Report to the Finance and Performance Management Cabinet Committee
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Date of meeting: 17 January 2011

Epping Forest District Council

Portfolio: **Finance and Economic Development**

Subject: **Council Budgets 2011/12**

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Recommendations/Decisions Required:

(1) That the Committee considers the Council's 2011/12 General Fund budgets and makes recommendations to the Cabinet meeting on the 31 January 2011 on adopting the following:

(a) the revised revenue estimates for 2010/11, which are anticipated to reduce the General Fund balance by £307,000;

(b) a reduction in the target for the 2011/12 CSB budget from £17.1m to £16m (including growth items);

(c) an increase in the target for the 2011/12 DDF net spend from £0.9m to £1.1m;

(d) no change in the District Council Tax for a Band 'D' property to keep the charge at £148.77;

(e) the estimated reduction in General Fund balances in 2011/12 of £248,000;

(f) the four year capital programme 2011/12 – 14/15;

(g) the Medium Term Financial Strategy 2011/12 – 14/15;

(h) the Council's policy on General Fund Revenue Balances to remain that they are allowed to fall no lower than 25% of the Net Budget Requirement.

(2) That the Committee recommends to the Cabinet that the 2011/12 HRA budget including the revised revenue estimates for 2010/11 be agreed;

(3) That the Cabinet be requested to note that rent increases and decreases proposed for 2011/12 are to be applied in accordance with the Government's rent reforms and the Council's approved rent strategy to give an average overall increase of 7.2%;

(4) That the Committee recommends to the Cabinet that the established policy of capitalising deficiency payments to the pension fund is maintained, in accordance with the partial Capitalisation Direction obtained from the Department for Communities and Local Government;

(5) That the Committee notes the Chief Financial Officer's report to the Council on the robustness of the estimates for the purposes of the Council's 2011/12 budgets and the adequacy of the reserves.

Executive Summary:

This report sets out the detailed recommendations for the Council's budget for 2011/12. The budget uses £0.25m of reserves but this is affordable and the Council's policy on the level of reserves can be maintained throughout the period of the Medium Term Financial Strategy (MTFS). Over the course of the MTFS the use of reserves to support spending peaks at £0.8m in 2013/14 and reduces to £0.5m in 2014/15.

The budget is based on the assumption that Council Tax will be frozen for two years and that average Housing Revenue Account rents will increase by 7.2% in 2011/12.

Reasons for Proposed Decisions:

The decisions are necessary to assist Cabinet in determining the budget that will be placed before Council on 22 February 2011.

Other Options for Action:

Members could decide not to approve the recommended figures and instead specify which growth items they would like removed from the lists, or Members could ask for further items to be added.

Report:

1. On 31 January 2011 the Cabinet will receive the minutes and recommendations contained therein of this meeting and will then make recommendations to Council for the setting of the Council Tax and budget on 22 February 2011.

2. The annual budget process commenced with the Financial Issues Paper being presented to this Committee on 27 September 2010. The paper was prepared against the background of anticipated cuts in public expenditure, ongoing difficulties within the economy and highlighted the uncertainties associated with:

   a) Likely reductions in grant as part of the next Comprehensive Spending Review (CSR)
   b) Changes in the block grant allocation formulas
   c) Effects of the "Credit Crunch" and reduced activity in the housing market
   d) Transfer of commercial property from the Housing Revenue Account to the General Fund
   e) Using up of capital reserves on non-revenue generating assets
   f) Next triennial pension valuation
   g) Capitalisation of pension deficit payments
   h) Public sector re-organisation/shared services

3. There is now greater clarity on some of these issues, but several of them will not be resolved for some time. The key areas are revisited in subsequent paragraphs.

4. In setting the budget for the current year Members had anticipated using £544,000 from the general fund reserves. It was felt that, given the strength of the Council's overall financial position, it was able to sustain a deficit budget to support the local economy and that net spending could be managed down over the medium term.

5. The revised four year forecast presented with the Financial Issues Paper took into account all the additional costs known at that point and highlighted the likely reduction in grant support of 25% over the next CSR period. This projection showed a need to achieve savings of £500,000 on the 2011/12 estimates, £900,000 in 2012/13, £500,000 in 2013/14 and £400,000 in 2014/15 to keep revenue balances above the target level at the end of 2014/15.

6. Members adopted this measured approach to reduce expenditure in a progressive and controlled manner. It was felt that a reduction was needed in the budget figures for 2011/12 as the first step in this process, followed by increased savings in 2012/13 to give time for an in depth public consultation to inform decisions on future service provision.

7. The budget guidelines for 2011/12 were therefore established as:

    i. The ceiling for CSB net expenditure be no more than £17.1m including net growth/savings.

    ii. The ceiling for DDF net expenditure be no more than £0.9m.

    iii. The District Council Tax to be frozen.

The Current Position

8. The draft General Fund budget summary is attached as Annex 1. The main year on year resource movements are highlighted in the CSB Growth and DDF lists, which are attached as Annexes 2 and 3. In terms of the guidelines, the position is set out below, after an update on each of the key areas highlighted in the Financial Issues Paper.

a) Likely Reduction in Grant as part of the next CSR

9. The Financial Issues Paper was written before the headline figures for the CSR were announced in mid October and anticipated grant reductions of 9% in 2011/12 followed by reductions of 8% in 2012/13 and 2013/14. The actual reductions were only announced in mid December and covered only the first two years of the CSR. After removing items like concessionary fares funding to get a "like for like" figure the actual reductions in block grant are 15.7% in 2011/12 and 11.4% in 2012/13. In monetary terms the actual grant for 2010/11 of £9.4m is reduced to an adjusted figure of £8.7m and then to £7.3m for 2011/12 and £6.5m for 2012/13.

10. The funding picture is complicated by two additional funding streams, firstly additional grant for Councils that freeze Council Tax and secondly the New Homes Bonus. If a Council decides not to increase its Council Tax for 2011/12 it is eligible for a grant equivalent to a 2.5% increase in Council Tax. This funding appears to be available for 2011/12 and 2012/13 but beyond that the announcements from the DCLG are somewhat vague. Members had previously stated that Council Tax would be frozen for 2011/12 and the Financial Issues Paper was written on that basis.

11. The New Homes Bonus provides an incentive for Councils to encourage residential development in their areas. Grant will be payable to Councils based on the year to year increase in their tax base, the amount of grant is likely to be payable for six years and should commence from 1 April 2011. However, the consultation on the calculation of the bonus and how it is to be shared between district and county levels only closed on 24 December and no firm date has been given by DCLG for confirming the details of the scheme. Whilst such uncertainty exists over the calculation and the amounts payable it is not prudent to build this income into the MTFS. Another separate issue with the scheme is the extent to which it could open up Councils to challenge on planning decisions if it appears that planning permission for a scheme has been awarded to obtain New Homes Bonus and proper planning considerations have been compromised. This is an issue that DCLG do not appear to have thought through, as a situation can be envisaged whereby legal costs on planning appeals and judicial reviews could be greater than any bonus.

b) Changes in the block grant allocation formulas

12. As part of the consultation on changes to the grant allocation formulae DCLG provided four different scenarios to show the possible effects of the transfer of concessionary fares funding from the district level to the county level. These scenarios were highlighted in the Financial Issues Paper as two left this authority approximately £100,000 worse off and two left this authority approximately £1m worse off. Thankfully the actual outcome was not as bad as anticipated with the loss only being in the order of £20,000.

13. Another area of concern with changes to the grant formulae was the possible removal of floors. Floors have remained part of the system but have been complicated as the single level of floor support has now been replaced with four different levels. Level 1 authorities, such as Tendring, receive most protection while level 4 authorities, such as Brentwood and Uttlesford, receive least protection. Epping Forest District Council is a level 3 authority, as are Harlow, Braintree and Colchester. The extent of the various levels of "protection" for 2011/12 is illustrated by the varying reductions in grant, Tendring as a level 1 authority has a grant reduction of 13.8% whilst Brentwood as a level 4 authority has a reduction of 16.8%. Generally level 3 authorities appear to have suffered a 1% lower reduction in grant than those at level 4.

c) The "Credit Crunch" and Reduced Housing Market Activity

14. The Council's CSB contains a number of income streams that have been adversely affected, to varying degrees, by the current state of the housing market. With recent surveys giving little encouragement, banks remaining cautious with mortgage funding and developers waiting for better rates of return any recovery in the housing market still seems some way off.

15. The main areas of income related to the housing market are land charges, building control and development control. For 2010/11 land charges income had been estimated at £177,300, consistent with the actual of £183,000 for 2009/10 but less than half the 2006/07 figure of £394,000. At the end of December the cumulative income achieved was less than £100 behind the estimate. Building Control fees are still well short of the estimate but officers are hopeful of securing a major scheme in the south of the district. Without allowing for the major scheme income could fall £125,000 short of the £642,000 estimate. Development Control income will also fall short of the original estimate with the outturn likely to be closer to £500,000 than the £605,000 originally estimated.

16. It is worth noting that some of the Council's other income streams are doing well. The MOT income from Fleet Operations may exceed the estimate of £292,000 by £30,000. Total licensing income is also ahead of expectations and should exceed the estimate of £256,000 by £40,000.

17. Adjustments have been made to CSB income levels where the changes are thought to be ongoing and where it is more likely that a change will not be sustained the adjustment has been made to the DDF.

18. The Council's interest earnings have also been hit by the "Credit Crunch". Earlier in the crisis in 2008/09 as banks struggled for liquidity they were prepared to pay high interest rates to borrow from the Council. This position has now reversed and the base rate has remained at 0.5% for a year and a half with no imminent sign of any upward movement. The original estimates were prepared using the interest rate predictions of the Council's previous treasury management consultants, who had anticipated an increase in interest rates. The outturn is likely to be £350,000 short of the original estimate of £0.897m, although a large portion of this is credited to the HRA. The Medium Term Financial Strategy (MTFS) has taken a prudent view on future interest rate movements, based on advice from the Council's new treasury management consultants.

d) Transfer of commercial property from the Housing Revenue Account to the General Fund

19. On 2 November 2010 Council decided that the commercial property held in the Housing Revenue Account (HRA) should be transferred to the General Fund. This transfer will take place on 31 March 2011, subject to approval from the Secretary of State.

20. An updated valuation of the commercial property is still being worked on and it is this valuation that will determine the amount of interest payable from the General Fund to the HRA. It is anticipated for 2011/12 that the rental income of £1.4m will be off-set by an interest payment of £0.3m, giving the General Fund a net benefit of £1.1m.

e) Using up of Capital Reserves on Non-Revenue Generating Assets

21. In recent years the Capital Strategy has stressed the need for capital projects to be used to improve the Council's revenue position, either by saving costs or increasing revenues. This issue has also been recognised on the Council's Corporate Risk Register. Capital receipts generate investment income and so if they are used up on non-revenue generating assets there is a double impact whereby the Council loses out on income and takes on additional costs.

22. The updated Capital Strategy will be going to Cabinet on 31 January and includes spending of £50.8m over five years. Of this spending, £35m is funded from revenue or grants but the remainder will reduce the balance of capital receipts from £21.1m to £6.5m. This is before any allowance has been made for the costs of the potential retail development at Langston Road, and the associated costs of re-providing depot accommodation. In view of this Members should carefully consider whether existing schemes are essential and any additional schemes should only be approved where there is a positive revenue contribution, after allowing for any loss of investment income.

f) Next Triennial Valuation of the Pension Scheme

23. The outcomes of the valuation as at 31 March 2010 were reported to this Committee on 22 November 2010. The valuation revealed that the improvement in funding level between 2004 and 2007 had been reversed and the scheme was now back at the 71% level (the value of the scheme's assets only cover 71% of the liabilities). Essex County Council stated that the reduction in funding level was largely due to the performance of the Fund's investments since 1 April 2007. There is some good news as the County has confirmed there is no need for any further increase in ongoing contributions, with a small reduction from 13.1% to 13%.

24. Previously deficit contributions were calculated to recover the deficit over 20 years, with the maximum period currently allowed under the draft 2010 Funding Strategy being 30 years. Rather than move immediately to this position, and thereby limit any future flexibility, the County has calculated extended deficit contribution periods based on maintaining stable contributions. For this Council the suggested period is 27 years. Cabinet endorsed the decision of this Committee to move to the 27 year recovery period, with the deficit payments being stepped over the next three years.

g) Capitalisation of Pension Deficit Payments

25. Capitalisation applications for 2010/11 for both the general fund (£1,187,000) and the housing revenue account (£557,000) were submitted to the DCLG. The DCLG announced their decision on capitalisation applications on 24 December 2010. This was a month earlier than previous years and so this was helpful, although the decisions themselves were less than helpful.

26. This Council has followed a policy of capitalising a proportion of the deficit payments since 2005/06. The only year in which directions have been rationed was in 2006/07 when Councils were only given directions for 57% of what they had applied for. For 2010/11 directions for pension deficit payments have been limited to 38% of the amounts applied for. This takes into account the Secretary of State's consideration of the effect on the national economy and sets a limit at the level the Secretary of State considers prudent. As the regulations require capital payments for pension deficits to be funded from capital receipts and not borrowing it is difficult to see what effect on the national economy the Secretary of State is concerned about.

27. As the value of the directions applied for were the full value of the deficit payments, rather than the amounts budgeted for capitalising, the restriction to 38% of what was applied for is not as bad as it could have been. Because of the restriction an amount of £176,000 will be charged to the DDF in respect of the General Fund and £82,000 will be charged to the HRA.

28. Some authorities have been given less than the general guidelines suggest. Essex County Council applied for £8.9m of directions (including £4.2m for redundancies) and has not been allowed to capitalise any expenditure, similarly Uttlesford applied for £402,000 and received no authorisations.

h) Public sector re-organisation/shared services

29. This was highlighted in the Financial Issues Paper as an area likely to impact on budgets in future years. It remains the case that over the life of the MTFS changes are likely to services and how they are provided, although at this time this is still an emerging issue.

The ceiling for CSB net expenditure be no more than £17.1m including net growth

30. Annex 2 lists all the CSB changes for next year. Some of the growth items listed are for sums agreed as part of previous year's budgets but most are new for next year. There are few significant growth items for next year; the largest single item is £63,000 for the increase in non-domestic rates on Council buildings.

31. When writing the Financial Issues Paper the effect of the removal of concessionary fares from districts was unclear and so both the grant and expenditure were left in the financial model. Therefore it is necessary to adjust the £17.1m target by £0.65m to revise the target to £16.45m. The General Fund summary at Annex 1 shows the CSB total is £0.53m below the adjusted target at £15.92m. The main reasons for this are the targeting of budgets that had been under spent in the past and the fact that the reduction in benefit administration subsidy has not been as bad as anticipated. However, in view of the reports that may go to Cabinet on 31 January, it is suggested that the target is not reduced to £15.92m but set at £16m.

The ceiling for DDF net expenditure be no more than £0.9m

32. The DDF net movement for 2011/12 is £1.143m; Annex 3 lists all the DDF items in detail. The largest cost item is £395,000 for work on the Local Development Framework (LDF). The LDF is a substantial and unavoidable project and in 2010/11 and the subsequent two years DDF funding of £0.971m is allocated to it. The Director of Planning and Economic Development has been asked to provide regular updates to Cabinet to monitor this project and the expenditure incurred on it.

33. Other significant items of expenditure include £363,000 for reduced investment income and £152,000 for planned building maintenance. Allowance has also been made for residual items relating to concessionary fares, although confirmation is still awaited from Essex County Council of their requirements for 2011/12.

34. At £1.143m the DDF programme is £243,000 above the target for 2011/12. However, the target was based on DDF spending of £2.389m in 2010/11, and this is now predicted to be £1.896m. If spending for the two years is combined the total now proposed for 2010/11 and 2011/12 is £259,000 lower than that anticipated in the Financial Issues Paper. The DDF is predicted to remain viable without support from the General Fund Reserve through to the end of the MTFS and therefore it is not felt necessary to reduce the proposed DDF programme.

The District Council Tax be frozen

35. The updated MTFS assumes there will be no increase in the Council Tax in either 2011/12 or 2012/13.

That longer term guidelines covering the period to March 2015 provide for

The level of General Fund revenue balances to be maintained within a range of approximately £4.0m to £4.5m but at no lower level than 25% of net budget requirement whichever is the higher;

36. Current projections show this rule will not be breached by 2014/15, when reserves will have reduced to £5.763m and 25% of net budget requirement will be £3.678m.

Future levels of CSB net expenditure being financed predominately from External Funding from Government and Council Tax and that support from revenue balances be gradually phased out.

37. The outturn for 2009/10 used £135,000 of reserves and for 2010/11 a further reduction of £307,000 is anticipated. This would leave the opening revenue reserve for 2011/12 at £7.993m and although the estimates for 2011/12 show a reduction of £248,000, reserves would still be above £7.7m. The MTFS at Annex 4 shows deficit budgets for the entire period of the forecast. The level of deficit peaks at £795,000 in 2013/14 and reduces to £537,000 in 2014/15, although this is achieved through CSB savings of £1.3m in 2012/13, £750,000 in 2013/14 and £500,000 in 2014/15.

The Local Government Finance Settlement

38. Following the headline CSR announcements in mid October the Government then left everyone in suspense for another two months before giving the detailed grant figures in mid December. A four year CSR settlement had been anticipated but the Government have stated that they want to radically amend the grant allocation system for 2013/14 and so have only provided grant figures for 2011/12 and 2012/13.

39. The table below sets out the Council's amounts in each of the four blocks for the next two years and the current CSR. The Relative Needs Amount (what the Government believes the Council needs to spend) has reduced by £1.164m for 2011/12 whilst the Relative Resource Amount (a negative amount to reflect the ability to raise income from Council Tax) has reduced by £2.078m. This improvement of £914,000 is eliminated by the reduction in Central Allocation of £2.681m and worsened by a change in the net Floor Damping position of £307,000.

	2008/09 £m	2009/10 £m	2010/11 £m	2011/12 £m	2012/13 £m
Relative Needs Amount	5.455	5.457	5.464	4.300	3.901
Relative Resource Amount	-5.228	-5.096	-4.956	-2.878	-2.801
Central Allocation	8.793	8.834	8.871	6.190	5.611
Floor Damping	0.302	0.173	0.036	-0.271	-0.242
Formula Grant	**9.322**	**9.368**	**9.415**	**7.341**	**6.640**

40. The figures shown above represent a poor CSR for the Council with grant reductions of 15.7% (against the adjusted 2010/11 figure) for 2011/12 and a further 11.4% (against the adjusted 2011/12 figures) for 2012/13. As stated above, this Council is a level 3 authority and so this was not the worst possible settlement. If this Council had been designated as a level 4 authority, instead of level 3, the grant reduction in 2011/12 would have been approximately £85,000 worse.

	2008/09 £m	2009/10 £m	2010/11 £m	2011/12 £m	2012/13 £m
Formula Grant (adjusted)	9.322	9.368	9.415 (8.710)	7.340 (7.293)	6.461
Increase/(Decrease) £	0.093	0.046	0.047	(1.370)	(0.832)
Increase/(Decrease) %	1.0%	0.5%	0.5%	(15.7%)	(11.4%)

41. The reductions in grant over the two years are approximately £140,000 worse than the previous MTFS had anticipated over four years. As the Government are re-working the grant allocation model for 2013/14 it is difficult to predict with any degree of certainty what the levels of grant will be beyond 2012/13. For the purposes of the MTFS it has been assumed that grant will be reduced in 2013/14 and 2014/15 by the headline reductions given for the CSR in October.

<u>The 2011/12 General Fund Budget</u>

42. Whilst the position on some issues is clearer now than it was when the Financial Issues Paper was written there are still significant risks and uncertainties for 2011/12. Signs of improvement in the economy are mixed and weak overall. The improvements seen so far may be reversed if the Government’s public spending cuts prove to be too soon or too much. The effects of the recession are clear and as well as impacting on many of the Council’s revenue streams it is has placed additional demands on services such as benefits and homelessness. It is still possible that the country may fall back into a recession that may last some years. If this is the case then the adjustments made to property related income and investment income will need to be revised.

43. An area mentioned in the Financial Issues Paper, but only briefly touched on earlier in this report, is public sector re-organisation/shared services. To achieve the savings needed for 2012/13 difficult decisions will be needed on what services the Council will continue to provide, the level they will be provided at and who will provide them. In these ever more challenging circumstances can the Council continue to subsidise other organisations like Essex Police Authority, by funding police community support officers, or Essex County Council, by funding enhanced levels of verge maintenance?

44. The starting point for the budget is the attached Medium Term Financial Strategy, Annex 4. Annexes 4a and 4b are based on the current draft budget, no Council Tax increase (£148.77 Band D) for 2011/12 and 2012/13 with subsequent increases of 2.5% per annum for each of the following two years in accordance with the strategy of not increasing Council Tax by more than this amount.

45. Members are reminded that this strategy is based on a number of important assumptions, including the following:

- Future Government funding over the next CSR will reduce in line with the amounts announced to date.
- CSB reduction has been achieved and the savings target for 2011/12 has been exceeded. Known growth and savings beyond 2011/12 have been included but will be subject to a further review to help identify additional savings.
- All known DDF items are budgeted for, and because of the size of the LDF programme the closing balance at the end of 2014/15 is anticipated to reduce to £245,000.

- Maintaining revenue balances of at least 25% of NBR. The forecast shows that the deficit budgets for the period will reduce the closing balances at the end of 2014/15 to £5.763m or 39% of NBR for 2014/15, although this can only be done with further substantial savings throughout the life of the strategy.

The Housing Revenue Account

46. The balance on the HRA at 31 March 2012 is expected to be £5.5m, after deficits of £83,000 in 2010/11 and £505,000 in 2011/12. This is primarily due to the transfer of the commercial property from the HRA to the General Fund.

47. The rent increase is set with reference to an individual property's formula rent but subject to various constraints. This process of Rent Restructuring to bring Council rents and Housing Association rents more in line with each other still needs to be addressed. The rent increase for 2011/12 is likely to see a narrowing of this gap between Council and Housing Association rents, with an average rent increase of 7.2% for Council dwellings.

48. An update to the current five-year forecast will not be prepared until a clearer picture emerges on the reform of the HRA and the introduction of self financing. The replacement of the housing subsidy system was proposed by the previous Government and the new Government has indicated that they will continue with these reforms. It is likely that this Council will be required to take on approximately £200m of debt in order to avoid annual payments of £11m of subsidy. There are also concerns about how the reforms will be implemented and possible unintended negative consequences on the General Fund. These issues were raised in the Council's consultation response but it remains to be seen whether the Government will make appropriate allowances.

49. The HRA has had substantial balances for some time and this position is not expected to change in the short term. Financial modeling on the self financing system suggested that in the medium to long term the HRA would be able to repay the debt and accumulate substantial balances. Members are recommended to agree the budgets for 2010/11 revised and 2011/12 and to note that although deficit budgets are proposed the HRA has substantial ongoing balances.

The Capital Programme

50. The Capital Programme at Annex 5 shows the expenditure to be agreed by Cabinet as part of the Capital Strategy on 31 January. Members have stated that in future priority will be given to capital schemes that will generate revenue in subsequent periods. This position has been stated in previous Capital Strategies and has been reinforced by the increasing awareness that capital spending reduces investment balances and thus impacts on the general fund revenue balance through lower interest earnings.

51. Annex 5d sets out the estimated position on capital receipts for the next four years. Members will note that even with a substantial capital programme, which exceeds £50m over five years, it is anticipated that the Authority will still have nearly £6.5m of usable capital receipt balances at the end of the period. It is not anticipated that further disposals of surplus land will take place during 2011/12, or in the medium term until market conditions have improved. However, it should be noted that officers are currently reviewing the development potential of a number of sites.

Risk Assessment and the Level of Balances

52. The Local Government Act 2003 (s 25) introduced a specific personal duty on the "Chief Financial Officer" (CFO) to report to the Authority on the robustness of the estimates for the purposes of the budget and the adequacy of reserves. The Act

requires Members to have regard to the report when determining the Council's budget requirement for 2011/12. Where this advice is not accepted, this should be formally recorded within the minutes of the Council meeting. The Council at its meeting on the 22 February will consider the recommendations of the Cabinet on the budget for 2011/12 and will determine the planned level of the Council's balances. Members will consider the report of the CFO at that meeting.

The Prudential Indicators and Treasury Management Strategy 2011/12

53. Since 2004/05 it has been necessary to set affordable borrowing limits, limits for the prudential indicators and a Treasury Management Strategy. These elements of the budget requirements will be set out in a separate report to Cabinet on 31 January.

54. During 2010/11 the Council changed treasury management consultants and appointed Arlingclose to replace Butlers. Arlingclose have a more prudent view on counter party requirements and this has been reflected in the proposed strategy. There are no other significant changes to bring to Member's attention.

Resource Implications:
The report details proposed growth items and potential savings, the implications are set out above and will vary depending on the course of action decided by Members.

Legal and Governance Implications:
None.

Safer, Cleaner, Greener Implications:
Items related to the Safer, Cleaner, Greener initiative are included in the report.

Consultation Undertaken:
None.

Background Papers:
Financial Issues Paper – see agenda of 27 September 2010
Draft Growth List – see agenda of 22 November 2010

Impact Assessments:
The Directorate proposing the growth will have considered the equalities impacts for each growth or savings proposal.

The report sets out some of the key areas of financial risk to the authority. At this time the Council is well placed to meet such challenges, although if the necessary savings highlighted are not actively pursued problems will arise in the medium term.