



BROMSGROVE DISTRICT COUNCIL

EXECUTIVE CABINET – SPECIAL MEETING

WEDNESDAY, 2ND FEBRUARY 2005 AT 6.00 PM

COMMITTEE ROOM, THE COUNCIL HOUSE, BROMSGROVE

AGENDA

Council Agendas and Minutes are available on our web site at
www.bromsgrove.gov.uk/meetings

MEMBERS: Councillors D. C. Norton (Executive Leader), Mrs. M. M. T. Taylor (Deputy Executive Leader), B. L. Fuller C.B.E., Q.F.S.M., Mrs. J. M. L. A. Griffiths, R. Hollingworth and P. J. Whittaker.

1. To receive apologies for absence
2. Declarations of Interest
3. To confirm the Minutes of the Executive Cabinet held on 19th January 2005
4. Public Questions
5. Proposed Improvement of Town Centre Access – Mill Lane
6. Medium Term Financial Plan
7. To consider any other business, details of which have been notified to the Head of Administrative Services prior to the commencement of the meeting and which the Chairman, by reason of special circumstances, considers to be of so urgent a nature that it cannot wait until the next meeting

S. NIXON
Chief Executive

The Council House,
Burcot Lane,
BROMSGROVE
Worcs.
B60 1AA

25th January 2005

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE EXECUTIVE CABINET

Wednesday, 19th January 2005 at 6.00 p.m.

PRESENT: Councillors D. C. Norton (Executive Leader), Mrs. M. M. T. Taylor (Deputy Executive Leader), B. L. Fuller C.B.E., Q.F.S.M., R. Hollingworth and P. J. Whittaker.

Observers: Councillors G. N. Denaro, N. Psirides J.P. and G. G. Selway.

143/04 **APOLOGIES**

An apology for absence was received from Councillor Mrs. J. M. L. A. Griffiths.

144/04 **MINUTES**

The Minutes of the Meeting of the Executive Cabinet held on 15th December 2004 were submitted.

RESOLVED: that the Minutes of the Meeting be approved and confirmed as a correct record, subject to the correction of the Council's Tax Base figure included in Minute No. 130/04 to read 34,982.18 and the correction of resolution (a) to Minute No. 133/04 to read "that the existing vacant post of Principal Benefits Officer (Post T94) be regraded to SCP 39-43".

145/04 **MEMBER DEVELOPMENT WORKING GROUP**

The Minutes of the Member Development Working Group held on 21st December 2004 were submitted.

RESOLVED: that the Minutes be approved and adopted.

146/04 **ISSUES ARISING FROM OVERVIEW AND SCRUTINY COMMITTEES**

FORWARD PLAN

Members considered a recommendation made by the Policy and Strategy Scrutiny Committee requesting the Cabinet to ensure that the decision dates listed in the Forward Plan were realistic in order to prevent the expected dates for decisions from slipping from one meeting to another. It was

RESOLVED: that the request be approved.

147/04 **CONSTITUTION**

In the light of some suggested changes to the Council's Constitution which had been made at the last meeting of the Standards Committee, Members considered whether a cross-party Committee of the Cabinet should be established to carry out a comprehensive review of the Constitution. Following discussion, it was

RESOLVED:

- (a) that approval be given to the establishment of a cross-party Committee of the Cabinet to review and make recommendations on the Constitution;
- (b) that the composition of the Committee be determined at a later date.

148/04 **LICENSING ACT 2003 – ESTABLISHING A LICENSING SUB-COMMITTEE**

In the light of the requirements of the Licensing Act 2003, consideration was given to a proposal to establish a Sub-Committee of the Licensing Committee to deal with the range of functions set out in the report. Following discussion, it was

RECOMMENDED: that approval be given to the establishment of a Sub-Committee of the Licensing Committee comprising on each occasion three Members from the Licensing Committee to be selected in rotation, and that its meetings take place during the day.

149/04 **CONSULTATIONS ON PROPOSALS TO ALTER SCHOOLS IN THE DISTRICT**

The Cabinet gave consideration to a proposed delegation of powers in relation to dealing with the Council's response to consultations regarding proposals to carry out alterations to schools. It was

RESOLVED: that the Standards Committee be requested to agree that delegated authority be given to the Head of Administrative Services, in consultation with appropriate Ward Members, to respond to consultations by the County Council in respect of proposals to carry out alterations to schools in the District and nearby.

150/04 **MEDIUM TERM FINANCIAL PLAN – UPDATE REPORT**

Consideration was given to a report which provided base budget information with regard to the Council's Revenue Budget for 2005/06 to 2007/08, together with an update on the progress on the formulation of the medium term financial plan.

RESOLVED:
(a) that the report be noted;
(b) that the Cabinet record its thanks to the Corporate Director (Resources) and the Financial Services Team for their efforts in preparing the Budget and the details of the Capital Programme.

151/04 **MONITORING OF THE REVISED CAPITAL PROGRAMME 2004/05**

The Cabinet considered a report which monitored the position of the revised Capital Programme for 2004/05 as at the end of November 2004. The report set out the variance for each scheme together with explanatory comments from budget holders.

RESOLVED:
(a) that the underspend of £0.074m at November 2004 and the forecast underspend of £0.722m at the end of the 2004/05 financial year be noted;
(b) that the progress made on capital schemes to date as set out in the report be noted.

152/04 **GRANT APPLICATIONS**

Having considered the merit of the grant application, it was

RESOLVED: that the application from Headway North Worcestershire be deferred for further information.

153/04 **IEG4 AND THE PRIORITY SERVICES AND TRANSFORMATION OUTCOMES**

The Cabinet considered a report which presented the position with regard to the Implementing Electronic Government (IEG) 4 Statement, together with information about "Priority Services" and details of proposed projects arising from the previous IEG3 submission. Following discussion, it was

RESOLVED:

- (a) that the IEG3 grant (£350,000) be released to fund the projects listed in the report, that the need to progress these schemes with some urgency be noted, and that before the schemes are started, a business case be agreed with the Member e-champion and the Portfolder Holder for Finance;
- (b) that the "Priority Services" document set out in Appendix "A" to the report be noted;
- (c) that a "Priority Services" workshop event be arranged for all Members early in 2005;
- (d) that the content of the IEG4 submission as set out in Appendix "B" to the report be noted, this having been agreed by the Corporate Director (Resources) in consultation with the Member e-champion and the Portfolio Holder for Finance prior to submission to the ODPM by its deadline of 20th December 2004.

154/04

LOCAL DEVELOPMENT SCHEME

The Cabinet considered a report which advised that the Planning Inspectorate, through the Government Office for the West Midlands, had recommended a change to the timetable for the Council's proposed Local Development Scheme. It was also noted that there was a statutory requirement for the full Council to formally adopt the Scheme from a specified date. Following discussion, it was

RECOMMENDED:

- (a) that the revised timetable for the production of the Development Control Policies Development Plan Document as referred to in the report be approved;
- (b) that the Local Development Scheme be submitted to the Council meeting on 25th January 2005 with a view to being adopted with effect from 26th January 2005;
- (c) that the Director of Planning Services be given delegated authority to sign on behalf of the Council, the agreement with the Inspectorate, and any future agreements based on dates already approved by Members and contained within the Council's Local Development Scheme.

155/04

RURAL RIDES BID

Having considered an application from WRVS Bromsgrove Rural Rides for grant funding in 2004/05, together with the organisation's updated Business Plan, it was

RESOLVED:

- (a) that approval be given to a grant of £8,000 to WRVS Bromsgrove Rural Rides in 2004/05 to be funded from the concessionary fares budget;
- (b) that officers conduct an annual evaluation/assessment of the Rural Rides operation;
- (c) that the WRVS be informed that future bids will be considered on the basis of an annual evaluation/assessment of the operation;
- (d) that officers investigate the possibility of further partnership working with WRVS Bromsgrove Rural rides in an attempt to aid and support the service, particularly with regard to the relocation of the operation to Bromsgrove.

156/04

COMMUNITY SAFETY STRATEGY 2002/05

Having considered a report which provided a position statement on the Community Safety Strategy 2002/05 as at January 2005, it was

RESOLVED: that the report be noted.

157/04

ARTRIX FUNDING REQUEST

Consideration was given to a request received from the Chairman of the Arts Centre Trust for the Section 106 monies received in relation to the Gallagher's development at The Oakalls to be used to assist the purchase of essential equipment associated

with the operation of the facility. It was noted that the Section 106 agreement in relation to this matter contained provision for the payment of £50,000 towards the enhancement of community and arts facilities within Bromsgrove, with the proviso that such provision should be capable of benefiting the development land in question. Following discussion, it was

RESOLVED:

- (a) that approval be given to the use of the Section 106 monies of £50,000 related to the Gallagher's development at The Oakalls for the provision of cinema equipment at the Arts Centre, with any remaining balance being used to purchase other arts related equipment considered to have a positive impact on the Centre's income potential;
- (b) that the Director of Leisure Services be authorised, in consultation with the Portfolio holders for Finance and Leisure, to determine how the £50,000 sum be allocated.

(NOTE: Councillors R. Hollingworth and D. C. Norton declared a personal interest in this item as members of the Arts Centre Operating Trust).

158/04

PROCUREMENT PARTNERSHIP FOR SMALL REFUSE VEHICLES

(The Chairman agreed to the consideration of this item as a matter of urgency as a decision was required thereon before the next meeting of the Executive Cabinet).

The Portfolio Holder for Environmental Health reported on the need to purchase small refuse vehicles for use in rural areas and narrow lanes. In view of the timescale for the completion of the introduction of the modernised refuse/recycling service it had been necessary to explore the alternative procurement options available. It had come to light that Dudley MBC was purchasing the same vehicles and it was therefore suggested that the Council should formally approach Dudley to pursue negotiations with a view to agreeing a procurement partnership whereby Bromsgrove District Council could "piggy back" onto the Dudley contract. It was also noted that a response was awaited from the Regional Centre for Excellence in Procurement on the matter.

Having considered the matter, it was

RESOLVED: that subject to the response received from the Regional Centre for Excellence in Procurement, the Chief Executive be authorised to formally approach Dudley MBC on the basis as set out above;

RECOMMENDED: that in view of the urgent need for the refuse vehicles, an exception be made to the Council's Contract Procedure Rules.

159/04

REDGROVE SPECIAL SCHOOL

(The Chairman agreed to the consideration of this item as a matter of urgency as a decision was required thereon before the next meeting of the Executive Cabinet).

The Head of Administrative Services referred to a consultation letter received from the County Council regarding a proposal to close and re-open Redgrove Special School in Redditch. Any response needed to be submitted by 11th February 2005. Having considered the matter, it was

RESOLVED: that the Head of Administrative Services be authorised, in consultation with the Portfolio Holder for Leisure and Tourism, to respond on behalf of the Council.

The Meeting closed at 7.00 p.m.

Chairman

BROMSGROVE DISTRICT COUNCIL

EXECUTIVE CABINET

2ND FEBRUARY 2005

PROPOSED IMPROVEMENT OF TOWN CENTRE ACCESS – MILL LANE

Responsible Portfolio Holder	Councillor Whittaker
Responsible Head of Service	John Moody

1. SUMMARY

- 1.1 This report assesses the outcome of the recent consultation exercise in which three options were tabled for the public and other interested parties to comment.
- 1.2 The report also sets out key issues arising from the consultation culminating in a 4th option which is put to members for their consideration. (Please note a set of full size drawings will be available at the meeting showing the options considered).

2. RECOMMENDATION

- 2.1 That Option F be adopted as the approved scheme for the provision of a safe route for pedestrians accessing the Town Centre from Market Street West via Mill Lane.
- 2.2 That all the consultees engaged in the original consultation process be informed of alternative scheme Option F and the reasons as to why this option is now being adopted.
- 2.3 That the Head of Community Safety & Engineering in partnership with the Highways Partnership Unit in Bromsgrove be authorized to execute the project in line with the project time frame set out in the report.
- 2.4 That members approve this project with funding being committed from the 2004/05 capital programme with this funding transferred into the capital programme for 2005/06.

3. BACKGROUND

- 3.1 In early October Members approved three options for inclusion in a Public Consultation exercise to gauge support for the three options, Option A, B and C as shown in Appendix 1 with a support sheet of information setting out the major points of note to each scheme proposed.
- 3.2 Such consultation was carried out in early November with a closure date for views and comments of 19th November 2004.
- 3.3 445 consultation papers were sent out with key interest groups being:-
- The Town Centre Study Group
 - The Local Traders
 - Bus Companies
 - Key Statutory Partners
 - The General Public
 - Members of Worcester County Council and Bromsgrove District Council
 - Local Media Organisations

In total we received 144 replies with the strongest support shown for scheme (A), (please refer to Appendix 2 for a summary of the consultation questionnaire responses).

- 3.4 The consultation process also raised new information in relation to access requirements to existing properties in the Market Street/Mill Lane area.
- 3.5 This new information has the effect of compromising the Health and Safety of pedestrians using the proposed new pedestrian controlled crossing in each of three schemes put forward.
- 3.6 Subsequent advice and guidance of the Highway Authority through the Accident Studies Unit and the County Solicitor has meant that a 4th option (Option F) is now considered the best and only option that can meet the safety standards required to ensure a safe corridor for pedestrian movement from Market Street West to the Town Centre via Mill Lane. Option F is shown in Appendix 3 with information on the major points of note.
- 3.7 It is proposed that should Members support Option F as the way forward, and that this option, which is a modification of the original Option B, be communicated to all the original consultees with supporting information setting out the reasons why the Council in partnership with the Highway Authority (WCC) had to move to an alternative option to those originally considered.
- 3.8 Procurement method and Timeframe.

Due to the amount of “on Highway” works involved in the scheme, it is proposed to use the County Council’s select list of Contractors and issue tender documents utilising the New Engineering Contract for Engineering and Construction 1995 – 2nd Edition.

The contract for documents will be prepared by the County’s Highway Partner, Halcrow Consulting Engineers and this will afford the most expedient and cost effective way of procuring this project.

The timeframe for delivery that is anticipated is as follows:

- 1 Detailed preparation of design drawings and specification 6 weeks from the date of an approved scheme.
- 2 Preparation of Bills of Quantities and Contract Documentation – 4 weeks.
- 3 Issue of tender documents and return period - 4 weeks.
- 4 Negotiation with successful tenderer – 3 to 4 weeks.
- 5 Project execution on the ground is anticipated at between 3-4 months but will be subject to an agreed programme put forward by the successful contractor.

Assuming there are no unforeseen complications or problems the project should be completed by the end of September 2005.

- 3.9 Options D and E.

During the consultation process we were also asked to consider two further options which were related to the recent Town Centre Study which focuses on the possible provision of a Town Centre Square with traffic from the bus station accessing onto Market Street some 40/5m south of the existing exit point.

These two proposals Option D and Option E were analysed in depth but discounted for the following reasons:

- The cost will be in the region of £300K-£325K or more, dependent on the utility services.
- There would be a reduction in bus platforms available to the bus services and public a minimum of two platforms is likely to be lost, and hence was not supported by Worcester County Council's Passenger Transport Group.
- This proposal still has the flaw of large turning vehicles in a predominantly pedestrian area and consequently would also not meet safety audit criteria.

4. **Financial Implications**

Budget Project Costs for all Options Considered	Option A	£211,450
	Option B	£189,825
	Option C	£177,575
	Option D	£325,575
	Option E	£339,450
	Option F	£198,575 (Preferred Option)

N.B. There will be fees and charges from Consultants estimated currently at £20K.

Funding Available for Project	£160K	£100K BDC + £60K WCC/ASDA Development
	£ 40K	Accident Remedial Measures - WCC
	£ 15K	Maintenance Budget Impact Monies – WCC
	£ 9K	Traffic Signals Equipment – WCC
TOTAL	£224K	

The capital funding of £160K is currently available within the Council's 2004/5 capital programme and Members are requested to consider slipping this funding from financial year 2004/05 to financial year 2005/06

5. **Legal Implications**

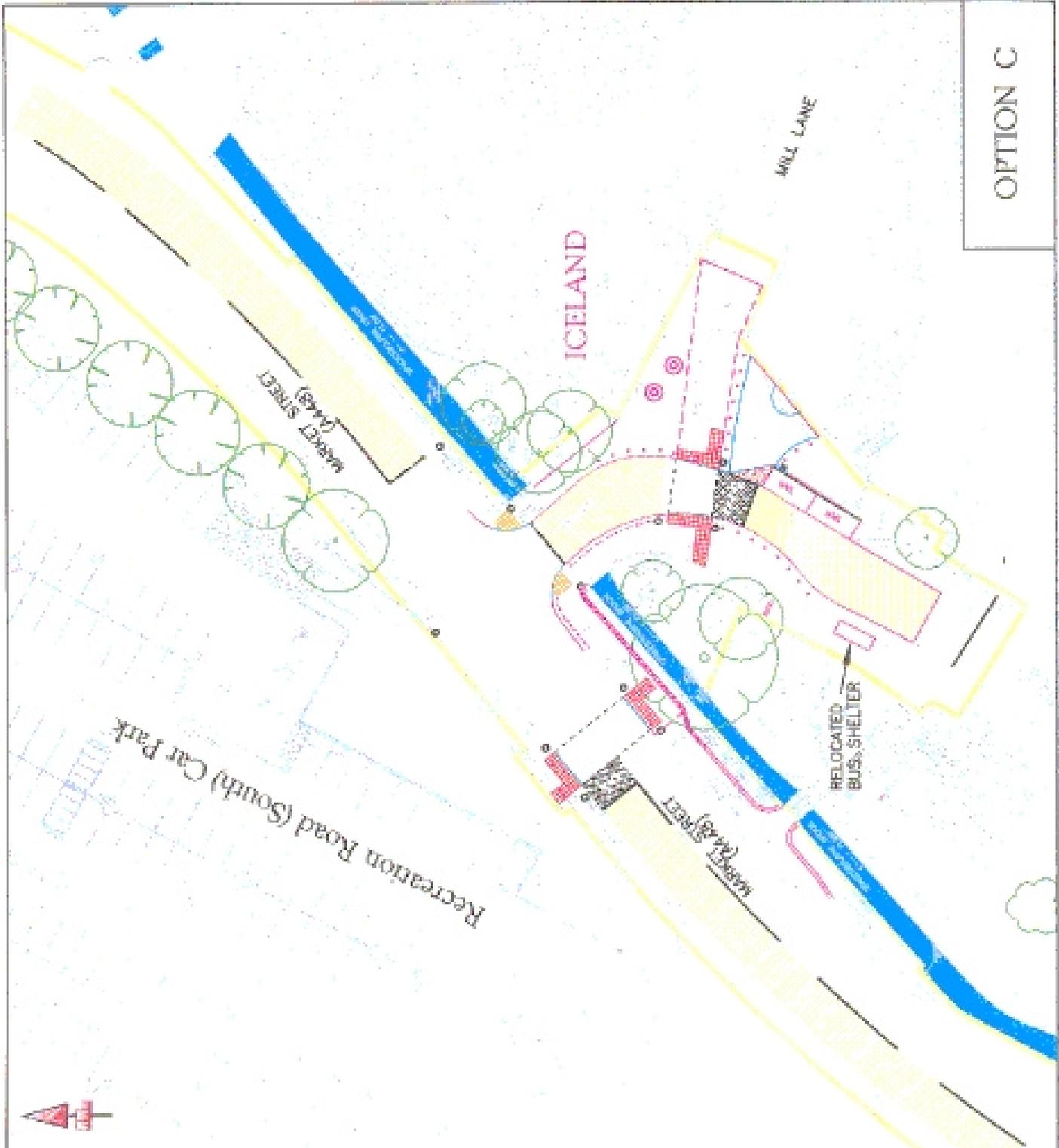
There are no legal implications other than that referred to in relation to the procurement of the contract as set out in 3.8 above.

6. **Community Safety Implications**

The completion of this project will contribute to priority 5 of the current Community Safety Strategy which targets road safety and the need to reduce accidents in and around Bromsgrove District.

Contact Officer

Name: John J Moody
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Tel: 01527 881 356



OPTION C

Client:
 Bromsgrove District Council
 The Council House
 Burcot Lane
 Bromsgrove
 Worcestershire B60 1AA

Mill Lane Improvements,
 Bromsgrove

Dwg No: 283/PL/23_2
 Scale: 1/500 @ A4 sheet

Head Mann Associates Ltd
 Engineering consultants for the
 built environment

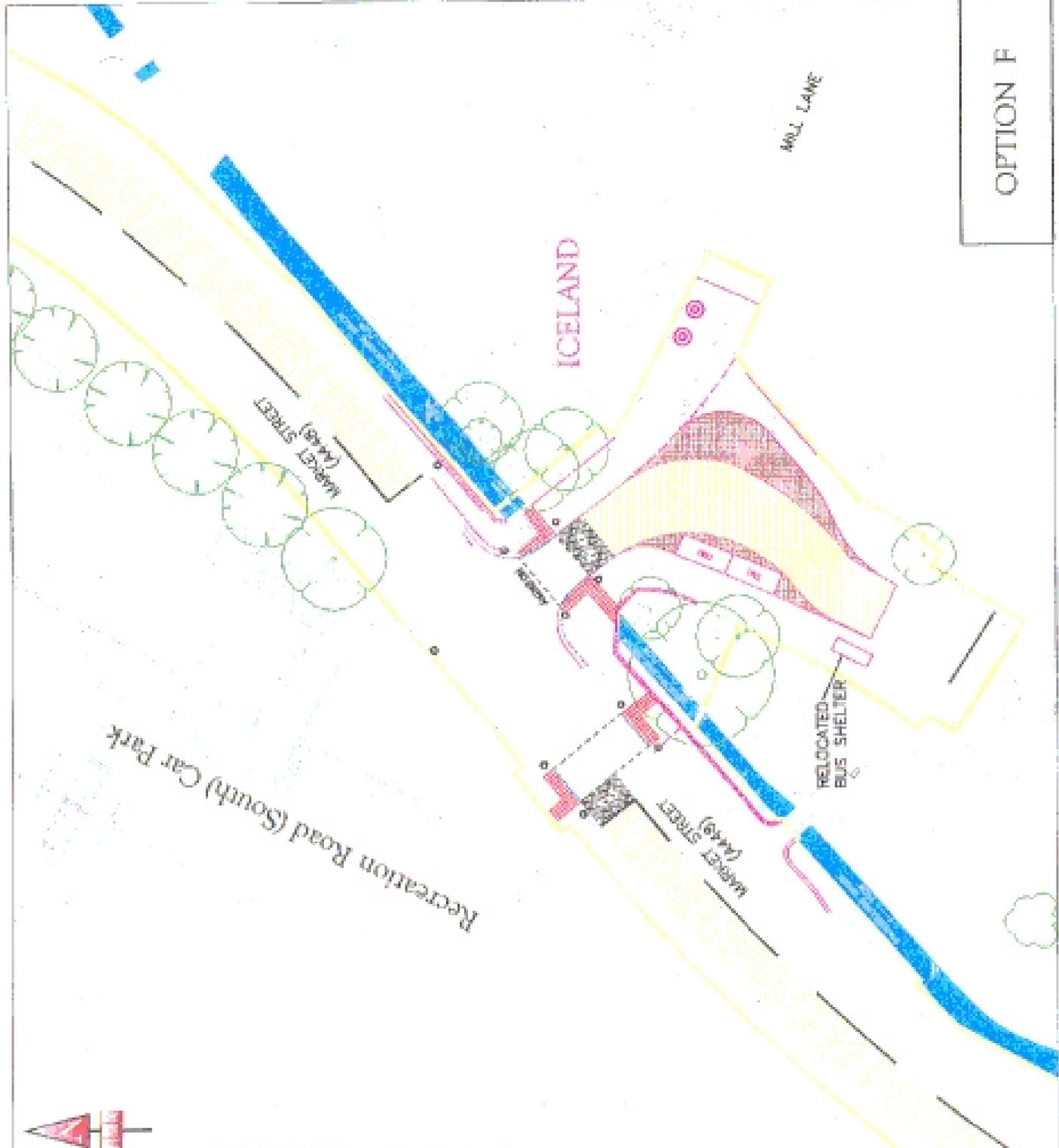
HMA
 27 Waterloo Place
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 Warwickshire
 CV32 5LA
 Tel: 01923 412100
 Fax: 01923 411100
 email: enquiries@hman.co.uk

SHOPMOBILITY
 FACILITY
 HOUSED IN
 MULTI-STORY
 CAR PARK

ASDA

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 100023519. 2005

File: 283/PL/23_2.dwg, 11/05/05



OPTION F

<p>Client: Bromsgrove District Council The Council House Buncut Lane Bromsgrove Worcestershire B60 1AA</p>	<p>Mill Lane Improvements, Bromsgrove</p>	<p>Dwg No: 283/PL_20_A4Layout Scale: 1/500 @ A4 sheet</p>	<p>Head Munn Associates Ltd Engineering consultants for the built environment</p>	<p>HMA 74 HIGH STREET WARWICKSHIRE CV32 5LA www.munnassociates.com</p>
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MOBILITY FACILITY HOUSED IN MULTISTORRY CAR PARK

ASDA

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Option A – Major Points of Note

- Improves movement between the eastern footway of Market Street (north of Mill Lane) and the local area
- Provides a new footbridge over Spadesbourne Brook along the major desire line for pedestrian through-movement
- Regulates and makes safe Market Street eastern footway movements across the Market Street/Mill Lane junction
- Relocates 'disabled' parking to the "Asda" multi-storey car park or the Recreation Road (south) car park
- Returns space to public seating/meeting beneficial uses
- Provides a new, safe, signal-controlled pedestrian crossing of Market Street Service Road (Crown Close) and Mill Lane
- Rationalises taxi parking in the Market Street Service Road (Crown Close)
- Traffic signals in the area are upgraded and modernized
- Road surface are re-laid and given improved skidding resistance
- Option A is the most expensive of the published scheme options

Option B – Major Points of Note

- Improves movement between the eastern footway of Market Street (north of Mill Lane) and the local area
- Widens the Market Street eastern footway on the line of the existing major pedestrian through-movements
- The Spadesbourne Brook culvert under Mill Lane is extended to give additional width to the existing major pedestrian through-movement route
- Regulates and makes safe Market Street eastern footway movements across the Market Street/Mill Lane junction
- Relocates 'disabled' parking to the "Asda" multi-storey car park or the Recreation Road (south) car park
- Returns space to public seating/meeting beneficial uses
- Provided a new, safe, signal-controlled crossing of Market Street Service Road (Crown Close) and Mill Lane that 'double-up' as Mill Lane/Market Street vehicular traffic signals
- Rationalises taxi parking in the Market Street Service Road (Crown Close)
- Traffic signals in the area are upgraded and modernised
- Road surfaces are re-laid and given improved skidding resistance

Option C – Major Point of Note

- Improves movement between the eastern footway of Market Street (north of Mill Lane) and the local area
- Widens the Market Street eastern footway on the line of the existing major pedestrian through-movements
- Relocates 'disabled' parking to the "Asda" multi-storey car park or the Recreation Road (south) car park
- Returns space to public seating/meeting beneficial uses
- Provides a new, safe, signal-controlled pedestrian crossing of Market Street Service Road (Crown Close) and Mill Lane
- Rationalises taxi parking in the Market Street Service Road (Crown Close)
- Traffic signals in the area are upgraded and modernized
- Road surfaces are re-laid and given improved skidding resistance
- Option C is the cheapest of the published scheme options

19th November 2004

**PROPOSED IMPROVEMENT TO PEDESTRIAN ACCESS TO MILL LANE,
BROMSGROVE**

RESULTS OF USER QUESTIONNAIRE

Number of Questionnaires issued: 445

Number of Questionnaires responded to: 144

Number of Questionnaires with no option chosen: 14

OPTION A	POSITIVE RESPONSE: 91 COMMENTS: 49
Visual Impact	5
Convenience	5
Distance for disabled/shortest route	12
Safety	27

OPTION B	POSITIVE RESPONSE: 19 COMMENTS: 12
Cost of A	6
Safety	3
Disabled Access	2
Visual Impact	1

OPTION C	POSITIVE RESPONSE: 20 COMMENTS: 9
Cost of A	8
Visual Impact	1

Option F – Major Points of Note

- Improves movement between the eastern footway of Market Street (north of Mill Lane) and the local area
- Widens the Market Street eastern footway on the line of the existing major pedestrian through-movements
- The Spadesbourne Brook culvert under Mill Lane is extended to further widen the existing major pedestrian through-movement route
- Regulates and makes safe Market Street eastern footway movements across the Market Street/Mill Lane junction
- Relocates 'disabled' parking to the "Asda" multi-storey car park or the Recreation Road (south) car park
- Returns space to public seating/meeting beneficial uses
- Provides a new, safe, signal-controlled crossing of Market Street Service Road (Crown Close) and Mill Lane that 'double-up' as Mill Lane/Market Street vehicular traffic signals
- Rationalizes taxi parking in the Market Street Service Road (Crown Close)
- Maintains the existing standard of provision for HGV servicing of properties along Market Street Service Road (generally rear access servicing of properties that also front onto High Street)
- Traffic signals in the area are upgraded and modernized
- Road surfaces are re-laid and given improved skidding resistance

BROMSGROVE DISTRICT COUNCIL

EXECUTIVE CABINET

2ND FEBRUARY 2005

Medium Term Financial Plan

Responsible Portfolio Holder	Councillor Roger Hollingworth
Responsible Head of Service	Corporate Director (Resources)

1. Summary

- 1.1. To provide the Executive Cabinet with information for the Council's revenue and capital budgets for 2005/6 to 2007/8, and options for addressing the budget shortfall.

2. Recommendations

- 2.1. It is recommended that:

- 2.1.1. the information contained at Appendix A with regard to the base revenue budget for 2005/6 to 2007/8 be noted;
- 2.1.2. members agree to the inclusion within the revenue budget of the budget pressures identified as unavoidable and high (Appendix B);
- 2.1.3. members agree to the "Banked" savings identified at Appendix C totalling £1,129,852 for 2005/6;
- 2.1.4. members agree to the recommended potential savings identified at Appendix D totalling £514,798 for 2005/6;
- 2.1.5. members agree to balances to fund one off expenditure as described in section 8.10
- 2.1.6. members agree to review of the medium term financial plan during 2005/6.
- 2.1.7. members approve the schemes categorised as High priority for inclusion within the capital programme (Appendix E).

3. Background

- 3.1. On 13th October 2004 the Executive Cabinet approved the budget process and timetable to be followed to establish the Council's revenue and capital budgets for 2005/6 and the medium term financial plan to 2007/8.
- 3.2. On 19th January 2005 the Executive Cabinet received an update report with regard to the revenue budget for 2005/6 to 2007/8 which showed the overall position to be as follows:

	2005/6 £	2006/7 £	2007/8 £
Original Base budget net spending	9,904,375	10,388,353	10,885,378
Changes	(191,592)	(395,793)	(601,202)
Revised Base budget net spending	9,712,783	9,992,560	10,284,176
Government Grant (FG)	4,073,635	4,114,371	4,155,515
Balance to be funded locally	5,639,148	5,878,189	6,128,661
Assumed council tax income	5,472,962	5,775,255	6,094,215
Shortfall	166,186	102,934	34,446
Pressures	725,000	889,725	1,043,050
Additional depot increase of 10%	250,000	256,250	262,650
Overall Shortfall	1,141,186	1,248,909	1,304,146

The above table includes all pressures that were identified at the time the initial draft budget was reported to Members (Appendix B to the Executive Cabinet report on 19th January 2005). It was pointed out at the time that Members may or may not approve some or all of these pressures and that there may also be additional pressures for Members to consider.

- 3.3. The above figures assume a council tax increase of 5% which is the maximum level that the minister for Local Government has stated he would feel is reasonable before capping is implemented. Each 1% variation in council tax would equate to a change of £52,123 in the council tax income.

4. Depot

- 4.1. The original target for completion of the base budget for the Depot was December 2004, however it was highlighted in the report to Executive Cabinet on 19th January 2005 that there was significantly more work needed to change the basis from the old CCT regime into a detailed set of estimates. The revised deadline for completion of the work is and remains 31st January 2005 however it is worth reiterating that even at this stage there will be significant risks associated with the estimates and work to improve the robustness of the budget. This work is inextricably linked with the need to improve the operational and strategic management and performance of the service.

5. Base budget information

- 5.1. Members will recall that the report to the Executive Cabinet on 19th January 2005 included base budget information with regard to all service areas with the exception of those provided by the depot. This information is attached at Appendix A however there have been a few changes to that presented to the last meeting:
- In addition to the exclusion of support service recharges the recharges from the depot have been excluded as it is envisaged that these will be available by 31st January 2005
 - Any errors highlighted in the original information have been corrected
 - A narrative of each service area is provided in order to aid understanding of the information
 - Some of the Internal Business Units (IBU's) have now been amalgamated with the appropriate front line service area (e.g. Development Control Support IBU has been amalgamated with Development Control under Planning Services).

- 5.2. If Members have any questions it would be useful to be notified of them in advance so that officers can ensure they can answer them.

6. Budget Pressures

- 6.1. As was mentioned above the overall shortfall includes a number of budget pressures however if these were removed from the position the shortfall would be as follows:

2005/6	£416,186
2006/7	£359,184
2007/8	£297,096

- 6.2. Since the original list of budget pressures was identified a lot more work has been undertaken to identify areas in which the Council need to improve. A full list of the pressures together with a brief note to explain what they are is included at Appendix B. The total amount of the pressures identified is as follows:

2005/6	£1,649,778
2006/7	£1,775,949
2007/8	£2,201,490

NB: These figures include the amounts originally identified.

- 6.3. It is quite clear that the Council cannot afford to agree to all of these budget pressures and as such the Senior Management Team (SMT) which consists of the Chief Executive and the two Corporate Directors have prioritised these as to whether they are unavoidable, high, medium or low priority. The prioritisation has been undertaken with regard to the perceived impact on the Council's priorities and the recovery plan.
- 6.4. The SMT would recommend that the budget pressures categorised as unavoidable and high are approved and included within the revenue budget for 2005/6 to 2007/8. If this was accepted by members the impact on the budget would be as follows:

	2005/6 £	2006/7 £	2007/8 £
Revised Shortfall	416,186	359,184	297,096
Unavoidable Pressures	611,147	694,983	1,163,983
High Priority Pressures	748,240	856,563	809,027
Total Pressures	1,359,387	1,551,546	1,973,010
Shortfall	1,775,573	1,910,730	2,270,106

Assumes increase in council tax of 5%.

7. Investment interest

- 7.1. Since the original budget projections were compiled, working alongside our Treasury Management advisors we have looked at the projections with regard to investment interest. It had originally been anticipated that a rate of return of 4.25% would be achieved on our investments. Following meetings with our investment managers it is clear that the rate of return they are expecting (on a prudent forecast) for 2005/6 is 4.75% and for 2006/7 and 2007/8 is 4.5%.

7.2. This rise in interest rates would generate the following additional income:

2005/6	£120,000
2006/7	£ 65,000
2007/8	£ 70,000

7.3. This would obviously reduce the above shortfall.

7.4. This still assumes £1 million of spend on the capital programme from our own resources each year.

8. Budget reductions

8.1. As reported to the Executive Cabinet on 15th December 2004 given the need to identify substantial savings in the revenue budget over the course of the three years a “challenge process” was developed to ensure that all elements of the budget were closely scrutinised.

8.2. The purpose of the challenge process was to identify a variety of options for savings for Members consideration so that the budget can be balanced.

8.3. Each Head of Service / Director has now met with the two Corporate Directors to go through line by line, each area of the budget to fulfil the challenge process. Whilst extremely difficult the challenge process was felt to have gone well and in accordance with the timetable. It is as a result of this exercise that Members can be provided with a number of options to address the budget shortfall.

8.4. Throughout the challenge process it became clear that the proposed budget reductions fell into two categories:

“Banked” savings -	not felt to have a significant impact on service delivery or result in a potential redundancy and as such not felt to formally require a decision from members (Appendix C
Potential savings -	felt to have an impact on service delivery or may result in a potential redundancy situation and as such a decision for members (Appendix D

The information in Appendices C and D includes the following:

- Service area – so that members can see how this impacts on the figures included within the draft financial information contained at Appendix A
- Objective and subjective description – where and on what the suggested saving would impact
- Comments – description of proposed budget reduction
- Risks – any perceived risks with the proposed budget reduction

8.5. The “Banked” savings total:

2005/6	£1,129,852
2006/7	£1,162,565
2007/8	£1,180,036

8.6. It is recommended that members agree to the “Banked” savings being removed from the revenue budget for 2005/6 to 2007/8.

- 8.7. The potential savings have, in the same way as the budget pressures, been prioritised by SMT (in view of the perceived impact on the Council's priorities and the recovery plan) into the following categories: recommended and possible. It is the view of SMT that members should agree to the recommended potential savings totalling:

2005/6	£514,798
2006/7	£609,039
2007/8	£652,590

- 8.8. If members agreed to the exclusion of the "banked" and the recommended potential savings the overall position with regard to the revenue budget would be as follows:

	2005/6 £	2006/7 £	2007/8 £
Shortfall	1,775,573	1,910,730	2,270,106
Additional investment interest	(120,000)	(65,000)	(70,000)
Banked savings	(1,129,852)	(1,162,565)	(1,180,036)
Recommended potential savings	(514,798)	(609,339)	(652,590)
Revised Shortfall	10,923	73,826	367,480

- 8.9. As can be clearly seen from above there is still a shortfall for each financial year however members should also remember that if as assumed the revenue budget for the current year is contained within the approved budget then there will be approximately £450,000 of reserves that can be utilised before the suggested minimum level of £850,000 is reached. It is suggested that members consider using this to address one off items of expenditure such as the costs of job evaluation or the Local Development scheme.

- 8.10. The one off costs included within the budget pressures are as follows:

	2005/6 £	2006/7 £	2007/8 £
PAI Mapping	15,000		
Local Development Scheme	5,000	98,000	97,000
Shared services	10,000		
District elections			45,000
Job evaluation	50,000	50,000	400,000
Total "one off" costs	80,000	148,000	542,000

- 8.11. The table below seeks to show the effect of using the £450,000 of available balances to fund "one of" expenditure:

	2005/6 £	2006/7 £	2007/8 £
Balance available at start of year	450,000	439,077	365,251
Less: Used in year	(80,000)	(148,000)	(542,000)
Contribution to balances	69,077	74,174	174,520
Year end balance	439,077	365,251	(2,229)

The contribution to balances is arrived at as follows (using 2005/6 as an example):

Budget shortfall	£10,923
Amount used to finance one off expenditure	(£80,000)
Contribution to balances	£69,077

- 8.12. As can be seen from the table at 8.11 above the overall revenue budget is balanced apart from a minor shortfall of £2,229 at the end of 2007/8, however this is based on a variety of assumptions, however three main ones are:
- That the balances available at the end of 2003/4 and 2004/5 are in accordance with expectations at £1.3m
 - That the increase required with regard to the depot is confirmed at £500,000
 - That all of the budget reductions are achievable
- 8.13. It is with this above in mind that it is recommended that the medium term financial plan is reviewed during 2005/6 in order to ensure that a balanced budget can be achieved.

9. Scrutiny Committees

- 9.1. Members are asked to agree the recommendations as contained within this report however it should be noted that the Scrutiny Committees have been rescheduled for February 8th, 9th and 10th in order that their views can be taken into account when Executive Cabinet formally considers the overall budget on 16th February 2005.

10. Capital

- 10.1. As part of the budget process approved by Executive Cabinet on 13th October 2004 the timetable to be followed to establish the Council's capital budgets for 2005/6 to 2007/8 was agreed.
- 10.2. The Executive Cabinet at its meeting on 15th December 2004 agreed to the following:
- The capital programme is limited to £1m per annum funded from the Council's own resources (in order to maximise the investment interest);
 - Executive Cabinet give consideration to fund housing grants over and above the £1m.
- 10.3. The Executive Cabinet also approved the capital investment criteria that a scheme should satisfy for inclusion in the capital budget as follows:
- Maintain existing assets to standards suitable for service delivery.
 - Improve and acquire assets to meet service and customer needs.
 - Improve the stewardship of assets; spend to save (innovative schemes that will secure the Council a better rate of return than the investment interest earned); to reduce longer-term problems and liabilities.
 - Satisfy legal obligations of the Council (e.g. health and safety requirements, and compliance with the disability discrimination legislation).
 - Develop community assets in areas of need.
 - Maximise the use of other funds to encourage investment in specific areas such as energy efficiency, economic development and infrastructure developments (using funds derived from Section 106 agreements with

- developers).
- Maximise the benefits of partnership working.

- 10.4. It is estimated that the level of capital receipts available at the start of 2005/6 will be £22m however the exact amount will not be known until the accounts for the current financial year 2004/5 have been closed.
- 10.5. A review of likely capital receipts in the period 2004/5 to 2007/8 has been undertaken and it has been estimated that the amounts set out in the following table may be received.

	2004/05	2005/06	2006/07	2007/08
	£m	£m	£m	£m
Estimated total capital receipts for Council use	£ 0.670	£ 0.370	£0.160	£0.150

The £22m available for investment at the beginning of 2005/6 quoted above includes the £0.67m estimated to be received for 2004/5.

- 10.6. The amounts shown are for Council use after the housing capital receipts have been 'pooled' and a proportion paid over to Central Government as required under the Local Government Act 2003 and the Prudential Code capital control system which began on 1st April 2004. The Council has transferred its housing stock to BDHT however we are still receiving small amounts of capital income from the repayment of discounts granted on pre LSVT Right to Buy sales on the re-sale of these properties, sales of retained housing land and assets, and sales of the Council's holding in shared ownership properties.
- 10.7. The Capital Programme has been reviewed in accordance with the above timetable and process and attached at Appendix E is the complete list of schemes that have been brought forward for consideration. SMT have again categorised these as to whether they are high, medium or low priority based on the perceived impact on priorities and the council's recovery plan.
- 10.8. A summary of the proposed capital programme is shown in the following table.

	2005/06	2006/07	2007/08	Future Years
	£000	£000	£000	£000
High priority	1,303	673	555	738
Medium Priority	678	178	182	186
Low priority	254	622	1,110	660
Business case	300	300	0	0
Low cost housing	258	75	0	0
Sect 106	1,710	143	150	150
Government Grant schemes	677	167	167	167
Planning Delivery Grant	54	10	0	0
R&R Reserve	195	91	40	20
Capital allowance	275	35	0	0
Pooled transitional relief schemes	81	33	0	0
Total	£ 5,785	£2,327	£2,204	£1,921

- 10.9. The capital programme will be financed from a variety of sources including

Section 106 receipts from property developers, external contributions, Government Grants, revenue sources/provisions, and capital receipts the Council has been allowed to retain under the new capital 'pooling' arrangements. Details of the proposed financing arrangements for the capital programme are shown below:

	2005/06	2006/07	2007/08	Future Years
	£m	£m	£m	£m
Capital Receipts				
High	1.303	0.673	0.555	0.738
Medium	0.678	0.178	0.182	0.186
Low	0.254	0.622	1.110	0.660
Low cost housing	0.258	0.075	0	0
Capital receipts (business case)	0.300	0.300	0	0
Section 106 Agreements	1.710	0.143	0.150	0.150
External Contributions				
Government Grants	0.677	0.167	0.167	0.167
Revenue				
Planning Delivery Grant	0.054	0.010		
Revenue Provision	0.195	0.091	0.040	0.020
Retained Capital Income After Pooling	0.356	0.068		
Total Programme	£ 5.785	£2.327	£2.204	£1.921

- 10.10. As members can see the high priority schemes exceed the £1m limit by £303,000. It is also suggested that the schemes shown above, and in Appendix E as financed by revenue provisions, should be funded by capital receipts thus increasing the requested release of capital receipts to fund the 2005/6 capital programme by £195,000 to £498,000. It is felt that this investment is required in order to clear some of the backlog replacement needed and as such should not be funded out of the proposed Repairs and Renewals fund as this is for future replacements.
- 10.11. It is recommended that schemes categorised as high priority be approved.
- 10.12. As has been highlighted already the request to release these additional funds will have a knock on effect to the investment interest and this has been included within the budget pressures identified at Appendix B.
- 10.13. It is suggested that as part of the review of the medium term financial plan the capital programme for future years is reviewed to ensure that it is line with the Council's priorities.
- 10.14. The Pooling of Housing Capital Receipts - The Local Government Act 2003 introduced the 'pooling' of housing capital receipts with effect from 1st April 2004. As described earlier in the report under these regulations 75% of housing capital receipts from disposal of dwellings and 50% for other Housing Revenue Account assets has to be paid over to Central Government. There are however transitional arrangements in place for debt free authorities such as this Council whereby the amount we pay into the pool can be reduced where the authority has incurred, or intends to incur, the amount of the reduction on its housing

functions. This includes, but is not limited to, expenditure on Housing Revenue Account assets.

- 10.15. Because the Council is debt free the transitional arrangements will therefore allow us to reduce our housing capital receipts which are subject to pooling by 75% in 2004/5, by 50% in 2005/6, and by 25% in 2006/7. After this date the full 75% will be payable to Central Government. Affordable housing capital schemes have therefore been included in the latest capital programme to utilise this type of funding to comply with the requirement to spend this resource on housing functions.
- 10.16. The 'Capital Allowance' - The 2003 Act also allows local authorities to set up a 'Capital Allowance' which allows certain types of housing capital receipts to be excluded from the pooling arrangements completely. The Capital Allowance constitutes a 'pot' which is topped up by specified types of expenditure. The value of the pot may be drawn upon to reduce certain types of capital receipts before calculating the poolable amount.
- 10.17. The Capital Allowance is the total of past or planned expenditure on affordable housing and regeneration and will be the value of:
- The costs of expenditure incurred by the authority for the purpose of facilitating the disposal of an interest in land (obtaining planning permission, preparing land for development etc.)
 - Spend, or resolution to spend, on provision of affordable housing or regeneration. The local authority should have a definition of what constitutes affordable housing in its business plan or housing strategy.
- 10.18. The value of the capital allowance therefore increases as the authority resolves to spend more on affordable housing and regeneration projects and decreases as it is used to extinguish the poolable proportion of certain types of capital receipts. There is nothing to stop the authority 'topping up' the value of the Capital Allowance with more resolutions to spend, the Capital Allowance is expected to be a rolling total, there is no requirement for it to be fixed on an annual basis and it will fluctuate throughout the year.
- 10.19. A Capital Allowance has therefore been created for the Council comprising affordable housing capital schemes which have been included in the capital programme to meet the regulations to which certain types of capital receipts have been applied to reduce the level of capital receipts subject to reduction under the pooling arrangements.
- 10.20. Executive Cabinet are requested to approve the setting up of the Capital Allowance for affordable housing capital schemes.

11. Financial Implications

- 11.1. Included in above.

12. Legal Implications

- 12.1. None.

13. Other Sub Headings

- 13.1. None.

Personnel Implications
Governance/Performance Management Considerations
Community Safety Considerations
Risk Management Considerations
Policy Considerations
Environmental Considerations
Equalities Implications

Background Papers

Budget papers 2005/6 – 2007/8

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**Hard copies of the appendices to the Medium Term
Financial Plan Report are available at the Council
House and will also be available at the Executive
Cabinet Meeting on 2nd February 2005.**

**Alternatively, a copy of the appendices can also be
viewed at Bromsgrove Library.**