £27,000 arose from changes in support service allocations. There was no CSB growth or savings items and no DDF items either. The joint arrangements with Essex County Council remain in place and the post of Emergency Planning Officer, previously added to the establishment, should ensure that the Council was able to meet its duties under the Civil Contingencies Act.

Voluntary Sector –

Year on year reduction of £5,000. The saving of £16,000 from the end of the furniture exchange scheme had been offset by inflationary increases to grants budget, Voluntary Action Epping Forest and Citizens Advice Bureaux.

Safer Communities –

The annual increase in budget of £111,000 was mainly due to the increase in recharges to this area. This was in line with the significant increase in activity in this area as part of the Safer, Cleaner Greener initiative.

CSB growth of £115,000 in the original budget had increased to £128,000 and was now split over 08/09 and 2009/10. This was due to the time taken to recruit to new posts and their higher than anticipated scoring through job evaluation.

The only additional DDF item was a Home Office project, the funding for which was received in 2007/08.

Other key spending areas in 2009/10 included £94,560 contribution towards the provision of 6 Police Community Support Officers and £46,130 for graffiti removal.

Welfare Transport –

This budget was unchanged at £18,000.

Councillor Whitehouse reminded the Panel that the furniture exchange scheme had not been discontinued, just suspended. He then asked if the graffiti removal budget

was enough. He was told that the majority of the graffiti removal costs was met from the Housing Revenue Scheme, and that the budget was sufficient.

### **Corporate Support & ICT Services Portfolio**

Councillor M Cohen introduced the Corporate Support & ICT Services portfolio estimates. The key points being:

#### Total Portfolio Budget –

- Original estimate for 2008/09 now shown as net income of £601,000 with revised 08/09 £448,000 and 09/10 £335,000.
- This Portfolio did not exist when the original budgets for 08/09 was published and these amounts had been extracted from other portfolios.
- The most significant change that had contributed to the year on year decrease in net income of £266,000 was on Local Land Charges.
- The collapse in the property market had led to a reduction of £250,000 in income from Land Charges which had only been partially compensated for by a reduction of £31,000 in costs paid to Essex County Council for their contribution to searches.

#### Growth Items –

- Significant growth had also been necessary for utility costs and an additional £112,000 was split between CSB and DDF over 08/09 and 09/10.
- The split between CSB and DDF reflected advice from the Office for Government Commerce that wholesale energy prices had reduced considerably from their peak.
- The other new item of CSB growth was £18,000 for web casting, which had moved on from being a pilot project to now being part of the Council's core activities.

The Panel noted that:

#### Land and Property –

Net income was down £21,000 year on year. This was largely due to changes in staff time allocation that had seen gross expenditure increase by £42,000. This had been twice the increase in gross income of £21,000, from £1.080m to £1.101m.

#### Other Activities –

More than doubled from a cost of £173,000 in 08/09 to £400,000 in 09/10. This had largely been caused by the collapse of income for Local Land Charges, which was anticipated to fall by £250,000.

The other significant change was the inclusion of £50,000 of DDF for consultancy to help develop the future strategy for North Weald Airfield.

#### Regulatory Services –

No significant change as net expenditure moved from £6,000 up to £24,000. Due to uncertainty arising from changes in regulatory regimes additional income of £49,000 in 08/09 had been treated as DDF rather than CSB.

#### Legal & Administration Services –

Virtually unchanged year on year with the original estimate only moving by £3,000 from £1.453m to £1.450m. No CSB growth items in this area.

**Accommodation Services –**

Year on year spending down £141,000 from £1.920m to £1.779m. This was due to a reduction in DDF spending on office accommodation, which had fallen from £277,000 to £45,000.

The DDF reduction had more than outweighed the CSB growth of £62,000 included for higher utility costs in 08/09.

A further £50,000 had been allowed for utility costs in 09/10 in the DDF, as this was the portion of the price increase that was unlikely to be maintained in the long term.

**ICT & Other Support Services –**

Significant year on year reduction of £726,000 from £3.804m to £3.078m, although a large proportion of this had come from re-classifications of costs rather than absolute savings.

The Human Resources budget had reduced by £210,000, partly due to the Assistant Director for HR now being included in the Corporate Support Policy Group but a post was deleted in HR as part of the restructuring.

The Estates & Valuation budget had reduced by £165,000 but this was mostly due to re-allocations to the new facilities management cost centre.

The ICT budget had reduced by £286,000 as cost savings were achieved through the restructure and also through changing the network maintenance arrangements. As ICT was now part of the Directorate of Finance & ICT the Assistant Director of ICT post was now included in the Financial Policy Group and this had reduced the costs shown.

It was an inevitable consequence of any restructuring that in the first year it would be more difficult to make comparisons between estimates. These comparisons should be more meaningful next year when the estimates would be prepared on a consistent basis.

Councillor Angold-Stephens noted that the licensing and registration had a loss of £57k; could the Council do anything to put it back into balance? He was told that fees were fixed by statute.

**Finance and Performance Management Portfolio**

Councillor C Whitbread introduced the Finance and Performance Management portfolio estimates. The key points being:

**Total Portfolio Budget –**

- Original estimate for 2008/09 now shown as £1.969m, with revised 08/09 £1.504m and 09/10 £1.561m.
- An increase of £761,000 on the published 08/09 budgets had resulted from the transfer of Corporate Support Services and ICT to a new separate Portfolio.
- The year on year decrease on the amended figures of £408,000 resulted primarily from the removal of the £175,000 contingency and DDF changing from a spend of £61,000 on the 08/09 original to a net credit of £13,000 in 2009/10.

**Growth Items –**

- There was a net year on year CSB reduction of £334,000, although if the CSB fall in investment income of £217,000 were shown within the portfolio figures the overall movement in CSB would be substantially reduced.
- The main CSB increases was £93,000 on pension costs and £22,000 due to lower government support for benefit administration.

## DDF –

- The DDF had benefited from some significant additional income. The largest single item was a transfer of £460,000 from the Insurance Fund, as the balance on that fund was deemed excessive.
- A credit of £264,000 was included for additional investment income, although this position reverses dramatically over the next couple of years.

The Panel noted that:

## Housing Benefits –

Gross expenditure in 2009/10 in this area would be £39m, although the vast majority of this was recovered from Government grant.

Year on year there was a net CSB reduction of £9,000; this had been achieved despite the government reducing support for benefit administration by £22,000 in 08/09 and a further £33,000 in 09/10.

Significant DDF spending is included in 08/09 for the implementation of the new Revenues and Benefits software. While the software was being changed in January there would be a period of time during which no claims could be processed. This position had been exacerbated by the large increase in claims resulting from the current economic downturn.

To deal with the backlog of claims when the new system goes live and minimise delays experienced by the public £35,000 of DDF money had been made available to fund a short term “Hit Squad”.

## Local Taxation –

Net expenditure up £74,000 year on year, which was mainly due to inflation as there were no significant CSB growth items.

As for Benefits, there was significant DDF expenditure in 08/09 on the new software system. However, no additional resource is currently planned for 09/10.

## Other Activities –

Moved from net cost of £66,000 on 08/09 original to net income of £392,000 in 09/10. The majority of this difference (£420,000) arose from the time lag between setting the support service recharges and completing the budget.

Calculating recharges was a time consuming process that provided the foundations that the budgets are built on. However, the need to use initial estimates to produce the recharges meant that it was inevitable that by the end of the budget process some of the initial figures would have changed. These differences were grouped for estimate purposes, although the recharges for the final accounts was based on actual costs. Normally there was little overall fluctuation in this figure; however this had changed from a debit of £250,000 in 08/09 to a credit of £170,000 in 09/10 to produce the overall movement of £420,000.

## Support Services –

These costs were all recharged and the year on year increase from £1.557m to £1.669m included no significant growth items.

The largest single reason for the increase was the change in Finance General Admin from £117,000 to £188,000. This was because under the organisational restructuring the ICT admin team, previously included as part of Corporate Support, was combined with the Finance admin team.

## Interest Earnings –

Officers and Councillors were all aware of the turbulence that had been seen in financial markets and the substantial reductions in interest rates. The exceptionally



high rates seen during 08/09 meant that despite the recent falls overall interest earnings this year would exceed the original estimate and £264,000 would be added to the DDF.

However, the effect of the much lower rates would be felt in 09/10 and CSB growth of £217,000 had been allowed for this.

Further growth was also included for subsequent years as the long-term deals at higher rates expire.

Councillor Philip noted that the bad and doubtful debts had been retained at £20k into the new year. Mr Palmer noted that every effort was being made to pursue the debts, but with the current financial situation it was likely to affect a lot more people. This was kept under constant review, but this level seems prudent for now.

Councillor Angold-Stephen asked why the Council had not budgeted for an increase in District Auditor fees in 2009/10. Mr Palmer replied that with the Comprehensive Area Assessment replacing some of what was done, there was not likely to be a cost increase in 2009/10.

### **Planning and Economic Development Portfolio Holder**

Councillor Mrs Griggs introduced the Planning and Economic Development Portfolio estimates. The key points being:

Total Portfolio Budget –

- Original estimate for 2008/09 now shown as £2.744m, with revised 08/09 £2.502m and 09/10 £2.940m.
- A reduction of £136,000 on the published 08/09 budgets had resulted from the transfer out of Countrycare and the transfer in of Environmental Co-ordination.
- The year on year increase on the amended figures of £196,000 was primarily due to a higher level of DDF spending in 2009/10, as this had increased from £427,000 to £644,000.

Growth Items –

- Few net changes to CSB as this only moved £21,000 between the years.
- High level of DDF spending in 09/10, with £432,000 allocated to the Local Development Framework.
- In view of the costs of lost planning appeals in 08/09 a contingency of £100,000 has been included in the DDF for 09/10.

The Panel noted that:

Direct Services –

£123,000 net increase year on year due to work on Local Development Framework. This was a vast project for the service and in total £1.137million of DDF had been allocated to the LDF to the end of 2011/12.

In the revised estimates for 2008/09 Forward Planning also had £66,000 of DDF for design briefs for Loughton Broadway and Epping.

The other increase worth noting was on Economic Development where two vacant posts had been filled.

Regulatory Services –

£73,000 net increase year on year. An increase has been seen in the number and cost of planning appeals and this had been reflected in the shift in recharges. This

had caused a reduction in the Development Control budget but an increase in the Planning Appeals budget.

This budget had also been increased by the inclusion of the £100,000 contingency for appeal costs mentioned earlier.

The Building Control Ring Fenced account was also shown in this section. This account was required to break even on a rolling three-year basis. To achieve this it was necessary to increase fees by 8% from April 2009, as the account was currently in deficit.

Support & Trading Services –  
£23,000 net decrease year on year not significant and no CSB growth items.

Councillor Whitehouse wanted to know what Developing Business Networks and Enhanced Business Contacts covered. The Director of Planning and Economic Development, Mr J Preston said that they were using staff to enhance business contacts. The budget was also used for developing systems and events with the business community, such as a business breakfast.

Councillor Mrs Grigg informed the Panel that the Epping Design brief and Loughton Broadway were likely to be completed this year. The Local Development Fund had been more work than anticipated. A report in November 08 indicated that an additional resource was not required, but it was to be in six months. It now appeared that more resources would be needed.

In response to a query from Councillor Whitehouse about the contingency appeal fund, Councillor Mrs Grigg said that the Council had not been too successful in its appeals last year and had put in a contingency of £100k in place as a DDF and not a CSB as they had hoped it would not continue indefinitely.

Councillor Jacobs asked if the £143,000 Local Development Framework expenditure for 2009/10 included any grant money. Mr Preston said that there were no grants available at present.

### **Leisure and Young People Portfolio**

Councillor Mrs Harding introduced the Leisure and Young People Portfolio estimates. The key points being:

Total Portfolio Budget –

- Original estimate 2008/09 £3.569m, revised 08/09 £3.615m and 09/10 £3.796m. So year on year increase of £227,000, of which £199,000 was on Leisure Facilities.

Growth Items –

- Main CSB growth followed from the extension of the contract with SLM to manage Epping Sports Centre. As the contract extension starts in January the growth was split over two years and totals £140,000. This had been partly offset by withdrawal from the joint use agreement for Waltham Abbey, which should save £68,000 in 09/10.
- The level of DDF spending in 08/09 had increased from £5,000 to £82,000. This was due to the loss of income from Hangar 1 during the first three quarters of the year.

- The largest item in the DDF programme for 09/10 was £55,000 for possible redundancies arising from the changes at Epping and Waltham Abbey sports centres.
- Temporary support for Limes Farm hall was also included at a cost of £48,000.

The Panel noted that:

#### Leisure Facilities –

Year on year increase of £199,000, although £70,000 of this was DDF rather than CSB. The primary cause of the increase was the extension of the contract for Epping Sports Centre mentioned above. When the management of the leisure centres was externalised a seven-year contract was entered into, although in anticipation of possible changes in service provision the Epping Sports Centre was only on a three-year contract. The anticipated changes had not materialised and so it had been necessary to negotiate an extension with SLM to put Epping on the same basis as the other centres.

The decision had also been made to withdraw from the joint use agreement for Waltham Abbey sports centre; although a feasibility study was being conducted into the provision of additional facilities at Waltham Abbey Swimming Pool.

#### Arts & Museum –

Year on year decrease of £40,000. This was due to a reduction in staff time allocations to Community Arts. There was no growth or savings items.

#### Parks & Grounds –

Year on year increase of £34,000, as savings on other budgets had offset an increase of £40,000 on Open Spaces Maintenance. Half of this increase was due to increased insurance premiums with the remainder coming from increased grounds maintenance and nursery recharges.

#### North Weald Centre –

Little movement year on year but net income in 08/09 down £82,000 on revised budget. As mentioned earlier no income was received for Hangar 1 for most of 08/09 and the lack of a tenant also left the Council responsible for the National Non-Domestic Rates.

#### Sports Development & Miscellaneous –

Most significant change was the addition of £48,000 net DDF to support Limes Farm Hall in 09/10.

#### Support & Trading –

Year on year change of only £8,000, no CSB or DDF items.

Councillor Philip asked why there was an increase in the Youth Council budget. Councillor Mrs Harding replied that when they started, they had access to a lot of external funding, but not any more, so the Council had to make up the difference.

Councillor Jacobs asked about the free public swimming. He was told that it was a national scheme introduced for the over 60's.

### **Civil Engineering and Maintenance Portfolio**

Councillor Bassett introduced the Civil Engineering and Maintenance Portfolio estimates. The key points being:

## Total Portfolio Budget –

- Original estimate for 2008/09 now shown as £1.792m, with revised 08/09 £1.331m and 09/10 £1.620m.
- An increase of £911,000 on the published 08/09 budgets had resulted from the transfer of Concessionary Fares and Countrycare to this Portfolio.
- The year on year decrease on the amended figures of £172,000 was primarily due to reduction in the net cost of concessionary fares.

## Growth Items –

- CSB growth items were largely unchanged from original to revised 08/09, with no new growth items in 09/10.
- An additional saving in 08/09 of £20,000 has been generated by increased MOT income.
- The DDF was now shown as a credit for 08/09 as the specific grant for the national travel scheme was likely to exceed the increase in expenditure.
- In 2009/10 there was £148,000 of spending on remedial works to watercourses, although this was a re-phasing and not a new scheme.

The Panel noted that:

## Highways –

Net decrease year on year of £27,000 due to a reduction in staff time allocations.

## Car Parking –

Year on year increase in net income of £55,000. This had arisen through increased season ticket sales and higher usage levels. As part of the measures to support the local economy, the parking tariffs had not been increased for 09/10.

## Land Drainage &amp; Sewerage –

Net increase year on year of £47,000, due to DDF spend on watercourse works increasing from £90,000 in 08/09 to £148,000 in 09/10.

## Countrycare –

Year on year reduction of £25,000, due to deletion of a temporary and a trainee post.

## Concessionary Fares –

Year on year reduction of £112,000. With the introduction this year of the national scheme the government provided specific grants to fund these changes.

To date the additional take up of passes has been considerable but less than anticipated.

## Support &amp; Trading Services –

These costs were all recharged and the year on year decrease was £166,000 from £1.79m to £1.624m.

The largest saving comes from the removal of two posts in Engineering as part of the corporate restructure.

These figures also benefited from the £20,000 of additional MOT income mentioned earlier.

Councillor Watts asked why there was £30,000 under the Countrycare heading. Councillor Bassett said that they had a trainee and a temporary post which had not been filled and these were rolled over into the next year. Councillor Watts said it would be good if officers could look at government funding for this as it would be

good if at least the trainee post could be reinstated. Mr Preston was happy to look into the availability of government funding.

Councillor Angold-Stephen noted that DEFRA had taken over responsibility for water courses and that the Council had lost a post last year because of this.

### **Environmental Protection Portfolio**

Councillor Mrs Sartin introduced the Environmental Protection Portfolio estimates. The key points being:

#### **Total Portfolio Budget –**

- Original estimate for 2008/09 now shown as £6.465m, with revised 08/09 £6.6m and 09/10 £7.054m.
- A reduction of £98,000 on the published 08/09 budgets had resulted from the transfer of Environmental Co-ordination and Licensing to other Portfolios.
- The year on year increase on the amended figures of £589,000 had arisen through increases in both Environmental Health and Waste Management budgets.

#### **Growth Items –**

- A decision was still to be taken on the changes to the Waste Management service but as it was clear that some change will occur, £150,000 had been included in both CSB and DDF for 2009/10.

The Panel noted that:

#### **Environmental Health –**

Net expenditure up £265,000. Neighbourhoods & Rapid Response had increased by £422,000 to £516,000. This increase was partly offset by reductions in other areas as staff allocations within the Environmental Health Group had changed to reflect the emphasis on this new area. This was a key part of the Safer, Cleaner Greener initiative and it was now fully operational.

#### **Waste Management –**

The revised estimate for 08/09 was up £62,000 on the original as the DDF item of £162,000 for additional sacks was only partly offset by the additional recycling credit income of £124,000.

Net expenditure was up £324,000 year on year.

Negotiations are ongoing with Sita and Essex County Council about the development of the service.

It was acknowledged that the current method of collecting green waste with biodegradable sacks was costly and unsustainable. Exactly how this will be resolved had not yet been determined and is likely to involve CSB, DDF and capital resources. In view of this, CSB growth of £150,000 had been included in both 2009/10 and 2010/11 and a DDF allocation of £150,000 had been made for 2009/10.

An additional Cabinet meeting had been called for 19 January to consider a number of different alternatives, although it was hoped to contain any proposals within the CSB and DDF amounts already included in the budget.

#### **Support & Trading Services –**

No significant changes, no CSB growth and no DDF expenditure.

Councillor Philip noted that the budget for Contaminated Land and Water Quality had almost doubled. The Director for the Environment and Street Scene, Mr J Gilbert said there was a shake up in allocations and staffing changes. There was also a lot of research work on potential sites for land contaminates and government legislation on water courses had caused an increase in the budget.

Councillor Whitehouse asked when the neighbourhood rapid response vehicle would be available. He was told that the vehicle was due in March 09, when the staff would need training on it.

Councillor Angold-Stephens asked about waste management. The council was in discussions with SITA over the existing contract and about sacks. Had any of these thoughts been factored into the figures or would there be new bids. Councillor Mrs Sartin said that they had been factored into the figures.

### **Housing Portfolio, General Fund**

Councillor Stallan introduced the Housing, General Fund Portfolio estimates. The key points being:

Total Portfolio Budget –

- Both original and revised estimates for 2008/09 £1.941m and 09/10 £1.323m. So year on year reduction of £618,000 with largest movements being Affordable Housing Grants, which were down by £723,000.

Growth Items –

- There was no new CSB growth for 09/10 as the £12,000 shown as growth was a re-phasing of growth previously allowed for a staff appointment to a new post.
- DDF funding of £20,000 has been included in 09/10 to support the rental loan scheme.

The Panel noted that:

Private Sector Housing –

Net expenditure had decreased year on year by £214,000.

The first significant change was to Private Sector Grants, which had now been re-phased over future years to better reflect the Council's capacity to implement these works. This had reduced year on year expenditure by £259,000.

In part this had been balanced by an increase of £67,000 in the Care & Repair budget.

The increase arose from changes to salary and overhead allocations.

Homelessness –

Net expenditure up £48,000 year on year. The homelessness sub-category had increased by £25,000 and this was mostly due to £20,000 of DDF funding for the rental loan scheme.

Bed & Breakfast accommodation had increased by £23,000, the largest single reason for which is the increase in room rental costs.

Other Activities –

Net expenditure down £452,000 year on year. The main constituent of this relates to Affordable Housing Grants.

The budget can fluctuate significantly and indeed there was a large variation between the Original 08/09 and Revised 08/09. This was due to the uncertainty around the timing of the various capital schemes.

This was capital expenditure but as no Council owned asset was created it had to be written off to the revenue account. The amount was reversed out in the overall estimate summary and so despite the distortion caused to the Housing General Fund estimates there was no net effect.

Councillor Philip asked why the Bed and Breakfast budget for 2009/10 was going down. He was told that there was now a reduced reliance on the use of B&B accommodation. The homeless were dealt with much earlier so that it did not result in homelessness.

### **Housing Portfolio, Housing Revenue Account Estimate 2009/10**

The Panel noted that:

That the allocation was governed by legislation.

The estimated expenditure for 2008/09 was £33,740,000, revised to £34,272,000, and for 2009/10 was £34,562,000; a year on year increase of £858,000.

The contributions to repairs fund had reduced by £400,000.

The Council was expected to pay £11,193,000 in housing subsidy payable to the government. This had been increased by £351,000; a better settlement than expected when the 5 year forecast was done in March 2008.

The budget proposed was prepared on the basis of a 4% rent increase.

The government had effectively put rent restructuring on hold for 2 years and stated that we should not increase our rate by 7%, particularly in the current financial climate.

A 4% increase would bring the deficit in 2009/10 to £388,000. If there was a lower figure for the rent increase then the deficit would be larger, around £650,000.

The net expenditure under the supervision of management had decreased year on year to £61,000.

Cost to sheltered units had increased year on year by £374,000, the substantial part of this increase relates to energy costs.

There was a net increase year on year of £9,000 on rent and rates and taxes.

The net income from interest reduced year on year by £694,000, substantially lower than expected in the original 5 year forecast.

Councillor Whitehouse asked if the commercial income that comes into the HRA, rents etc., was predicting no change. Was that a prudent approach based on the current economic climate. He was told that it was.

#### **RESOLVED:**

That the draft detailed budget for the general fund and the HRA had been considered and noted by the Panel.

#### **50. ANY OTHER BUSINESS**

It was noted that there was no other urgent business for consideration by the Panel.

#### **51. REPORTS TO BE MADE TO THE NEXT MEETING OF THE OVERVIEW AND SCRUTINY COMMITTEE**

To report back to the Overview and Scrutiny Committee with a general update on the panel's discussion on the Budget reports.

**52. FUTURE MEETINGS**

The schedule for future meetings were noted.