

Cabinet	<b>CAB/001/11 - addendum</b>
Date: 8 <sup>th</sup> February 2011	

## **1. Purpose of Report**

- 1.1. An addendum to the Cabinet Report CAB/001/11 as published on the 1<sup>st</sup> February 2011.
- 1.2. The recommendations 1.3.1 to 1.3.7 have been amended to reflect the impact of the Final 2011-12 Local Government Finance Settlement and supersede those previously included. Revised recommendations are outlined in paragraph 3.
- 1.3. Table 5 on page 8 of the Cabinet report has been updated to include an additional column for 2010-11 (see 'Adjusted Original Budget' column). This reflects the adjustments made to the Portfolio budgets for the centralisation of the Finance function during 2010-11. The net impact of these adjustments is Nil. The figures in this column now correspond to the 'Original Net Budget' lines in the tables in Section 6 of the Cabinet report. The updated Table 5 is attached as Appendix A.

## **2. Key Changes from the Provisional Settlement**

- 2.1. The Final Settlement has not led to any fundamental changes in the grant allocations for Essex County Council. Some data updates / corrections that have been made to the Formula Grant calculation which have led to the following changes:
  - 2.1.1. Formula Grant for 2011-12 will be £283,714k; this is a reduction of £259k over the provisional settlement announcement. This reduction is reflected on the updated Tables 4 and 8 (replaces Table 4 on page 7, and Table 8 on page 30 of Cabinet report).

**Table 4:**

	2011-12 £000	2012-13 £000
Original Net Budget (as submitted Feb 2010)	904,094	904,094
New Pressures	108,951	147,987
Savings and Efficiencies (Services)	(97,796)	(172,633)
<b>Net Cost of Services before Reserve Movement / Financing</b>	<b>915,249</b>	<b>879,448</b>
Reduced Contribution to Waste Reserve	(19,886)	(391)
Movement in Other Reserves	19,790	38,960
<b>Net Cost of Services</b>	<b>915,153</b>	<b>918,017</b>
Contribution to General Balance	8,353	-
General Government Grants (Including Council Tax Freeze Grant)	(59,333)	(59,714)
<b>Forecast Budget Requirement</b>	<b>864,173</b>	<b>858,304</b>

**Table 8:**

	2011-12 £000	2012-13 £000	2013-14 £000
Original Net Budget (as submitted Feb 2010)	904,094	904,094	904,094
New Pressures	108,951	147,987	181,023
Savings and Efficiencies (Services)	(97,796)	(172,633)	(220,114)
<b>Net Cost of Services before Reserve Movement / Financing</b>	<b>915,249</b>	<b>879,448</b>	<b>865,003</b>
Reduced Contribution to Waste Reserve	(19,886)	(391)	28,598
Movement in Other Reserves	19,790	38,960	28,960
<b>Net Cost of Services</b>	<b>915,153</b>	<b>918,017</b>	<b>922,562</b>
Contribution to General Balance	8,353	-	-
General Government Grants (Including Council Tax Freeze Grant)	(59,333)	(59,714)	(59,714)
<b>Forecast Budget Requirement</b>	<b>864,173</b>	<b>858,304</b>	<b>862,848</b>
Met by:			
Council Tax	(580,459)	(597,898)	
Formula Grant (Adjusted to reflect transfers)	(283,714)	(260,406)	
<b>Total Financing</b>	<b>(864,173)</b>	<b>858,304</b>	

2.1.2 The impact of the final settlement for 2012-13 is a reduction on the provisional grant allocation of £74k, giving a final allocation of £260,332k

### **3. Recommendations**

It is recommended that Cabinet:

- 3.1 considers the revenue budget proposals for the years 2011-12 and 2012-13.
- 3.2 recommends to Council a net budget requirement of £864.173 million for 2011-12 and an indicative net budget requirement of £858.304 million for 2012-13.
- 3.3 recommends to Council a capital programme of £231.456 million for 2011-12 and indicative programmes of £126.015 million for 2012-13 and £101.550 million for 2013-14.
- 3.4 recommends to Council that the council tax precept for 2011-12 be set at £1,086.75 per annum for a Band D property, this equates to a 0% increase over 2010-11. This generates a total precept of £578.685 million based upon a final taxbase of 532,492 as formally notified to us by the billing authorities.
- 3.5 recommends to Council a schools budget of £923.906 million funded by a Dedicated Schools Grant of £871.336 million (the balance of £52.570m is met by post 16 funding made available by the Young People's Learning Agency).
- 3.6 recommends to Council a General Balance for 2011-12 of £41.741 million.

### **4. Decisions**

- 4.1 For Cabinet to approve the recommendations in this report.

**Achieving a Balanced Budget: Analysis by Portfolio-Proposed 2011-12 budgets :**

**Table 5**

Controllable Net Expenditure		Controllable Net Expenditure			
Portfolios / Policy Budgets					
2009-10		2010-11			2011-12
Actual		Original Budget £000	Adjusted Original Budget £000	Latest Budget £000	Original Budget £000
£000					
	<b>Budget Summary</b>				
342,208	<b>Adults, Health and Community Wellbeing</b>	375,807	374,027	378,817	353,733
	<b>Children's Services</b>				
276	Dedicated Schools Budget	7,987		(12,395)	(4,563)
150,451	Non Dedicated Schools Budget	137,610		151,377	186,963
<b>150,727</b>		<b>145,597</b>	<b>144,993</b>	<b>138,982</b>	<b>182,400</b>
	<b>Education and 2012 Games</b>				
13,233	Dedicated Schools Budget	721		10,905	1,717
29,480	Non Dedicated Schools Budget	52,920		44,651	45,872
2,548	Lee Valley Park and 2012 Games	2,508		2,508	2,746
<b>45,261</b>		<b>56,149</b>	<b>55,914</b>	<b>58,064</b>	<b>50,335</b>
72,638	<b>Highways and Transportation</b>	73,987	74,139	73,602	85,996
61,408	<b>Chief Whip and Environment &amp; Waste</b>	64,333	62,784	64,452	66,142
22,496	<b>Heritage, Culture and the Arts</b>	21,518	21,383	21,444	18,302
16,265	<b>Leader</b>	17,364	17,072	20,303	9,650
5,276	<b>Communities and Planning</b>	5,001	4,912	5,510	4,576
1,962	<b>Major Projects and Commercial Services</b>	1,882	1,882	1,586	1,073
	<b>Deputy Leader, Finance and Transformation Programme</b>				
559	Central Services	1,131	5,663	1,101	1,265
(165)	Non distributed costs	-		-	-
1,348	Precepts and Magistrates	1,545	1,545	1,545	1,750
<b>1,742</b>		<b>2,676</b>	<b>7,208</b>	<b>2,646</b>	<b>3,016</b>
29,525	<b>Other operating costs</b>	68,139	68,139	35,924	71,910
	<b>Recharged Support Services</b>				
	<b>Highways and Transportation</b>				
1,304	Transport Coordination Centre	1,415	1,415	1,415	1,296
288	Car Provision Scheme	(300)	(300)	(487)	(300)
	<b>Chief Whip and Environment &amp; Waste</b>				
904	Democratic Services	918	918	897	888
	<b>Leader</b>				
1,877	Communications and customer relations	2,275	2,275	2,502	2,024
2,269	Customer Services	2,278	2,278	4,644	3,089
	<b>Major Projects and Commercial Services</b>				
14,847	Facilities Management Service	12,970	12,970	13,076	11,161
4,344	Essex Legal Services	2,622	2,622	4,193	356
2,765	Asset Management	2,672	2,672	4,279	2,640
2,830	Procurement	1,989	1,989	9,877	2,092
	<b>Deputy Leader, Finance and Transformation Programme</b>				
30,553	Information Services	15,807	15,807	17,105	11,990
21,719	Finance	7,140	7,140	16,729	13,566
7,562	Human Resources	7,830	7,830	8,542	6,427
7,845	Insurance Cost Recovery Account	5,354	5,354	4,685	4,685
2,072	Transformation Support Unit	6,019	6,019	4,728	4,147
	-	-	-	-	-
5,939	<b>Building Maintenance</b>	2,652	2,652	3,402	3,960
<b>856,626</b>	<b>Net cost of Services</b>	<b>904,094</b>	<b>904,094</b>	<b>896,917</b>	<b>915,153</b>
6,611	<b>General Balance Contribution/ (Withdrawal)</b>	-		318	8,612
(60,065)	<b>General Government Grants</b>	(82,031)	(82,031)	(75,172)	(59,333)
<b>803,172</b>	<b>Budget Requirement</b>	<b>822,063</b>	<b>822,063</b>	<b>822,063</b>	<b>864,432</b>