

CONTENTS

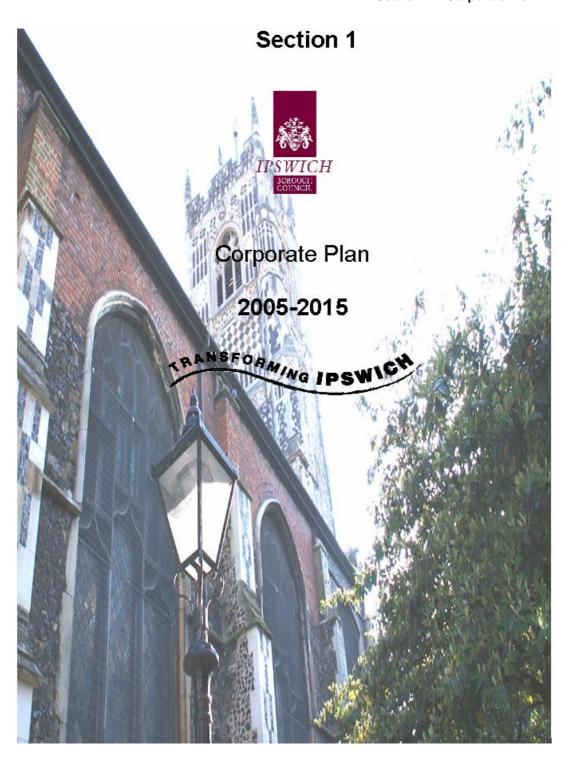
		<u>Page</u>
	Foreword	1
1.	Corporate Plan	2
2.	Finance Strategy	11
3.	Medium Term Financial Plan (MTFP) - Overview	34
4.	General Fund MTFP Forecast Budget Growth Savings Specific Grants Consultation	54 58 65 67 71 72
5.	Housing Revenue Account MTFP Forecast/Budget Other Fees & Charges	73 75
6.	Reserves and Provisions	77
7.	Capital Strategy	81
8.	Capital Programme MTFP, Resources and Growth	87
9.	Asset Management Plan	93
10.	Prudential Code and Treasury Management and Annual Investment Strategy 2009/10	120

FOREWORD

This document brings together, all the Council's financial strategies and plans.

- The approved corporate plan is restated here
- The approved Finance Strategy has been reviewed and progress identified
- The Medium Term Financial Plan (General Fund, HRA and Capital) is the result of a budget updating exercise that started in June 2008.
- The Capital Strategy has been rewritten in the light of the best practice
- The Asset Management Plan has been completely updated
- The Prudential Code & Treasury Management Strategy has also been completely rewritten to comply with the latest best practice and volatile market conditions.

Ian Blofield Head of Finance



The Ipswich vision:

"To deliver quality services for the people of Ipswich"

Priorities for 2008 – 2011

Taking forward the town's Community Strategy

Transforming and modernising customer access to services

Do the basics better for less

These priorities will be delivered through a series of activities aligned to the existing Goals of Transforming Ipswich and are shown in the various sections of this document.

> Overarching project for all priorities: Unitary status for Greater Ipswich

1. Clean and Green Ipswich

GOAL:

We will work with the community to make Ipswich a model urban clean and green place.

AIMS:

- 1. Seek to continually improve the cleanliness of Ipswich and seek to enhance the town through effective urban design.
- 2. Reduce waste by supporting initiatives which reduce, re-use and recycle
- 3. Ensure that residents and businesses value the environment and take action to reduce environmental impact through education, campaigning and enforcement.
- 4. Ensure adequate open spaces and amenity areas are available.
- 5. Protect and enhance biodiversity, by managing, developing and interpreting our valuable natural habitats and sensitive wildlife sites.
- 6. Monitor air, land, water and noise pollution within the Borough and take measures to minimise local pollution consistent with sustainable development principles.
- 7. Reduce carbon emissions by encouraging and supporting initiatives that promote renewable energy and energy efficiency.

Key activities

Engage with the Carbon Trust's Local Authority Carbon Management Programme to conduct a review of the Council's energy usage and establish a systematic programme to improve energy efficiency and adopt alternatives to traditional fossil fuel systems.

Through the CRed programme work with the business sector to reduce carbon emissions through reductions in energy usage, waste and travel planning, including the development of wind turbines.

Improve recycling rates and investigate glass recycling.

Make statutory any temporary allotments which have 90% occupancy.

2. Expanding Ipswich

GOAL:

We will work with business and external funders to encourage new investment, innovation, learning and sustainable growth and employment.

AIMS:

- 1. Develop the strengths of the local economy through regeneration and by ensuring an adequate supply and choice of land and buildings to support diversity of business opportunities.
- 2. Support the development of University Campus Suffolk and a redeveloped Suffolk College and promote business and community engagement.
- 3. Improve the profile of Ipswich as an investment, tourist, shopping and cultural centre at local, regional, national and international levels.
- 4. Provide a framework for investment, which will create and sustain social and economic regeneration and the integration of new and existing communities.
- 5. Secure the provision of more affordable homes for sale and rent to reflect the needs of Ipswich residents and reduce the level of homelessness.
- 6. Help provide the necessary infrastructure to allow Ipswich to develop and expand.

Key activities

Growth point and sustainable development through Haven Gateway and Regional Cities East.

Continued regeneration of Waterfront, Town Centre and Ipswich Village.

Support the development of University Campus Suffolk, Suffolk New College, SWISS (South West Ipswich & South Suffolk Sixth Form Centre) and Building Schools for the Future.

Increase delivery of new affordable housing by completing at least 300 new affordable homes and by keeping our affordable housing policies under review

3. Safe Ipswich

GOAL:

We will work with the community to keep Ipswich a safe place to live.

AIMS:

- 1. Prevent violence and disorder, particularly drug and alcohol related offences.
- 2. Increase the proportion of people feeling very safe in the area where they live by preventing incidents of anti-social behaviour, racial harassment, violent crime, criminal damage, burglary and vehicle crime.
- 3. Make the town centre a safe place to visit at night by working in partnership with the Police and other agencies and adopting a responsible licensing policy.
- 4. Promote a safe town by ensuring that all public premises, public open space and places of work comply with relevant legislation to maintain a high standard of public health and safety.

Key activities

Reduce crime and the fear of crime through the CSP, utilising the information within the strategic needs assessment for Ipswich

Revisit the Prostitution, alcohol and drug strategies to enhance activity

Enhance emergency planning and business continuity arrangements

4. Strengthening the community of Ipswich

GOAL:

We will help individuals and groups in the one lpswich community who experience disadvantage and will work towards everyone having the opportunity of a decent home.

AIMS:

- 1. Encourage community development and involvement, and encourage young people to take advantage of the many opportunities available to them to participate in culture, leisure and sport.
- 2. Improve housing conditions and standards in both the private and public sectors and provide housing advice and support.
- 3. Identify and reduce health and other inequalities for communities in Ipswich.
- 4. Help and encourage vulnerable people to lead independent lives and enjoy continued social participation.
- 5. Continue to work with partners to improve the quality of life for children, young people, especially those leaving care homes, and families at risk.

Key activities

Continue to develop Health and Wellbeing initiatives for people in Ipswich, particularly those in the Town and Bridge Project area - e.g. improve physical activity opportunities - provide stop smoking clinics.

Continue investment to meet Decent Homes Standard by 2010 and the Ipswich Standard by 2014. Prioritise budget provision for decent homes compliance works.

Investigate increased involvement of the public in larger planning applications.

Review area forums as part of the national community empowerment project.

Development of the Waterfront community.

Continue the work of the "Triangle" project.

Produce the next stage of the Local Development Framework following a thorough review of people's comments at the Preferred Options stage.

5. Travel in Ipswich

GOAL:

We will develop and encourage the provision and use of an integrated and effective transport system, which maximises the use of public transport, walking and cycling and reduces the overall impact of travel on the environment.

AIMS:

- 1. Provide people with a real choice of travel options to reduce reliance on the private car and so minimise congestion.
- 2. Seek to maximise the use of green travel alternatives including the creation of safe cycle routes in streets and through parks.
- 3. Work to improve access and mobility for pedestrians by better street design, mobility aids and the raising of relevant issues amongst the wider community.
- 4. Work to reduce the number of road accidents.
- 5. Investigate the provision of better access between the Port and the A14.

Key activities

Improve the condition of pavements and mend potholes

6. Vibrant Ipswich

GOAL:

We will enrich and protect the town's historic assets and diverse cultural offering, whilst working to attract award-winning architecture, and increase the availability of public art and live performance opportunities, as well as encourage participation in all sport and leisure pursuits to create an even more vibrant town.

AIMS:

- 1. Protect, enhance and interpret the town's historic buildings and designated conservation areas.
- 2. Robustly encourage developers to create schemes of award winning architectural merit, and increase the range and diversity of public art to enrich the townscape.
- 3. Widen access to our diverse culture in all its forms, with particular emphasis on increasing access to heritage related resources and through increasing displays of the town's collections.
- 4. Extend and promote participation in leisure, arts and entertainment by facilitating a broad range of live performance opportunities and special events, both professional and amateur, in and around the town, including parks and on the waterfront.
- 5. Improve skills and inspire learning across all age groups and sectors of society, including those on low incomes, disadvantaged and minority groups, by increasing access and enjoyment through participation in culture and leisure opportunities.
- 6. Encourage greater use of all sports facilities, parks and open spaces.

Key activities

Support the development of local athletes through grants from the Team Ipswich Sports Foundation.

Continue the development of the Ip-Art festival, parks and museums.

Improve activities for young people, including teenage facilities.

Principles which underpin everything we do within the Council:

- We will deliver effective local government, based on excellent customer care, which is open and responsive to residents' wishes.
- All our services will be delivered in a way that is fair, accessible and easy to use.
- We will deliver value for money services.
- We will consult and work in partnership with one-lpswich, other organisations, business, as well as individuals, when making decisions and prioritising, to achieve cohesive service delivery.
- We will continue to value our staff and the contribution they make in achieving our vision and priorities.

Key Activities

Prepare a business case for a contact centre

Improvements to the website – particularly more services on line

Front to back office integration

Improved customer focus

Improving performance of services through performance management

Undertaking value for money reviews

Ensure strategies are cohesive

Section 2

FINANCE STRATEGY

Contents -

- 1 Aim
- 2 Context
- 3 Scope
- 4 Development
- 5 Baseline
- Use of Resources 6
- Performance Management Risk Management 7
- 8
- Action Plan 9

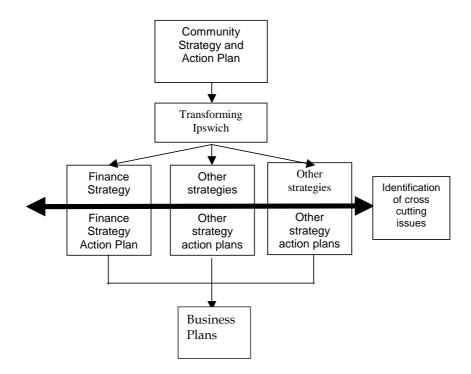
1. Aim

1.1 Finance, along with property and people, is a key resource for the Council. The aim of this Finance Strategy is to identify how Ipswich Borough Council wishes to structure and manage its finances over the next 3 years and to ensure the achievement of the Council's objectives.

2. Context

- 2.1 The Finance Strategy is a key element of the Organisational Resources Strategy. It underpins the Council's vision –"Transforming Ipswich", which aims to:- "Improve the quality of life for all people who live in, work in and visit Ipswich and to ensure the principles of fairness and ease of use that underpin all the Council's activities"
- 2.2 The Finance Strategy also underpins the Council's key principles and, in particular, the Council's commitment to Value for Money.

Figure 1 – Corporate Policy Framework



- 2.3 The Finance Strategy is a cornerstone of the Council's corporate policy making and planning processes.
- Figure 2 Interconnection of Finance Strategy with Corporate Planning Processes

FINANCI	AL STRATEGY		
capital and service I management and strategy	Capital and Asset-related Strategies Capital Investment Strategy Asset Management Plan Housing Strategy	 Financial Management Audit Plan Risk Management Strategy Procurement Strategy Best Value Reviews Financial Regulations 	External Issues c planning; financia budget :
Policy impact upon planning; financial budget s	 Service Related Plans Service Plans: e.g. HRA Business Plan Corporate Plans: e.g. HR Strategy, ICT Strategy, E- Government Strategy, Annual Report 	 Budget Strategy Annual Budget Medium Term Financial Plan Fees and Charges Treasury Management 	apital and service I management and strategy

3. Scope

- 3.1 The Finance Strategy is comprised of a number of interconnected documents. The primary documents are this Strategy, the Capital Strategy, the Medium Term Financial Plan, the Treasury Management Strategy and Financial Standing Orders.
- 3.2 Setting the scope aims to ensure clarity about which issues will be dealt with by this Strategy and which will be dealt with as part of other corporate policy making and planning processes.

Table 1 – Scope of the Financial Strategy

	Core to the Financial Strategy	Links with the Financial Strategy
Baseline	 Financial forecasts for revenue, capital and treasury, including RSG and other grants Exception reports from budget monitoring statements/outturn Council tax levels Key prudential indicators Strategic budget reviews Statement of Internal Control 	 Asset Management Plan Medium Term Financial Plan – Revenue/Capital Annual Audit Plan
Use of Resources	 Financial management Financial standing orders Internal control Financial reporting Value for money 	 Treasury Management Strategy (Annual Investment Strategy) Budget Strategy Corporate budget setting guidance and budget timetable Financial Accounts Financial Regulations, Standing Orders and Council Constitution which define key decisions Statement of Internal Control Debt management policy Audit Scrutiny Committee
Performance management	Monitoring of major schemes that have substantial service and financial consequences	 Budget monitoring Non-financial performance monitoring Capital monitoring Audit Reports
Developing options to transform the authority	 CIPFA Financial Management Guide Optional appraisal for major schemes and proposals Developing strategic savings options (including efficiency savings) Income maximisation policy, including lobbying strategy Policy on bidding for external resources (including matched-funding) 	 "Gateway" process for all schemes Option appraisals for smaller schemes Developing small-scale savings options

	Core to the Financial Strategy	Links with the Financial Strategy
Risk Management	 Financial risk management (e.g. reserves and balances, contingencies, insurance fund) Scenario planning ("What if?" analysis) 	 Internal Audit Statement of Internal Control Risk Register and processes for identifying, monitoring and managing risks

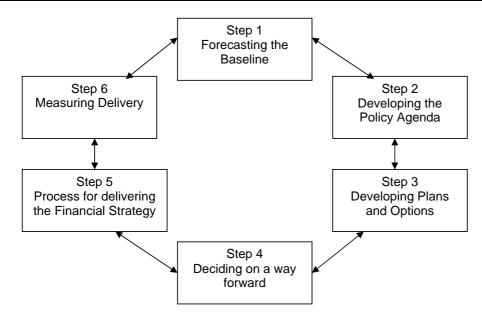
- 3.3 The Finance Strategy is limited by the following factors:-
 - Government Targets and Policy. Limited resources require a balanced trade-off between local and national priorities
 - Statutory duties. The Council must discharge these duties although there is often discretion about how this is achieved.
 - Regulatory Framework. This will be a cost driver although the Council can determine the extent and type of activity. This includes regulations, Codes of best practice and guidance, Comprehensive Performance Assessment and service inspections.

4. Development

- 4.1 The Finance Strategy is both a document and a process. It is designed to be robust with effective integration with the Council's policy making and planning processes
- 4.2 The Strategy is designed to be flexible and dynamic to respond to new financial opportunities, threats and policy directions.
- 4.3 The Financial Strategy is:-
 - Multi-resource orientated
 - Policy and priority driven
 - A 3 year plus planning timeframe
 - Focussed on stewardship, performance management and organisational transformation

4.4 The Financial Strategy is developed using an iterative process summarised below.

Figure 3 – Financial Strategy Process



- 4.5 The Council will continue to exercise and develop strong financial management together with robust budgetary control. This Council is committed to robust forward financial planning.
- 4.6 The Finance Strategy covers a rolling 3-year period with annual reviews to reflect any major changes or developments.
- 4.7 The Finance Strategy acknowledges the significant financial implications of other strategies like the Human Resources Strategy, which will be integrated into the financial planning framework.

5. The Baseline

5.1 The Baseline is the financial reference point for measuring performance and improvement. This is quantified in the Medium Term Financial Plan (a separate document), which identifies the Council's financial baseline for the General Fund (revenue), Housing Revenue Account and Capital Programme. This Plan identifies the Budget strategy, process, prioritisation methodology, financial performance and risk management activity.

General Fund

5.2 The Councils General Fund budget strategy, which will be the focus of public consultation, is that:-

The Borough's part of the council tax will be kept to the lowest possible level consistent with maintaining the level of service desired by Ipswich residents.

5.3 The Council Tax level will be set by using best practice to forecast the Council Tax yield. This will usually be based on best estimates of changes in the number of band D equivalent dwellings, exemptions, discounts and the collection rate. Debts will be managed in accordance with the Council's Debt Management Policy.

Housing Revenue Account

- 5.4 There is a statutory requirement for the Council to produce a 30 year Housing Revenue Account Business Plan and which meets DCLG "fit for purpose" criteria. The Business Plan will be revised on a 3-year cycle with the financial forecast reviewed annually.
- 5.5 The Council's Housing Revenue Account budget strategy is to:-

Amend the rents of its dwellings in line with the target rent under the Government's rent restructuring programme and ensure that the Housing Revenue Account budget and 30 year business plan are complementary and do not show a deficit.

Capital Programme

5.6 The Capital Strategy (see Section 7) identifies the parameters used to determine capital investment and set the capital programme to achieve the Council's objectives.

Financial Principles

- 5.7 The Council will continue to operate its commercial services accounts (mainly those within Ipswich Borough Contracts) so that where possible any surpluses are either re-invested in services or used to reduce council tax.
- 5.8 Financial Services will monitor national/regional/local changes and will aim to optimise benefit to the Council.

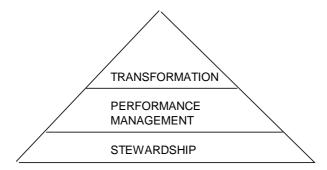
Consultation

- 5.9 Consultation with the public and stakeholders will take place in the following ways:-
 - General Fund revenue budget With council taxpayers and local businesses.
 - Housing Revenue Account revenue budget With council tenants.
 - Collection of taxes and other debts with taxpayers and other members of the public and organisations.

6. Use of Resources

Role of Financial Management

6.1 Financial Management operates at 3 levels. The proportion of activity in each of the 3 levels needs to meet the Council's needs and acknowledge our position in the organisational lifecycle. The Council is currently undergoing a significant change management programme and the focus is on supporting transformation and performance management.



- 6.2 Key roles of financial management include:-
 - Setting out the overall financial position and parameters through the forecasting of the baseline
 - Supporting performance management and organisational transformation
 - Developing financial policy to facilitate achieving the Council's objectives
 - Developing and maintaining an integrated corporate financial planning framework
 - Developing and maintaining processes for delivering the financial strategy e.g. maintaining appropriate corporate financial governance arrangements including financial stewardship

- Developing and maintaining a corporate financial performance management framework
- Developing an assurance framework to support the annual Statement of Internal Control

Role of Internal Audit

- 6.3 The Council has a legal duty to ensure that there is an adequate and effective Internal Audit service. This is delivered by a qualified audit team from the Audit Partnership, working to professional standards and reviewing the controls in place in each of the Council's service areas and systems.
- 6.4 Stewardship is the foundation of financial activity. It embodies the financial environment of rules and processes within which financial activity takes place. The focus on stewardship will continue to be a key element of the Internal Audit service.
- 6.5 The allocation of Internal Audit resources is determined on a risk basis in order to form an annual audit work plan covering the Council's services and systems. The audit team works closely with the Council's external auditors, as appointed by the Audit Commission.
- 6.6 The Council has an Audit Sub-Committee, which deals with matters related to internal and external audit planning, management and reporting. This Sub Committee's role includes the evaluation of the Internal Audit function and is a key element of the internal control framework.

Financial Management and Development

- 6.7 The role of Directors, officers and councillors is set out in the Council's Financial Standing Orders.
- 6.8 The Council is committed to using best practice in order to improve and develop financial management.

Debt management policy for the collection of taxes and other debts

- 6.9 The Council's strategy is to maximise the collection rates and minimise the arrears for local taxes and other debts as quickly as possible and as long as it is financially prudent to do so. The Council also monitors the costs of collection of all debts within a firm but fair and reasonable recovery policy. Unrecoverable debts will be written off promptly.
- 6.10 The Council has signed up to a joint Suffolk local authorities' Charter & Code of Practice. This includes providing flexible and convenient methods of payment, informing people of their entitlement to benefits, discounts and relief's and treating people with courtesy and sympathy.

Treasury Management

- 6.11 The Council's strategy is governed by the requirements of the Local Government & Housing Act 1989, the Local Government Act 2003 and the Council's Financial Standing Orders. The Council has also adopted the Chartered Institute of Public Finance & Accountancy's (CIPFA's) Code of Practice Treasury Management in the Public Services and the CIPFA Prudential Code for Capital Finance in Local Authorities.
- 6.12 In March each year, the Council formally approves the Council's Treasury Management Policy Statement, Borrowing Limits and Investment Strategy. The Treasury Management Policy Statement relates to:-
 - "The management of the Council's cash flows, its banking, money market and capital market transactions; the effective management of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
- 6.13 Full Council annually sets the Overall Borrowing Limit and the Maximum proportion of interest on borrowing which is subject to variable rates, before the start of each financial year
- 6.14 The Council produces an Annual Investment Strategy as required under Section 15 (1) (a) of the Local Government Act 2003.

Financial Standing

6.15 The Council will maintain and develop the good relationships enjoyed with the community, suppliers, other organisations and financial institutions.

Financial Reporting

6.16 The Council has significant financial reporting responsibilities to the Community, Government Departments and other organisations. The Council will endeavour to provide timely, accurate, comprehensive and relevant information.

Internal Control

6.17 The Council maintains a robust corporate governance framework. Key elements include the Financial Strategy, Council's Constitution, Financial Standing Orders and Audit arrangements. The Council is committed to continuous improvement of internal controls and will publish an annual Statement of Internal Control and an action plan to address any weaknesses.

Value For Money

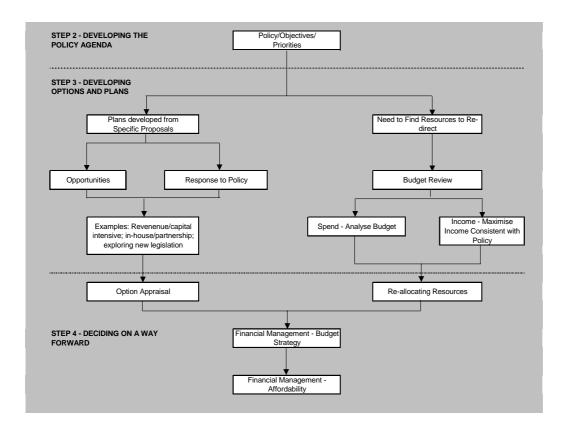
6.18 This is a key priority Principle that underpins "Transforming Ipswich".

- 6.19 The Council will develop processes to effectively challenge the base budget and achieve efficiency savings
- 6.20 The Council will develop robust processes to prioritise and redirect resources to meet the Council's goals identified in "Transforming Ipswich".

Developing Transformational Options

- 6.21 The Council has a significant organisational change programme. Change implementation requires resource and the Finance Strategy is a key tool to achieving organisation transformation. Key elements are identified below.
- 6.22 The Council has adopted an option appraisal methodology based on HM Treasury's Green Book: Appraisal and Evaluation in Central Government. This will be used to evaluate all major schemes and proposals.
- 6.23 The Council will develop strategic savings options and plans. Specific efficiency targets are included in the Medium Term Financial Plan and processes are in place to identify savings opportunities during the year. The Council is committed to achieving the CSR07 efficiency targets.
- 6.24 The Council will seek to optimise external joint/partnership working and securing external resources to achieve the Council's objectives. Activity to achieve additional external resources will be undertaken in line with the External Funding Terms of Reference.
- 6.25 The Council will seek to make a fair charge to users of Council services to minimise the financial burden on council taxpayers. A fair charge will reflect at least the cost of service provision unless the Council considers this would significantly reduce accessibility to the service. All charges will have a clear rational basis and charging structure. Fees and charges will be reviewed annually.
- 6.26 Financial planning is integrated with the Councils corporate planning framework. Financial planning can be in response to a policy objective, adhoc opportunities and ongoing planning (e.g. asset management). Wherever they are developed, the Council's financial framework will ensure that financial plans are consistent and integrated with the Finance Strategy.

Figure 4 – Financial Planning Process



7. Performance Management

- 7.1 The Finance Strategy complements the Council's Performance Management Framework. The Council has a robust budgetary control framework and will maintain a comprehensive suite of performance indicators covering all key financial activity.
- 7.2 Key elements of Financial Performance Management are:-

General Fund & Housing Revenue Account revenue budgets

- Comprehensive national and local Performance Indicators, covering key corporate and service level activity
- · Robust budgetary control process,
- · Robust medium term Financial Planning process,
- · Annual review of rents, fees and charges,
- Robust financial reporting and scrutiny of financial performance including production of the Statement of Accounts.

Treasury Management

- Annual review and setting of borrowing limits, policy and investment strategy
- Comprehensive Performance Indicators
- Quarterly financial reporting and scrutiny

Collection of taxes and other debts

- Comprehensive Performance Indicators
- Customer Surveys

Internal Audit

- Audit Plan and Internal Audit reviews
- Comprehensive Performance Indicators
- Audit Sub-Committee,
- External Audit and inspection

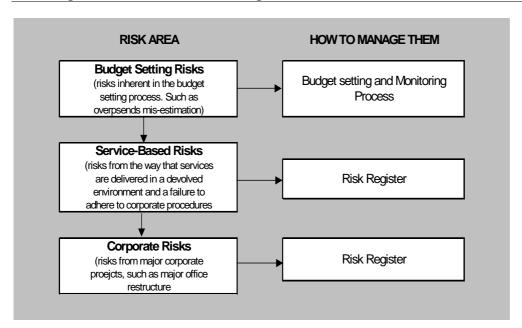
The Prudential Indicators

- Annual setting of Prudential Indicators
- Robust monitoring and reporting arrangements

8. Risk Management

8.1 The Council has a corporate risk management framework to address the different levels of risk.

Figure 5 – Financial Risk Management Framework



8.2 The key budget setting risks and mitigating actions are set out in the Medium Term Financial Plan and the Treasury Management Strategy. The corporate financial risks are summarised below:-

Financial Theme	Risk	Risk Category	Mitigation
Council Tax	Collection rate variance	2-E	Robust monitoring of council tax income drivers
Income	Income level variance	2-E	Robust budgetary control framework
Revenue Expenditure	Over/underspends	2-D	Robust budgetary control framework
Revenue Financing	Financing level variance	2-D	Robust resource monitoring and associated spending controls
Capital Expenditure	Over/underspends	2-D	Robust budgetary control framework
Capital Financing	Financing level variance	2-D	Robust resource monitoring and associated spending controls
Treasury Management	Investment return variance	2-D	Monitoring within Treasury Management Strategy parameters

^{*} risk category definitions see section 9, paragraph 6.1

The following action plan identifies the key proposed developments covered by the Finance Strategy over the next 3 years. These actions are reviewed annually to monitor progress and to address changes in priorities and needs.

9	ese actions are	Action List									
	Proposed Action	Enabling (E) Leading (L)	Milestones/ Timescales (S,M,L)	Performance Measurement	Lead	Funding in place	Risk	Risk Category	Progress	Further Action	
1	Develop & embed 3 year financial planning framework including corporate budget setting and option planning processes	Ĺ	Medium term Financial Plan Approved by Council, Corporate budget setting timetable embedded, option planning processes developed (S – Ongoing)	Timetable/ Process embedded	Head of Finance, Directors Team	N/A	Establish corporate ownership - Leads to drive implementation	2-D	Comprehensive Medium Term Financial Plan framework embedded	New "bottom line" budgeting framework due to be implemented from 1 April 2009	
2	Re-engineer Council's procurement process	L	Procurement Team embedded, Building & Design Services restructured, Detailed action plan identified (S)	Strategic target savings met	Group Manager- Accounting Services, Director (LC)	N/A	Successful implementation of necessary process changes to achieve value for money targets	2-D	Procurement team embedded, At least 300k pa being achieved	Buyers Queue & establishment of specialist procurement roles	
3	Maintain first class corporate financial system - Agresso	L	Maintenance, development and training programme in place (S)	Robust and appropriate processing and reporting	Head of Finance	N/A	Establish corporate ownership following user acceptance testing and training	2-D	Agresso successfully embedded. Electronic corporate procurement process embedded	Improvements - update 5.5 scheduled	

9		Action List									
	Proposed Action	Enabling (E) Leading (L)	Milestones/ Timescales (S,M,L)	Performance Measurement	Lead	Funding in place	Risk	Risk Category	Progress	Further Action	
4	Develop & embed external financial bidding process	Ĺ	Action Plan identified, process rolled out across Council (M)	Activity completed	Group Manager- Accounting Services	N/A	Establish corporate ownership and process compliance	3-E	Regular newsletter	Realignment to reflect changing environment	
5	Review financial strategy & internal financial controls and update annually. Further embed the internal control framework	L	Review undertaken (S – Ongoing)	Review undertaken	Head of Finance	N/A	Inappropriate or ineffective controls risk reduced by regular review	2-D	Financial Strategy and internal financial controls annual review completed	Ongoing	
6	Continue to develop key financial indicators to ensure accurate and comprehensive performance management	L	Gap analysis & new indicators developed to cover gaps (S – Ongoing)	All key financial activity covered by appropriate indicators	Head of Finance	N/A	Appropriate indicators & corporate ownership risks mitigated by consultation	3-E	Comprehensive KPI's now maintained through Performance System	Further development to align indicators to vfm targets	
7	Review/develop financial governance framework to meet Council's modernised way of working/local government reorganisation	L	Appropriate improvements implemented across Council (S)	No significant unexpected variances at financial year end	Head of Finance, Group Manager - Accounting Services	N/A	Consistent process adopted Council-wide. Risk reduced by Leads championing and embedding new process	2-D	Comprehensive MTFP framework embedded	New financial standing orders approved & due to be implemented from 1 April 2009 Appropriate supporting documents and training to be developed	

9	Action List										
	Proposed Action	Enabling (E) Leading (L)	Milestones/ Timescales (S,M,L)	Performance Measurement	Lead	Funding in place	Risk	Risk Category	Progress	Further Action	
8	Develop & set strategic savings options and efficiency targets	Ē	Resourcing Gap identified for 3 year period, detailed plans identified to address d (S – Ongoing)	Detailed plans to address resource gaps identified	Head of Finance, Directors Team, Head of Strategic Projects	N/A	Savings opportunities not being identified. Mitigated by Leads reviewing regularly and 3 year targets being set	2-D	Now embedded in the "bottom line" business planning process	Delivery of efficiency programme to be overseen by the Efficiency Board	
9	Document Council's option appraisal framework	L	Document, consult & implement (S)	Activity completed	Group Manager- Accounting Services	N/A	Consistent process adopted Council-wide.	3-E	Treasury "Green Book" methodology embedded for all major projects	The business case framework to be reviewed and developed	
10	Develop financial training programme for all levels of financial activity within the Council	L	Identify training needs, develop series of in- house courses to address (S – Ongoing)	Activity completed	Head of Finance	N/A	Limited access to training mitigated by inclusion within existing in- house training programmes	3-E	Comprehensive training programme established	Programme to be reviewed to ensure effectiveness and extended to cover the implementation of new financial standing orders	

9	Action List									
	Proposed Action	Enabling (E) Leading (L)	Milestones/ Timescales (S,M,L)	Performance Measurement	Lead	Funding in place	Risk	Risk Category	Progress	Further Action
11	Develop financial risk management framework including justification of levels of reserves, balances & contingencies	L	Identify degree of financial risks & develop recommended levels. (M)	Activity completed & reviewed periodically	Head of Finance	N/A	Inappropriate levels identified mitigated by periodic detailed review focusing on key potential financial risks	3-E	Comprehensive Reserves Policy produced and annually reviewed	Embed corporate risk register
12	Review & develop debt management policy	Е	Identify current activity, review, consult & implement appropriate improvements (M)	Activity completed	Head of Finance & Head of Revenue Services	N/A	Inappropriate or ineffective policy mitigated by consultation of appropriate managers	3-E	Debt Management Policy reviewed and improvements implemented	Develop performance culture and targets to achieve upper quartile performance
13	Develop internal processes to meet increasing requirements for use of resources	L	Identify future requirements, & develop action plan to address (S – Ongoing)	Activity completed & kept under review	Head of Finance, Group Manager - Accounting Services	Assess when requiremen ts established	Failure to meet increasing requirements. This risk is mitigated by early identification and action plans to deliver changes	2-D	Achieved a good (3) score in the Use of Resources Assessment for 2007/08. To, at least, maintain the use of resources score as the assessment requirements	Ongoing

9		Action List									
	Proposed Action	Enabling (E) Leading (L)	Milestones/ Timescales (S,M,L)	Performance Measurement	Lead	Funding in place	Risk	Risk Category	Progress	Further Action	
14	Develop internal processes to meet increasing requirements of external audit and inspection processes	L	Identify future requirements, & developed action plan to address (S – Ongoing)	Activity completed & kept under review	Internal Audit Partnership Manager & Head of Finance	Assess when requiremen ts established	Failure to meet increasing requirements. This risk is mitigated by early identification and action plans to deliver changes	2-D	Audit Scrutiny Committee established and training completed. Code of Corporate Governance complying with CIPFA best practice introduced	Annual updating & embedding of Code	
15	Review Council Tax consultation aims and process	E	Identify aims & evaluate options (M)	Activity complete	Finance Portfolio holder & Head of Finance	Assess when way forward is identified	Inappropriate or ineffective consultation process.	3-E	Further development of Council tax consultation delayed due to Local Government Review	Keep under review	
16	Review & develop a policy on new trading & charging opportunities	L	Identify opportunities, consult & develop policy (M)	Council-wide policy implemented	Finance Portfolio holder & Head of Finance	N/A	All significant opportunities identified & policy consistently followed. Risk mitigated by monitoring of national examples of best practice.	3-E	Developed shared services e.g. Museums, Building Control, Internal Audit	Opportunities currently limited Keep under review	

9	Action List									
	Proposed Action	Enabling (E) Leading (L)	Milestones/ Timescales (S,M,L)	Performance Measurement	Lead	Funding in place	Risk	Risk Category	Progress	Further Action
17	Review & develop processes for challenging the base budget & finding strategic savings options	(L) E	Identify current processes, improvements, consult & implement (S – Ongoing)	Processes in place	Head of Finance, Directors Team, Head of Strategic Projects	N/A	Risk of ineffective challenge of the base budget mitigated by Council's internal processes e.g. Overview & Scrutiny, budgetary control framework	2-D	Budget developed on new "bottom line" budgeting framework. Increased engagement of senior managers and portfolio holders	Refine and embed process
18	Develop corporate prioritisation methodology & policy for redirecting resources	E	Corporate prioritisation methodology embedded and robust corporate prioritisation framework (M)	Revised methodology & policy in place	Finance Portfolio holder, Directors Team,	N/A	Risk of inappropriate prioritisation & no corporate ownership of policy for redirecting resources mitigated by consultation & Leads implementing	2-E	Embedded prioritisation methodology, based on Councils objectives, for all capital projects and revenue growth	Refine and develop priority based resource including planning and monitoring
19	Develop Asset Management	Е	Develop corporate asset management system Review Asset Management Plan (S)	Improved planning and monitoring process	Corporate Property Officer	Partial	Ineffective use of assets & receipt generation	2-E	National accounting changes implemented successfully. Key asset monitoring in place.	Develop corporate asset management system and embed into budget planning

9	Action List										
	Proposed Action	Enabling (E) Leading (L)	Milestones/ Timescales (S,M,L)	Performance Measurement	Lead	Funding in place	Risk	Risk Category	Progress	Further Action	
20	Consultation on the Finance Strategy	L	Identify key parameters within the Finance Strategy & consult (S)	Stakeholder views on key parameters identified & reflected in the Finance Strategy Consultation complete	Finance Portfolio holder & Head of Finance	N/A	A clear consensus view not achieved	3-E	Consultation and MTFP completed	Annual review and update	
21	Extend Financial Planning framework beyond the minimum 3 years	L	Identify associated key benefits, opportunities & risks, consult & develop action plan (L)	Framework reviewed and action plan implemented	Head of Finance	N/A	Uncertainties reduce the usefulness of extended financial planning mitigated by appropriate use of contingencies and option planning techniques	3-E	3 year planning horizon maintained	Further development suspended pending Local Government Review decision	
22	Continuous improvement of Internal Audit service	L	Self assessment of performance, Code of Conduct and documentation (S)	Assessment complete and action plan produced	Audit Partnership Manager	N/A	Ineffective internal audit function	3-E	Good progress on Audit plan. Comprehensive risk analysis review has informed future Audit Programme	Annual self assessment	
23	Financial Monitoring/Repor ting Data Quality	L	Implement Audit Recommendatio ns	Robust, accurate, timely data	Performance Team Leader	N/A	Poorly informed decision making	2-D	Improvements identified	Implement Action Plan	

9	Action List									
	Proposed Action	Enabling (E) Leading (L)	Milestones/ Timescales (S,M,L)	Performance Measurement	Lead	Funding in place	Risk	Risk Category	Progress	Further Action
24	Minimising impact of the Credit Crunch on the Ipswich Community	Е	Implement appropriate measures (S)	Appropriate response for customers/sta keholders	Finance Portfolio Holder, Directors Team/Head of Finance	Quantified in MTFP		2-C	Credit Crunch package launched. Impact on services acknowledged in Budget Defensive Treasury Strategy	Keep under review. Amend approach as necessary
25	Local Government Review (LGR)	E	Deliver recommended structure when known (S)	Deliver restructure within time and budget	Councillors, Directors Team/Head of Service	To be reviewed		1-B	Awaiting Secretary of State decision	Implement once decision known
26	Develop council- wide access to a comprehensive library of key financial documents & processes	L	Documents & Processes identified, Council-wide access available (S)	Activity completed	Group Manager- Accounting Services	N/A	Establish corporate ownership	3-E	Internet folder of Key financial documents established.	Promote awareness & embed
27	Develop a Council-wide fees & charges policy	L	Council-wide policy in place (M)	Council-wide policy implemented	Finance Portfolio holder & Head of Finance	N/A	Corporate ownership of Council-wide policy addressing corporate and service needs. Risk mitigated by consultation with managers	3-D	Embedded in annual MTFP review process	Completed

Section 2 – Finance Strategy

9	Action List									
	Proposed Action	Enabling (E) Leading (L)	Milestones/ Timescales (S,M,L)	Performance Measurement	Lead	Funding in place	Risk	Risk Category	Progress	Further Action
28	Review & develop internal controls to address the volatility of capital resources	L	Identify key risks (e.g. generation of capital receipts). Identify mitigation measures & review internal controls (S)	Mitigation measures & revised internal controls in place	Head of Finance, Corporate Property Officer	N/A	Ineffective resource monitoring & spending controls mitigated by periodic review	2-E	Capital Programme coordinator in place and control framework embedded	Completed
29	Continue to develop the use of the Prudential Code and Indicators	L	Identify current activity & potential extension to activity (S)	Review complete & improvements implemented	Head of Finance	N/A	Ineffective use of Prudential Code & Indicators mitigated by regular review and reporting	3-E	Prudential code successfully embedded in corporate planning and monitoring process	Completed

Section 3

MEDIUM TERM FINANCIAL PLAN - OVERVIEW

1. INTRODUCTION

- 1.1 This is the Council's fourth Medium Term Financial Plan, which has been further developed from the Council's established 3 year Forecast. It identifies how the Council's corporate objectives as set out in, "Transforming Ipswich", take account of local and national priorities and drive the setting of the 3 year Medium Term Financial Plan (the Plan).
- 1.2 Robust medium term financial planning is essential to deliver excellent, value for money, services to the people of Ipswich in a changing environment. Government continues to impose new legislative and policy pressures backed by tougher regulatory and inspection regimes, and these do not always accord with local priorities and pressures driven by our extensive engagement with local communities.
- 1.3 Demographic changes interact with these priorities and pressures to create increased demands well in excess of additional grant funding, with the potential to impose Council Tax burdens beyond that which the tax was designed to withstand.
- 1.4 The Council has an excellent track record and is rated as a "Good Authority" within the Government's Use of Resources performance assessment. This acknowledges recent positive service outcomes and effective corporate management. It is indicative of strong partnership working across public, private and voluntary sectors, and a corporate approach to risk management.
- 1.5 The Council is committed to continuous development and value for money. The Council has restructured to focus resources on front line services and is actively pursuing efficiency saving opportunities.
- 1.6 This Plan reflects the commitment of councillors and officers to build on past achievements to:
 - Secure continued excellent value for money
 - To focus on Council priorities
 - To develop better ways of delivering services
- 1.7 The proposals contained in this Plan are underpinned by a comprehensive appraisal of strategic and operational risks. This Medium Term Financial Plan takes account of the Council's strategic risk register. In this way risk management is treated as an integral part of the planning and managing process, rather than as a separate annual event.
- 1.8 Assessments of financial risks associated with the 2009 to 2012 budgets are shown at 4.18.

2. SERVICE PRIORITIES

- 2.1 The Council's vision is set out in the Corporate Plan 2008 2015 "Transforming Ipswich" which is shown in Section 1. This sets the strategic direction for the Council, the aim of which is to "deliver quality services for the people of Ipswich", emphasising the importance of cost effective management and the need to keep Council Tax at a level local people can afford. The priorities identified within it are vital for financial planning and the finance plan demonstrates that resources follow the priorities set.
- 2.2 Key Goals for 2008 2015 are:
 - Clean & Green Ipswich We will work with the community to make Ipswich a model urban clean and green place.
 - **Expanding Ipswich** We will work with business and external funders to encourage new investment, innovation, learning and sustainable growth and employment.
 - Safe Ipswich We will work with the community to keep Ipswich a safe place to live.
 - Strengthening Communities in Ipswich We will help individuals and groups in the one-Ipswich community who experience disadvantage and will work towards everyone having the opportunity of a decent home.
 - Travel Ipswich We will develop and encourage the provision and use of an integrated and effective transport system, which maximises the use of public transport, walking and cycling and reduces the overall impact of travel on the environment.
 - Vibrant Ipswich We will enrich and protect the town's historic assets and diverse cultural offering, whilst working to attract award-winning architecture, and increase the availability of public art and live performance opportunities, as well as encourage participation in all sport and leisure pursuits to create an even more vibrant town.
- 2.3 The priorities for 2008 2011 are:
 - Taking forward the town's Community Strategy
 - > Transforming and modernising customer access to services
 - Do the basics better for less
- 2.4 The Council has identified a number of key strategies, set out in its Strategy Framework document. This document is reviewed annually. All strategies are prepared for a minimum of 3 years and associated Strategic Action Plans (SAP) support their delivery.
- 2.5 The Finance Strategy shown at Section 2 shows how "Transforming Ipswich" will be delivered within the available resources.

3. NATIONAL CONTEXT

- 3.1 The revision and updating of the Medium Term Financial Plan (MTFP) for 2009/10 onwards has been particularly challenging and the following issues are notable.
- 3.2 The economic collapse of Icelandic banks on 7 October 2008 heralded significant volatility in the global banking sector. The collapse of a country's financial system is rare and has led to a fundamental review of the international credit rating systems used for financial investments. Although the Council's investment policy is carefully implemented, the Credit Rating system failed to give adequate notice of the impending collapse and the Council has £5m of investments frozen in Icelandic Banks. The Banks are in Administration and it is expected that the likely settlement will be known in the spring. For the purpose of the MTFP, interest on these Icelandic investments has not been anticipated. There are significant additional repercussions for the Council including the need to completely refocus the Treasury Strategy, due to the volatility in the global banking sector, the resultant risks to investment capital, reduced investment opportunities and the poor investment returns. Activity and expectations have been significantly reduced in the aftermath of these events.
- 3.3 The current deep recession that was recognised in Autumn 2008, is having a significant effect on Council services. Already services, like planning, land charge searches and car parking are experiencing significant reductions in income levels. In addition the demand for services like housing advice and benefits are seeing dramatic increases, which puts more pressure on the Council's resources. This MTFP update takes account of the trends in income levels and demand for services that are already materialising. It is likely that, as the recession continues, further financial impacts will be seen. This MTFP provides for additional financial contingency to ensure that the Council has sufficient capacity to provide appropriate service levels during the anticipated difficult economic circumstances ahead.
- 3.4 The Local Government structure in Suffolk and Norfolk is currently being reviewed. The Boundary Committee is due to publish its recommendations to the Secretary of State on Friday 13th February 2009. A formal decision by the Secretary of State is anticipated on or after the 27th March. The Council's response to the Boundary Committee identified the resources needed to implement the preferred 2 unitary pattern for Suffolk and confirmed that sufficient resources were available across Suffolk. This MTFP does not make specific financial provision for local government restructuring as the formal decision will not be known by the time the 2009/10 Budget has to be approved. It is acknowledged that the MTFP will need to be reviewed in the light of any decision that might be forthcoming from the Secretary of State.
- 3.5 This revision of the Medium Term Financial Plan acknowledges the tougher economic climate by anticipating increased demand for some Council services and the likely impact on income levels together with the need to make financial provision for increased levels of uncertainty given market conditions

3.6 The Council's financial planning takes place within the context of national political, economic and public expenditure plans. This section identifies the broad context, issues and assumptions, which provide the framework for the budget and medium term financial plan.

There have been two key announcements on public finances that impact on the Budget:

- a) The final Local Government Finance Settlement for 2009/10 was announced in January 2008. This confirmed the amounts published earlier under the Comprehensive Spending Review 2007.
- b) The final Housing Subsidy Determination was published in January 2008.

Comprehensive Spending Review 2007 (CSR07)

3.7 The Comprehensive Spending Review 2007 (CSR07) was published in July 2007 and covers the period 2008/09 to 2010/11. The headline issues announced included a requirement for 3% cashable efficiency savings, an expectation of pay increases being contained to 2% pa and an increased focus on efficient asset management. Provisional grant allocations for 2009/10 and 2010/11 were issued in December 2007 at 1.1% and 0.7% respectively.

Local Government Finance Settlement

- 3.8 The current formula Grant Distribution System was introduced from 1st April 2006 and includes:-
 - A move to 3-year grant settlements using a 4 block model covering a central allocation, relative needs, local resources and a minimum grant floor
 - A basic grant floor for each type of Authority with a variable top up
 - Use of trend projections for dominant data drivers like population and council tax base. Frozen multi year averages for all other formula data
 - No retrospective amendments to the formal grant settlement unless there is a systematic error
 - Alignment with Local Authority Agreements
- 3.9 The key points of the Local Government Finance Settlement were:
 - Total national increase in formula grant of 2.8% for 2009/10 and 2.6% for 2010/11 (was 3.6% for 2008/09).
 - Damping arrangements for 2009/10 confirmed at the same levels as 2008/09 i.e. floors of 2%, 1.75% and 1.5% for authorities with education and social services responsibilities, 2.5% for police authorities for the three years; and 1%, 0.5%, 0.5% for shire districts and fire and rescue authorities. These are paid for by scaling down the grant increases to authorities within the same class above the floor.

The Finance Settlement for Ipswich Borough Council

- 3.10 The Council was notified on 26 November 2008, of provisional figures for the second and third years of the first three-year settlement for Local Government, covering 2009/10 and 2010/11. These were later confirmed by DCLG during January 2009.
- 3.11 The national increase for all shire districts was confirmed at 1.1%, and the table below compares the level of Grant increases for Ipswich, for 2009/10, with other Suffolk District/Borough Councils.

Grant Increases for Suffolk's District/Borough Councils

	2009/10
Babergh	2.0%
Forest Heath	0.5%
Ipswich	1.1%
Mid Suffolk	0.5%
St. Edmundsbury	1.0%
Suffolk Coastal	2.0%
Waveney	2.8%

3.12 The table below shows the level of Government Grant for Ipswich Borough Council, for last year, together with the settlement for 2009/10, and provisional settlement figure for 2010/11. The financial year 2011/12 is outside the current comprehensive spending review, so provisional figures are not available, however it is anticipated that there will be a similar increase to that of 2010/11.

Level of Government Grants - Ipswich Borough Council

Year	RSG/NNDR		Council Ta (Band	
	£m	%	£	%
2011/12 (Estimated)	11.995	0.70	325.17	2.93
2010/11 (Provisional)	11.912	0.70	315.90	2.93
2009/10	11.830	1.07	306.90	2.93
2008/09	11.706	1.80	298.17	2.95

3.13 The Council only receives funding from 2 of the 7 funding blocks (the Capital Financing and Environmental, Protective & Cultural Services blocks) for which the dominant data driver is population; as this uses historical rather than

predictive data, a move to a 3 year funding programme exacerbates the time lag between need and funding.

3.14 There is an expectation by Central Government that "the average council tax increase in England to be substantially below 5 per cent ".

4. REVENUE PLANS 2009 to 2012

- 4.1 This 3-year Medium Term Financial Plan has been reviewed with regard to achieving the Council's objectives "Transforming Ipswich". This forecast is prepared by comparing available financing, with the aggregate cost of delivering the Council's objectives and goals, as expressed in Service Group business plans. The Medium Term Financial Plan identifies prioritised growth pressures and measures to address the anticipated resource gaps, in order to produce a balanced budget.
- 4.2 The organisation of service areas into ten service groups, each with their own Head of Service, has facilitated a change in budget preparation methodology. The new methodology has been termed "Bottom line budgeting", since once service group budgets are agreed, Heads of Service are expected to manage group finances on that basis. Financial Standing Orders have been updated to support and allow this approach.
- 4.3 The service group allocations have been developed from existing service budgets with savings to balance the budget being allocated on an appropriate basis. Budgets that have been held centrally in the past have also been apportioned to the service groups so that these are as comprehensive as possible. This represents a fundamental change in the way that budgets are held.
- 4.4 It is proposed that the Heads of Service Team ensures delivery of the overall savings needed to balance the budget. The incidence of actual savings across service areas, particularly of the apportioned central savings targets e.g. procurement and transitional vacancies, may vary in practice and it is proposed that the service group allocations will be refined during the year, using the established budgetary control process. This will facilitate service allocations in future years.

Three Year Forecast

- 4.5 The Budget Requirement was calculated based on a number of principles. The key principles are outlined in this section. The Service Group budgets generally allow for a continuation of the level and standard of services provided for in the 2008/09 approved Budget. Other influences on the Medium Term Financial Plan include:
 - Assumptions about the Capital Programme and its funding, including the revenue implications of anticipated borrowing and capital receipts.

- In general inflation allowances have been kept to a minimum. Where inflation factors are applied, these reflect the latest predictions of economic forecasters (see table below).
- The latest review and forecast of profits.
- The current economic situation and in particular its impact upon nongrant income.
- A review of provisions and reserves.
- Minimum level of reserves based on recent trends and risk assessment
- The full-year impact of the last review of fees and charges.
- Service area staff changes approved during the current year.
- The Council Tax base for 2009/10 approved by Council on 21 January 2009.
- The Council's Approved Finance Strategy.
- The Council's "Transforming Ipswich" document and specific service priorities.
- Target savings and contingencies have been the subject of a thorough review.
- Increasing Council Tax base in General Fund
- GF Forecast anticipates a Council Tax increase of 2.93% a year
- HRA Forecast anticipates annual rent increases sufficient to keep in line with the government's rent restructuring regime and changes in the governments Housing Subsidy determination.

INFLATION FACTORS

Item	2009/10	2010/11	2011/12 %
Electricity	10.0	0.0	0.0
Gas	10.0	0.0	0.0
Salaries	2.6	2.0	2.0
All other expenditure	0.0	0.0	0.0
Fees and charges	3.2	2.0	2.0

4.6 A consistent increase in fees and charges is proposed. Individual fee levels will be subsequently reviewed and any recommendations for different fee increases will be considered at an appropriate future Executive meeting.

4.7 The estimated revenue effects of anticipated capital resources and their application to the Capital Programme, have been reflected in the General Fund and Housing Revenue Account approximate out-turn for 2008/09 and estimates for 2009/10.

^{*} The following services levy discretionary charges - Waste Collection, Entertainments, Bereavement Services, Environmental Health, Licensing, Car Parks, Sport, Parks and Landscape Services and HEARS.

- 4.8 The estimates provide for the revenue effect of anticipated repayment levels of superannuation back-funding, based on the current actuarial valuation of the Pension Fund, anticipated liabilities and anticipated one off lump sum capital repayments.
- 4.9 The approximate out-turn for 2008/09 includes an additional £152,568 for Housing and Planning Delivery Grant, which was announced by the Minister for Housing on November 10th 2008. The 2009/10 allocation is not yet available, but is estimated on the current allocation basis to be £645,000, which is £464,000 higher than previously forecast.
- 4.10 The costs of implementing Local Government Reorganisation are not reflected in the Plan pending the Secretary of State's decision (see paragraph 3.4).
- 4.11 The Budget includes provision in the General Fund Account and Housing Revenue Account to finance other general items that will be reallocated to service budgets in due course. These are included in the accounts as contingencies.
- 4.12 The Council's frozen investments in Icelandic Banks have reduced interest receivable by £270,000 in 2008/09. The Council had investments totalling £5m in Icelandic Banks, which are now in administration. There is no provision for loss of the amount invested, in the accounts as a direction has been received from central government, that this should be deferred until the actual loss is known.
- 4.13 Substantial savings were required to deliver a balanced budget for 2009/10. Savings have been identified both as specific reductions to Service Group budgets, by Heads of Service and as corporate savings targets. In both cases the means of delivering these savings have been identified and allocated to Service Group budgets.
- 4.14 Despite budget constraints, the Council has maintained a significant programme of contributions to voluntary organisations. For clarity these contributions are grouped into 3 themes i.e. leisure, economic and community services. The overall allocations are included in the service analysis summarised in section 4. A report on the detailed allocations will be considered at a future Executive meeting.

Section 3 – Medium Term Financial Plan (MTFP) Overview PRIORITISATION CRITERIA

4.15 As part of the Corporate Planning process, the Council has identified growth pressures to achieve its objective "Transforming Ipswich". The Council has a corporate resource allocation methodology, to assist in the allocation of resources. The list of priority growth for the General Fund is shown in Section 4. No such growth was identified for the Housing Revenue Account.

		\	Coordina
		Weighting	Scoring
1	Meets Transforming Ipswich objectives: Clean & Green Ipswich 10 Expanding Ipswich 10 Safe Ipswich 10 Vibrant Ipswich 10 Strengthening the Community of Ipswich 5 Travel in Ipswich 5	35	10pts each for 4 top goals 5pts each for other 2 goals (Can score a maximum of 35 over 4 Categories)
2	Meets Transforming Ipswich Principles:- Fair, Easier, Partnering, Custome Care, Consultation, Value Staff	10 r	(2pts each) (Can score on a maximum of 5 Principles)
3	Meets Transforming Ipswich Principle of Value for Money:-	20	Revenue Increases revenue expenditure by over 50% of growth bid (0pts) Increases revenue expenditure by 0-50% of growth bid (5pts) Neutral revenue effect (10pts) Increases revenue income/ generates savings of 0-50% of growth bid (15pts) Increases revenue income/ generates savings of over 50% of growth bid (20pts) Capital Increases revenue expenditure (0pts) Neutral revenue effect or scheme does not repay Capital Expenditure within 25 years (5pts) Scheme repays Capital Expenditure within 25 years (10pts) Scheme repays Capital Expenditure within 20 years (15pts) Scheme repays Capital Expenditure within 20 years (15pts) Scheme repays Capital Expenditure within 10 years (20pts)

		/eighting	Scoring
4	Addresses a significant Council Risk with a potential impact on services. e.g. supports meeting statutory requirement such as Health and	20	Risk Impact X Addresses Low (2) Partly meets (1) Medium (4) Substantially (3) High (5) Fully (4)
5	Is part funded from externally generated resources (e.g. Grants, Lottery Funding, etc).	15	1-19% (3pts) 20-39% (6pts) 40-59% (9pts) 60-79% (12pts) 80%+ (15pts)
6	Effective Alternative Provision		Effective alternative provision already exists (-10pts) Effective alternative provision already exists, but costs could be reduced (-5pts) No Effective alternative provision exists (0pts)

- 4.16 The proposed net service expenditure budgets for 2009/10 are analysed in Section 4 for General Fund and Section 5 for the Housing Revenue Account. It should be noted that capital charges are identified in a separate column. Capital charges are based on the value of assets used by each service and are calculated using the capital programme in Section 8. These charges do not affect the amount funded by council tax or rents as they are reversed out in the General Fund and Housing Revenue Account summaries, and replaced by the Council's net external debt charges.
- 4.17 The General Fund Forecast is detailed in Section 4 and the Housing Revenue Account Forecast is detailed in Section 5.

Chief Finance Officer's Statement

- 4.18 Clause 25 of the 2003 Act requires the Chief Finance Officer to report on the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. The Council must have regard to this report when making decisions about the calculations resulting from the report.
- 4.19 The Local Government Finance Act 1988 also requires the Chief Finance Officer to report to all the Authority's Councillors if there is likely to be unforeseen expenditure or an unbalanced budget. External auditors have regard to these legal requirements when reviewing the arrangements in place to ensure that financial standing is soundly based. Also the Comprehensive Performance Assessment requires a report on the standard of financial management including budgetary control and reserves of the authority.

Section 3 – Medium Term Financial Plan (MTFP) Overview Robustness of the estimates

- 4.20 The calculations of estimates making up the General Fund Budget requirement of £24,476,720 for 2009/10 have been based on principles set out above. The Medium Term Financial Plan is based on "Transforming Ipswich" and includes limited growth and all identified savings. This Plan delivers a financially balanced 2009/10 budget, with an inflation based council tax increase.
- 4.21 The calculations of estimates making up the Housing Revenue Account for 2009/10 have been based on principles set out above. The Medium Term Financial Plan is based on "Transforming Ipswich" and includes all identified savings. This Plan delivers a financially balanced 2009/10 budget, with a rent increase based on the government's rent restructuring regime.
- 4.22 The Chief Finance Officer is satisfied, therefore, that the estimates on which the budget has been based are robust. Clauses 28 and 29 of the 1988 Act require Councillors to review the budget from time to time during the year and consider the impact of any overspends on the forecast reserves position. Reports on budget variances are presented quarterly to the Executive during the year, and any action needed to maintain the General Fund and Housing Revenue Account Budgets is taken by Executive.
- 4.23 Assessments of financial risks associated with the 2009 to 2012 budgets are shown below. These risks are taken account of in setting the level of reserves.

<u>Risk</u>	Impact of risk, if it occurred (Scale of 1- 4)	Probability of risk occurring (Scale A-F)	What is the Council doing (or what has it done) to avoid the risk or reduce it effect?
	1- Catastrophic 4 - Negligible	A – Very likely F – Almost impossible	
Accuracy of estimates	2	D	Incorporate current economic predictions Service Group based budget process MTFP, revenue & capital programme set together All known future changes included in budget
Adequacy of reserves/balances/bad debt provision	1	E	Risk Management assessment, insurance policy
Significant variances due to poor budgetary control	2	E	Budgetary control process Quarterly reporting to Executive based on monthly exception reporting
Long term	1	Е	Medium term financial

<u>Risk</u>	Impact of risk, if it occurred (Scale of 1- 4)	Probability of risk occurring (Scale A-F)	What is the Council doing (or what has it done) to avoid the risk or reduce it effect?
unsustainable/imprudent financial planning			planning, Prudential Indicator framework and regular monitoring
Partnership/Joint Working – poor control/definition resulting in financial liability	3	E	IBC retains control of resources unless partnership contract exists
Corporate projects – predicting financial implications	2	E	Corporate projects managed using Prince 2 based methodology
Changing goals/expectations	2	E	Transforming Ipswich, Corporate Plan, Strategic framework
Failure of "Approved Organisation for Investment"	2	В	Reviewed Treasury Management Strategy (see Section 10) Daily monitoring of investment counterparties
Poor Corporate Governance/financial control	2	E	New Corporate Governance, Audit review, Standing Orders
Changes in proper accounting practice	3	С	The Council adheres to the latest Statement of Recommended Practice
Unexpected changes in demographic/service expectations due to the current economic situation	2	Е	Officers actively monitor potential future changes
Future changes in legislation and financial environment	2	E	Officers actively monitor potential future changes

^{*} risk category definitions – see section 9, paragraph 6.1

Specific Risks

There are also some known key specific risks

Diale	Impact of risk, if it	Probability of risk	What is the Council doing (or what has it
Risk	occurred (Scale of 1- 4)	occurring (Scale A-F)	done) to avoid the risk or reduce it effect?
General Fund			
Concessionary Fares Scheme- details being finalised with operators	3	А	Contingency provided to cover likely impact
Following the collapse of the Icelandic Banks there is a risk that some or all of the funds invested may be lost	2	В	Local Government Association co-ordinating action Local Authority representation on Creditors group
<u>Capital</u>			
Predicted capital receipts may not materialise, capital programme would be curtailed or funding revised	2	В	Continual review of market conditions.
HRA That national review of Housing Subsidy does not improve Council's position. Future changes could continue to detrimentally affect the HRA's financial position	2	В	Action to minimise the impact including responding to consultation, reviewing costs and identifying saving options. Review future minimum working balance once more details known.

• risk category definitions – see section 9, paragraph 6.1

Adequacy of Working Balance and Reserves

- 4.24 The Council complies with the requirements of Local Authority Accounting Bulletin 77 (November 2008) on the establishment and maintenance of local authority reserves and balances. The guidance represents good financial management and should be followed as a matter of course.
- 4.25 The requirement for financial reserves is acknowledged in statute. Sections 32 and 43 of the Local Government Finance Act 1992, require billing and precepting authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. There is no statutory minimum level of reserves that must be held.

- 4.26 It is the responsibility of the Chief Financial Officer to recommend the level of reserves and put in place protocols for their establishment and use.
- 4.27 The Reserves and Provisions Policy is included as section 6 of the Medium Term Financial Plan.

Consultation

- 4.28 A public consultation exercise was undertaken in December 2008 to January 2009. The basis of the consultation was a 2.5% sample of all Ipswich council taxpayers for each of the eight council tax bands. 22.5% of questionnaires have been returned to date. This is a good rate of return and gives a very good assurance that the survey is statistically representative of all Ipswich council taxpayers.
- 4.29 The most popular option chosen by Ipswich council taxpayers was to restrict council tax increases to below 3% next year. This supports the approved Finance Strategy. This states the Council's General Fund budget strategy, is that the Borough's part of the council tax will be kept to the lowest possible level, consistent with maintaining the level of service desired by Ipswich residents. The results are detailed in Section 4.
- 4.30 As part of the Council's commitment to consultation with its tenants a presentation was made to a joint meeting of the Housing Management Board in January 2008. Included was a section on rent levels, expenditure, housing subsidy and rent restructuring.

2010/11 and Beyond

4.31 Significant progress towards addressing the resource gap in 2010/11 and 2011/12 has been made. The Council has established processes to identify and achieve efficiency and savings opportunities resulting in a Corporate Savings Programme. Further work is underway to address the remaining General Fund budget shortfalls of £1.992m and £2.365m, respectively. A range of options are being developed to make further savings, increase income, reduce expenditure and review the levels and methods of service provision linked to the Council's priorities.

Local Area Agreement - Financial Overview

- 4.32 All central government funding is now paid to partners and local discussion and decision is required to determine the funding for the LAA and how it will be controlled.
- 4.33 2008/09 was the first year of LAA2 and of new financial arrangements introduced by government. Unlike previous rounds of LAA there is no dedicated funding for LAA2. It has been replaced with an Area Based Grant which is paid directly to county and district/borough councils as single non-ring fenced amounts. It is part of each council's overall budget, and funding to support LAA priorities and activities will need to be determined locally. In

Suffolk there is a commitment to collectively achieve LAA targets through pooling and aligning funds, expertise and resources.

4.34 In the table below is an analysis of the grant levels.

	Amount 08/09	Amount 09/10	
LAA Payments within the Area Based Grant	Revenue	Revenue	Comment
Block 1	£	£	
School Travel Advisers	102,000	102,000	
Secondary Behaviour & Attendance	183,300	183,000	
Secondary Central Co-ordination	387,000	388,000	
Primary Central Co-ordination	413,000	333,000	
School Development Grant	764,000	764,000	
Positive activities for young people	323,000	2 23,000	
Childrens Fund	1,429,000	1,429,000	
Connexions	5,776,000	5,508,000	
Teenage Pregnancy	179,000	179,000	
Sub Total Block 1	9,556,300	9,209,000	
Sub Total Block T	9,330,300	9,209,000	
Anti-Social Behaviour Grant	175.000	175.000	
Building Safer Communities	451,000	451,000	
Anti-Social Behaviour Action Area	30,000	30,000	Paid Directly to Ipswich BC
Drugs Strategy Partnership Grant	81,000	81,000	' '
Neighbourhood Funding (See Notes)	412,000	412,000	Paid Directly to Waveney DC
Sub Total Block 2	1,149,000	1,149,000	
Total LAA Funding within Area Based Grant	10,706,300	10,358,000	
Total LAA Fulluling Within Area Based Grant	10,700,300	10,336,000	
Reconcilation to LAA Pooled Revenue Resources	l		
Childrens Services Grant	1,904,000	1.904.000	Included in Revenue Support Grant
Cleaner, Safer, Greener Element Funding	.,55.,666	.,55.,666	Time limited Scheme Now Finished
Waste Performance and Efficiency Grant	695,000	695.000	Included in Revenue Support Grant
Rural Social Community Programme Suffolk Acre	355,555	000,000	Time limited Scheme Now Finished
Total	13,081,000	12,957,000	

Note

The Area Based Grant is now revenue only and therefore capital has been excluded

All allocations are rounded

The Neighbourhood Funding is in line with the schemes appoved plan

The Waste Performance and Efficiency Grant will relate to all partners

5 GENERAL FUND AND COUNCIL TAX REQUIREMENT

- 5.1 In determining the Budget Requirement for 2009/10, councillors and officers have considered options for proposed Council Tax increases, in addition to the identification of savings, economies and financing options. These are detailed in Section 4 with similar considerations for the HRA in Section 5.
- There is a special levy for the River Gipping Internal Drainage Board issued on Ipswich Borough Council under the Internal Drainage Boards (Finance) Regulations 1990. From 1st April 1990, in addition to raising revenue by means of drainage rents, the boards raised revenue by means of special levies issued to charging authorities and is included within the Council's budget requirement for areas wholly or partly included in the Board's respective districts. The estimated levy for 2009/10 is £21,370. The actual notification from the Drainage Board is still awaited.

- 5.3 The Government requires billing authorities to review their Council Tax Collection Funds and to estimate the likely surplus or deficit after allowing for all likely receivable income and additional needs for write offs beyond those actually provided for. Any estimated surplus or deficit must be taken into account in calculating basic amounts of tax.
- 5.4 Ipswich's Collection Fund shows a net surplus of £141,090. Any money recovered is credited to the Collection Fund, but the actual cost of recovery has to be charged to the General Fund and therefore falls within the Budget.
- 5.5 The Final Settlement for 2009/10 was announced on 21 January 2009 at £11,830,280. These figures are reflected in the summary below:

	2008/09	2009/10	Change %
Budget Requirement	23,653,570	24,476,720	3.48
Formula Grant Allocation	-11,705,570	-11,830,280	1.07
Collection Fund Adjustment	-20,470	-141,090	
To be financed from Council Tax and reserves	-11,927,530	-12,505,350	4.84

5.6 Assuming the Council sets a budget for 2009/10 of £24,476,720 the Borough Council's element of the Ipswich charge for a Band D property in comparison with 2008/09 would be:

Potential Change in Band D Council Tax	2008/09	2009/10	% Change
	£р	£р	
Budget Requirement	591.33	600.77	1.60
Government Grant	-292.65	-290.41	-0.77
IBC Charge before Collection Fund Adjustment Collection Fund Adjustment	298.68 -0.51		
IBC Charge after Collection Fund Adjustment	298.17	306.90	2.93

5.7 It follows from the above that the tax at each of the property bands, compared with 2008/09, would be as follows:

Valuation	2008/09	2009/10	Increase	Increase
Band	£p	£p	£p	%
Α	198.78	204.60	5.82	2.93
В	231.91	238.70	6.79	2.93
С	265.04	272.80	7.76	2.93
D	298.17	306.90	8.73	2.93
E	364.43	375.10	10.67	2.93
F	430.69	443.30	12.61	2.93
G	496.95	511.50	14.55	2.93
Н	596.34	613.80	17.46	2.93

PRECEPTS

5.8 Suffolk County Council and the Suffolk Police Authority determined their precepts for 2009/10 on 19 and 23 February respectively.

Precepting Authority	Precept £	Band D £.p
Suffolk County Council	44,820,518	1,100.16
Suffolk Police Authority	6,357,884	156.06

5.9 The effect of these precepts on the individual elements of the Council Tax is shown below.

Precepting	Valuation	2008/09	2009/10	Increase	Increase
Authority	Band	£р	£р	£р	%
	Α	715.92	733.44	17.52	2.45
	В	835.24	855.68	20.44	2.45
Suffolk	С	954.56	977.92	23.36	2.45
County	D	1,073.88	1,100.16	26.28	2.45
Council	E	1,312.52	1,344.64	32.12	2.45
	F	1,551.16	1,589.12	37.96	2.45
	G	1,789.80	1,833.60	43.80	2.45
	Н	2,147.76	2,200.32	52.56	2.45

Precepting	Valuation	2008/09	2009/10	Increase	Increase
Authority	Band	£р	£p	£p	%
	Α	99.78	104.04	4.26	4.27
	В	116.41	121.38	4.97	4.27
Suffolk	С	133.04	138.72	5.68	4.27
Police	D	149.67	156.06	6.39	4.27
Authority	E	182.93	190.74	7.81	4.27
	F	216.19	225.42	9.23	4.27
	G	249.45	260.10	10.65	4.27
	Н	299.34	312.12	12.78	4.27

5.10 The proposed total charge for Ipswich Borough Council Tax payers is summarised below:

Valuation	2008/09	2009/10	Increase	Increase
Band	£р	£р	£р	%
Α	1,014.48	1,042.08	27.60	2.72
В	1,183.56	1,215.76	32.20	2.72
С	1,352.64	1,389.44	36.80	2.72
D	1,521.72	1,563.12	41.40	2.72
E	1,859.88	1,910.48	50.60	2.72
F	2,198.04	2,257.84	59.80	2.72
G	2,536.20	2,605.20	69.00	2.72
Н	3,043.44	3,126.24	82.80	2.72

6. HOUSING REVENUE ACCOUNT (HRA)

- 6.1 The HRA estimates have been prepared in accordance with the requirements of Part VI and Schedule 4 of the Local Government and Housing Act 1989 and the regulations, orders and subsidy determinations which follow from this. The Housing Revenue Account has been the subject of separate reports to and decisions by the Executive.
- 6.2 The HRA represents the Council's income and expenditure relating to the management and maintenance of the Council's Housing stock, as well as the garages, shops and land/property owned by the HRA.
- 6.3 The HRA is ring-fenced and is required to balance each year i.e. the working balance can never be negative and for the sake of prudence it has been agreed with our External Auditor (PriceWaterhouseCoopers), that a minimum balance of £500,000 is desirable. The Total HRA expenditure for 2008/09 is approximately £26.5 million, consisting of £20.2 million direct expenditure and £6.3 million payable to the Government for redistribution to other authorities. This increases to £26.7 million in 2009/10 with the major change being the sum payable to the Government, which increases to £6.4 million.
- 6.4 The Government introduced Rent Restructuring in 2001 in order to produce a rent system within social housing that is fair and equitable across the nation. Each property has been given a 'target rent' that increases by a set percentage each year and the original deadline for all rents to converge was 2011/12. The rent convergence date varies according to the rate of inflation in September and the average guideline rent increase. The Government estimated that average rent increase would be around 9% in order to meet rent convergence in 2011/12. They have fixed the average guideline rent to 6.2%, which moves the convergence date to 2023-24. They propose to fix 2010/11 to an average of 6.1%. Under the Governments formula for actual rent rises the Council's average rent rises are slightly above the guideline average (6.26%), but below the Government imposed limit of 7% (average rent increase).
- 6.5 The Council undertook a Stock Options appraisal during 2004/05, which resulted in the Council's decision, which was ratified by the ODPM/ Community Housing Task Force to retain the stock and achieve the Ipswich

Standard through revenue and capital funding. Under Decent Homes the Government set out a minimum condition standard for social housing that must be achieved by 31 December 2010. Under Options Appraisal, when the Council resolved to retain its housing stock, the Government made it clear that authorities were expected to deliver a higher standard than the minimum decent homes standard and the "Ipswich Standard" to be delivered by 2014 was drawn up following extensive consultation with tenants and approved by Executive in 2005. The funding for this comes from a mixture of capital resources and from revenue funding via Revenue Contributions to Capital.

7. <u>CAPITAL PROGRAMME</u>

- 7.1 The Capital Strategy is set out at Section 7.
- 7.2 The draft Capital Programme is set out in detail at Section 8. The programme has been updated based on latest information on resources available. In summary the Capital programme is:

	2008/09	2009/10	2010/11	2011/12
	£000's	£000's	£000's	£000's
Expenditure	23,759	24,030	22,585	23,477
Financed By:-				
Capital Receipts	8,747	9,720	9,056	8,439
External Funding	2,191	1,902	2,200	253
Prudential Borrowing	51	0	1,000	4,000
Supported Capital Expenditure	1,314	1,314	0	0
Major Repairs Allowance	4,985	5,165	5,135	5,105
RCCO's	6,471	5,929	5,194	5,680
Total Funding	23,759	24,030	22,585	23,477

7.3 The Council is working towards the position that capital receipts available to fund the capital programme are in hand at the beginning of the financial year. Careful monitoring of the associated capital financing requirements will also be necessary as any slippage will impact on the overall borrowing requirements and thus the prudential indicators.

8. <u>ASSET MANAGEMENT PLAN</u>

- 8.1 The Asset Management Plan (AMP) is included at Section 9. The Asset Management Plan sets out how the Council will manage our portfolio in the future. It sets out how we will address future challenges to avoid:
 - A property portfolio that is ageing with excessive liabilities
 - A portfolio that is not suited to Council needs
 - An ad-hoc approach to management of the portfolio
- 8.2 In addition it will set out how we will get the most from our property portfolio. This will include:
 - The optimum delivery of Capital Receipts

- Revenue savings from property rationalisation
- Using Property effectively to support the Growth Agenda
- 8.3 To meet the challenges faced, the AMP:
 - Clarifies the role of the Corporate Property Officer
 - Establishes Property as a Strategic Resource to be managed corporately
 - Establishes targets for Capital Receipts and Revenue Savings
 - Provides an outline Property Strategy that will include the colocation of Council activities

9. PRUDENTIAL CODE AND TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY 2009/10

- 9.1 The introduction of a Prudential Code for Capital Finance in Local Authorities with effect from 1 April 2004, brought about a requirement for Council's to set Prudential Indicators for the following financial year, and for Executive to receive a monitoring report during the year, showing the latest estimated position on the Prudential Indicators set for the year. Councillors' involvement through the process is important in order that the Council can demonstrate that capital expenditure plans are affordable, external borrowing is prudent and sustainable and that treasury decisions are taken in accordance with good practice.
- 9.2 The Prudential Code, and Treasury Management and Annual Investment Strategy for 2009/10 is attached at Section 10.

SUBJECT APPROX OT BUDGET FORCAST FORCAST	2007/08		2008/09	2008/09	2009/10	2010/11	2011
E E E E E C Confingencies etc Confine Conf	O. T. M. T.	DESCRIPTION	ORIGINAL			**************************************	
24,222,847 NET SERVICE EXPENDITURE 24,893,880 26,737,420 23,907,510 24,949,440 25,077							FORE
0 Repair & maintenance of buildings 113,280 145,610 0 0 0 0 0 0 767,0900 76 0 0 Additional commitments 50,330 0 80,00 0 0 0 0 0 0 Concessionary Fares costs per MCL (2008/09) 0 Recharges Rescheduling 20,000 0 0 0 0 0 0 0 Recharges Rescheduling 20,000 0 0 0 0 0 0 0 Recharges Rescheduling 20,000 0 0 0 0 0 0 0 0 Performance Review Grant 0 150,000 0 0 0 0 0 0 Transitional vacancies 1451,000 0 0 0 0 0 0 0 0 0 Procurement (2008/09) 315,600 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		NET SERVICE EXPENDITURE					25,076,
0 Repair & maintenance of buildings 113,280 145,610 0 0 0 0 0 0 767,0900 76 0 0 Additional commitments 50,330 0 80,00 0 0 0 0 0 0 Concessionary Fares costs per MCL (2008/09) 0 Recharges Rescheduling 20,000 0 0 0 0 0 0 0 Recharges Rescheduling 20,000 0 0 0 0 0 0 0 Recharges Rescheduling 20,000 0 0 0 0 0 0 0 0 Performance Review Grant 0 150,000 0 0 0 0 0 0 Transitional vacancies 1451,000 0 0 0 0 0 0 0 0 0 Procurement (2008/09) 315,600 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		Contingonaics ata					
0	0		113 280	145 610	0	0	
0	ő			0	v		767
0 Concessionary Farse costs per MCL (2008/09) 488,000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0			498 850	695 670		
0 Recharges/Rescheduling 0 Performance Review Grant	0			478,830	075,070	0,000	070
Savings/Growth: Savings/Gr	0			0	0	0	
Savings/Growth:	0			•	· ·	•	
Transitional vacancies 451,000 Cr 911,000 Cr 0 0 0 0 0 0 0 0 0							
Procurement (2007/08) 315,600 0 0 0 0 0 0 0 0 0	0		451 000Cm	011 000Cm	0	0	
0 Procurement (2008/09) 400,000 Cr 0 0,000 Cr 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0			911,000Cr	0	0	
0 Financial Control (2008/09) 400,000 Cr 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0			200.0000	0	0	
Approved Growth (2008/09)	0			300,000Cr	0	0	
Policy initiatives (2008/09) SS,000Cr 0 0 0 0 0 0 0 0 0	0			0	0	0	
Management Savings (2008/09) 758,000 Cr 0 0 0 0 0 0 0 0 445,000 Cr 445,0	0			0	0	0	
Management Savings (2009/10) not yet allocated to services 180,000 200,000 60,000 30,0000 1.	0			0	0	0	
248,944	0			0	370 000Cm	445 000 Cm	445
1,844,420Cr	240.044		•	200.000			
1,589,616 Capital financing costs 1,681,980 1,616,550 1,520,750 1,492,910 2,24 24,216,987 Net Expenditure 25,143,310 26,167,070 24,974,900 27,106,690 28,07 167,430 Transfer to/from reserves 104,630Cr 663,520Cr 53,180Cr 46,820 44 1,246,000Cr Use of DLO/DSO profits 300,000Cr 300,000Cr 300,000Cr 250,000Cr 25 197,409Cr Use of GF revenue balance 1,085,110Cr 1,549,980Cr 145,000Cr 0 22,941,008 BUDGET REQUIREMENT 23,653,570 23,653,570 24,476,720 26,903,510 27,87 1,643,259Cr Revenue support grant 1,430,390Cr 1,430,390Cr 2,218,520Cr 2,233,780Cr 2,24 9,971,760Cr Non-domestic rates 10,275,180Cr 10,275,180Cr 9,611,760Cr 9,677,880Cr 9,74 24,669Cr Collection Fund surplus/deficit 31st March (net) 20,470Cr 20,470Cr 14,109Cr 0 0 1,992,450Cr 13,51 2,36 22,941,008Cr							
24,216,987 Net Expenditure 25,143,310 26,167,070 24,974,900 27,106,690 28,07-167,430 Transfer to/from reserves 104,630Cr 300,000Cr 300,000Cr 300,000Cr 250,000Cr 250,000Cr 197,409Cr Use of DLO/DSO profits 300,000Cr 300,000Cr 300,000Cr 250,000Cr 250,000C							2,240
167,430	24.216.987	Net Expenditure	25,143,310	26.167.070	24.974.900	27,106,690	28,074
1,246,000Cr							
197,409Cr Use of GF revenue balance 1,085,110Cr 1,549,980Cr 145,000Cr 0							
22,941,008 BUDGET REQUIREMENT 23,653,570 23,653,570 24,476,720 26,903,510 27,87						250,000Cr	250
1,643,259Cr						0	
9,791,760Cr Non-domestic rates 10,275,180Cr 10,275,180Cr 9,611,760Cr 9,677,880Cr 9,74. 24,669Cr Collection Fund surplus/deficit 31st March (net) 20,470Cr 20,470Cr 141,090Cr 0 11,481,320Cr Demand on Collection Fund 11,927,530Cr 11,927,530Cr 12,595,350Cr 12,999,400Cr 13,51 0 Unfunded Balance 0 0 0 0 1,992,450Cr 2,36 22,941,008Cr FINANCING THE BUDGET REQUIREMENT 23,653,570Cr 24,476,720Cr 26,903,510Cr 27,87 GF REVENUE BALANCE 4,192,391Cr Balance b/fwd 1st April 2,585,110Cr 3,994,980Cr 2,445,000Cr 2,300,000Cr	22,941,008	BUDGET REQUIREMENT	23,653,570	23,653,570	24,476,720	26,903,510	27,871
9,791,760Cr Non-domestic rates 10,275,180Cr 10,275,180Cr 9,611,760Cr 9,677,880Cr 9,74. 24,669Cr Collection Fund surplus/deficit 31st March (net) 20,470Cr 20,470Cr 141,090Cr 0 11,481,320Cr Demand on Collection Fund 11,927,530Cr 11,927,530Cr 12,595,350Cr 12,999,400Cr 13,51 0 Unfunded Balance 0 0 0 0 1,992,450Cr 2,36 22,941,008Cr FINANCING THE BUDGET REQUIREMENT 23,653,570Cr 24,476,720Cr 26,903,510Cr 27,87 GF REVENUE BALANCE 4,192,391Cr Balance b/fwd 1st April 2,585,110Cr 3,994,980Cr 2,445,000Cr 2,300,000Cr							
24,669Cr 11,481,320Cr 0 Collection Fund surplus/deficit 31st March (net) 20,470Cr 11,927,530Cr 11,927,530Cr 11,927,530Cr 11,927,530Cr 12,999,400Cr 12,595,350Cr 12,999,400Cr 12,365 23,653,570Cr 23,653,570Cr 23,653,570Cr 23,653,570Cr 24,476,720Cr 26,903,510Cr 27,87 13,51 2,365 2,367 2,36		** 0	, , ,			, , ,	2,249
11,481,320Cr	9,791,760Cr	Non-domestic rates	10,275,180Cr	10,275,180Cr	9,611,760Cr	9,677,880Cr	9,745
0 Unfunded Balance 0 0 0 1,992,450Cr 2,36 22,941,008Cr FINANCING THE BUDGET REQUIREMENT 23,653,570Cr 23,653,570Cr 24,476,720Cr 26,903,510Cr 27,87 4,192,391Cr GF REVENUE BALANCE 8alance b/fwd 1st April Surplus(Cr)/deficit for year 2,585,110Cr 3,994,980Cr 2,445,000Cr 2,300,000Cr 2,30	24,669Cr	Collection Fund surplus/deficit 31st March (net)	20,470Cr	20,470Cr	141,090Cr	0	
22,941,008Cr FINANCING THE BUDGET REQUIREMENT 23,653,570Cr 23,653,570Cr 24,476,720Cr 26,903,510Cr 27,87 GF REVENUE BALANCE 4,192,391Cr Balance b/fwd 1st April 2,585,110Cr 3,994,980Cr 2,445,000Cr 2,300,000Cr 2,300,000Cr 197,409 Surplus(Cr)/deficit for year 1,085,110 1,549,980 145,000 0	11,481,320Cr	Demand on Collection Fund	11,927,530Cr	11,927,530Cr	12,505,350Cr	12,999,400Cr	13,511
GF REVENUE BALANCE 4,192,391Cr Balance b/fwd 1st April 2,585,110Cr 3,994,980Cr 2,445,000Cr 2,300,000Cr 2,300,197,409 Surplus(Cr)/deficit for year 1,085,110 1,549,980 145,000 0	0	Unfunded Balance	0	0	0	1,992,450Cr	2,364
4,192,391Cr Balance b/fwd 1st April 2,585,110Cr 3,994,980Cr 2,445,000Cr 2,300,000Cr 2,30 197,409 Surplus(Cr)/deficit for year 1,085,110 1,549,980 145,000 0	22,941,008Cr	FINANCING THE BUDGET REQUIREMENT	23,653,570Cr	23,653,570Cr	24,476,720Cr	26,903,510Cr	27,871
4,192,391Cr Balance b/fwd 1st April 2,585,110Cr 3,994,980Cr 2,445,000Cr 2,300,000Cr 2,30 197,409 Surplus(Cr)/deficit for year 1,085,110 1,549,980 145,000 0							
197,409 Surplus(Cr)/deficit for year 1,085,110 1,549,980 145,000 0	4 102 201C-		2 595 1100-	2 004 080C	2 445 000Cm	2 200 000Cr	2 200
							2,300
	197,409	our prus(Cr)/ucricit for year	1,005,110	1,549,900	145,000	U	

Note: the introduction of "Bottom line budgeting" for 2009/10 has led to various items previously held within the General Fund Summary e.g. Transitional Vacancies, being allocated within the net service expenditure.

	GENERAL FUND RE	VENUE FORECAST 20	008/09 TO 2011/12	}		
	GENERAL FUND SUBJECTIVE ANALYSIS					
2007/08	DESCRIPTION	2008/09 ORIGINAL	2008/09 DRAFT	2009/10 DRAFT	2010/11	2011/12
OUT-TURN	2250111 110.1	BUDGET	APPROX O/T	BUDGET	FORECAST	FORECAST
£		£	£	£	£	£
	SERVICE EXPENDITURE					
15,295,786	Salaries	16,530,120	16,871,720	16,423,980	16,671,790	17,032,310
4,644,861	Wages	4,739,480	4,831,780	4,764,180	4,850,280	4,947,290
1,134,468	National Insurance (Salaries)	1,203,150	1,221,440	1,239,450	1,264,360	1,291,590
285,549	National Insurance (Wages)	322,710	313,370	336,480	343,210	350,070
1,747,997	Superannuation (Salaries)	1,941,570	1,979,750	2,065,720	2,107,280	2,152,730
342,727	Superannuation (Wages)	339,210	335,780	378,580	386,150	393,870
2,631,856	Superannuation Backfunding	2,934,360	2,934,360	3,010,650	3,070,860	3,132,280
1,010,167	Other Employee Expenses	635,960	540,510	533,400	544,070	554,950
968,495	Repairs & Mtce (Buildings)	732,800	749,470	906,580	906,580	906,580
48,760	Repairs & Mtce (Grounds)	63,990	65,720	62,490	62,490	62,490
888,972	Energy Costs	929,150	1,027,150	1,213,460	1,213,460	1,213,460
1,139,609	Rents	1,343,640	1,182,620	1,146,940	1,166,940	1,146,940
1,150,899	Rates	1,104,030	1,167,610	1,225,940	1,225,940	1,225,940
144,228	Water & Sewerage Charges	146,410	145,470	171,090	171,090	171,090
634,104	Cleaning Etc	639,620	675,670	695,350	695,350	695,350
560,987	Other Premises Costs	485,140	572,510	518,160	518,160	518,160
1,734,708	Use of Plant & Vehicles	1,660,320	1,690,410	1,691,130	1,691,130	1,691,130
118,214	Car Allowances/Leasing Etc	167,340	114,900	110,030	110,030	110,030
37,776	Other Transport Expenses	80,920	80,920	80,310	80,310	80,310
993,333	Equipment, Tools Etc	924,460	940,090	863,700	864,700	864,700
582,569	Materials, Provisions Etc	668,890	664,240	623,260	623,260	623,260
65,551	Clothing, Laundry	70,320	73,270	73,500	65,500	65,500
576,984	Printing & Stationery Etc	582,960	658,320	555,100	555,100	555,100
3,283,568	Miscellaneous Fees	2,386,700	2,915,020	2,612,270	3,114,270	2,927,270
1,662,297	Miscellaneous Services	1,888,320	2,015,810	1,945,360	1,914,860	1,914,860
190,822	Postages	208,620	195,850	171,400	171,400	171,400
364,713	Telephones Etc	444,960	429,980	407,010	432,010	432,010
634,462	Computing Costs - General	621,580	714,930	646,990	652,990	652,990
29,408	Computing Costs - Operating Leases	117,960	10,890	9,920	9,920	9,920
726,901	Miscellaneous Grants	706,910	670,440	650,680	650,680	650,680
297,603	Advertising, Publicity Etc	310,310	422,680	263,570	263,570	263,570
466,479	Miscellaneous Contributions	489,770	496,160	674,500	674,500	674,500
2,035,334	Other Costs & Expenses	1,136,300	1,268,500	174,220	107,220	107,210
2,823,988	Bus Concessions/Subsidies	2,338,130	2,716,130	3,176,130	3,176,130	3,176,130
874,852	Other Contracted Services	873,600	873,600	857,000	857,000	857,000
35,692,854	Rent Rebates & Allowances	32,116,020	32,366,020	32,116,020	32,116,020	32,116,020
9,532,734	Local Taxation Rebates	8,785,220	8,785,220	8,785,220	8,785,220	8,785,220
2,471,694	Central/Departmental Support	2,475,140	2,622,560	1,869,030	1,869,030	1,869,030
1,808	Finance Leases	6,070	6,070	6,070	6,070	6,070
97,828,117	TOTAL SERVICE EXPENDITURE	93,152,160	95,346,940	93,054,870	93,988,930	94,399,010

	GENERAL FUND SUBJECTIVE ANALYSIS					
2007/08	DESCRIPTION	2008/09 ORIGINAL	2008/09 DRAFT	2009/10 DRAFT	2010/11	201
OUT-TURN		BUDGET	APPROX O/T	BUDGET	FORECAST	FORE
£	SERVICE INCOME	£	£	£	£	
47.905.733Cr	Government Grants	42,316,510Cr	43,184,430Cr	43.083.830Cr	43,083,830Cr	43,083
1,130,051Cr	Highways Agency	1,048,590Cr	1,048,590Cr	1,048,590Cr	1,048,590Cr	1,048
1,327,244Cr	Contribus From Other Organisations	1,455,350Cr	1,356,520Cr	1,378,120Cr	1,378,120Cr	1,378
3,172,372Cr	Recharges To Other Funds	3.988.470Cr	3,725,700Cr	3,441,900Cr	3,441,900Cr	3,441.
1,506,322Cr	Miscellaneous Grants Etc	1,282,950Cr	1,269,650Cr	1,398,400Cr	1,398,400Cr	1,398
636,519Cr	Sales	705.740Cr	704,460Cr	713,510Cr	713,510Cr	713.
715,002Cr	Fees - Planning	680,990Cr	580,990Cr	570,990Cr	582,410Cr	594,
436.816Cr	- Building Control	433,780Cr	369.780Cr	312,660Cr	318,910Cr 318,910Cr	
						325,
292,547Cr	- Local Land Searches	332,830Cr	199,830Cr	193,480Cr	197,350Cr	201,
439,679Cr	- Inspections/Licences	414,850Cr	432,850Cr	444,330Cr	453,220Cr	462,
3,105,160Cr	Charges - Car Parking	3,103,720Cr	2,923,980Cr	3,160,740Cr	3,159,690Cr	3,222,
3,520,767Cr	- Leisure Services	3,614,010Cr	3,457,450Cr	3,680,900Cr	3,681,080Cr	3,754,
1,191,874Cr	- Refuse Collection	1,147,950Cr	1,374,050Cr	1,425,030Cr	1,453,530Cr	1,482,
1,503,093Cr	- Cemetery/Crematorium	1,463,000Cr	1,555,120Cr	1,602,320Cr	1,634,370Cr	1,667,
2,694,031Cr	- Other Services	2,726,140Cr	2,771,310Cr	2,601,100Cr	2,653,120Cr	2,706,
1,575,754Cr	Misc Costs Recovered	984,680Cr	1,197,970Cr	1,199,520Cr	1,199,520Cr	1,199
2,376,426Cr	Rents	2,491,090Cr	2,388,910Cr	2,824,010Cr	2,574,010Cr	2,574,
75,880Cr	Interest	67,930Cr	67,930Cr	67,930Cr	67,930Cr	67.
73,605,270Cr	TOTAL SERVICE INCOME	68,258,580Cr	68,609,520Cr	69,147,360Cr	69,039,490Cr	69,322
24,222,847	NET SERVICE EXPENDITURE	24,893,580	26,737,420	23,907,510	24,949,440	25,076
	GENERAL FUND RE	EVENUE FORECAST 200	08/09 TO 2011/12 2008/09	2009/10	2010/11	201
2007/08						
	DESCRIPTION	ORIGINAL	DRAFT	DRAFT		
OUT-TURN	DESCRIPTION	ORIGINAL BUDGET	DRAFT APPROX O/T	BUDGET	FORECAST	
	DESCRIPTION CAPITAL FINANCING	ORIGINAL	DRAFT		FORECAST £	
OUT-TURN £	CAPITAL FINANCING	ORIGINAL BUDGET £	DRAFT APPROX O/T £	BUDGET £	£	FORE (£
OUT-TURN £	CAPITAL FINANCING Debt Charges - Principal (MRP)	ORIGINAL BUDGET £ 812,910	DRAFT APPROX O/T £ 826,760	BUDGET £ 1,008,330	£ 1,092,370	£ 1,888,
OUT-TURN £ 701,221 897,607	CAPITAL FINANCING Debt Charges - Principal (MRP) Debt Charges - Interest	ORIGINAL BUDGET £ 812,910 882,500	DRAFT APPROX O/T £ 826,760 801,330	BUDGET £ 1,008,330 517,390	£ 1,092,370 406,950	1,888, 360,
OUT-TURN £ 701,221 897,607 550	CAPITAL FINANCING Debt Charges - Principal (MRP) Debt Charges - Interest Rescheduling - amortised premiums/discounts	ORIGINAL BUDGET £ 812,910	DRAFT APPROX O/T £ 826,760	BUDGET £ 1,008,330	£ 1,092,370	
OUT-TURN £ 701,221 897,607 550 1,312	CAPITAL FINANCING Debt Charges - Principal (MRP) Debt Charges - Interest Rescheduling - amortised premiums/discounts Direct revenue financing	ORIGINAL BUDGET £ 812,910 882,500 530 0	DRAFT APPROX O/T £ 826,760 801,330 1,840 0	1,008,330 517,390 9,810	£ 1,092,370 406,950 9,670 0	1,888, 360, 9,
701,221 897,607 550 1,312 27,004	CAPITAL FINANCING Debt Charges - Principal (MRP) Debt Charges - Interest Rescheduling - amortised premiums/discounts Direct revenue financing Debt Management Expenses	ORIGINAL BUDGET £ 812,910 882,500	DRAFT APPROX O/T £ 826,760 801,330 1,840	BUDGET £ 1,008,330 517,390 9,810	£ 1,092,370 406,950 9,670	1,888 360 9
OUT-TURN £ 701,221 897,607 550 1,312 27,004 187Cr	CAPITAL FINANCING Debt Charges - Principal (MRP) Debt Charges - Interest Rescheduling - amortised premiums/discounts Direct revenue financing Debt Management Expenses Interest - Housing Associations/ Advances	ORIGINAL BUDGET £ 812,910 882,500 530 0 22,050	DRAFT APPROX O/T £ 826,760 801,330 1,840 0 22,630	BUDGET £ 1,008,330 517,390 9,810 0 21,230	£ 1,092,370 406,950 9,670 0 19,930 0	1,888 360 9
OUT-TURN £ 701,221 897,607 550 1,312 27,004	CAPITAL FINANCING Debt Charges - Principal (MRP) Debt Charges - Interest Rescheduling - amortised premiums/discounts Direct revenue financing Debt Management Expenses	ORIGINAL BUDGET £ 812,910 882,500 530 0	DRAFT APPROX O/T £ 826,760 801,330 1,840 0	1,008,330 517,390 9,810	£ 1,092,370 406,950 9,670 0	1,888, 360,

2007/08		2008/09	2008/09	2009/10	2010/11	2011/12
	DESCRIPTION	ORIGINAL	DRAFT	DRAFT		
OUT-TURN		BUDGET	APPROX O/T	BUDGET	FORECAST	FORECAS
£		£	£	£	£	£
	SERVICE EXPENDITURE					
27,093,411	Employees	28,646,560	29,028,710	28,752,440	29,238,000	29,855,090
5,536,054	Premises	5,444,780	5,586,220	5,940,010	5,960,010	5,940,010
1,890,698	Transport	1,908,580	1,886,230	1,881,470	1,881,470	1,881,470
11,910,024	Supplies & Services	10,558,060	11,476,180	9,671,480	10,099,980	9,912,970
3,698,840	Agency & Contracted Services	3,211,730	3,589,730	4,033,130	4,033,130	4,033,130
45,225,588	Transfer Payments	40,901,240	41,151,240	40,901,240	40,901,240	40,901,240
2,471,694	Central & Departmental Support	2,475,140	2,622,560	1,869,030	1,869,030	1,869,030
1,808	Capital Financing	6,070	6,070	6,070	6,070	6,070
97,828,117	TOTAL SERVICE EXPENDITURE	93,152,160	95,346,940	93,054,870	93,988,930	94,399,010
	SERVICE INCOME					
47,905,733Cr	Government Grants	42,316,510Cr	43,184,430Cr	43,083,830Cr	43,083,830Cr	43,083,830
7,135,989Cr	Other Grants, Contributions Etc	7,775,360Cr	7,400,460Cr	7,267,010Cr	7,267,010Cr	7,267,010
636,519Cr	Sales	705,740Cr	704,460Cr	713,510Cr	713,510Cr	713,510
15,474,723Cr	Fees & Charges	14,901,950Cr	14,863,330Cr	15,191,070Cr	15,333,200Cr	15,615,870
2,376,426Cr	Rents	2,491,090Cr	2,388,910Cr	2,824,010Cr	2,574,010Cr	2,574,010
75,880Cr	Interest	67,930Cr	67,930Cr	67,930Cr	67,930Cr	67,930
73,605,270Cr	TOTAL SERVICE INCOME	68,258,580Cr	68,609,520Cr	69,147,360Cr	69,039,490Cr	69,322,160
24,222,847	NET SERVICE EXPENDITURE	24,893,580	26,737,420	23,907,510	24,949,440	25,076,850

General Fund Budgets 2009/10 - Service Group Analysis

	2009/10
	Draft
	Budget
Service Grouping	£
Directors	200,450
Head of Finance	6,221,830
Head of Legal and Democratic Services	455,520
Head of Corporate Development	94,910
Head of Communications & Design	258,830
Head of Planning, Transport and Regeneration	2,834,080
Head of Streetcare	3,726,770
Head of Environmental Services	1,353,610
Head of Community Services	1,637,900
Head of Leisure and Cultural Services	4,424,920
Head of Strategic Projects	348,740
Head of Housing Services	2,349,950
Grand Total	23,907,510

	tors		
Service Area	2009/10 Draft Budget (Excl Capital Charges) £	Capital Charges £	2009/10 Draft Budget £
Directors Team Mayoral Services	0 200,450	0	0 200,450
Capital Charges Adjustment Total	200,450	0	200,450
	200,100		200, 100
Head of	Finance		
Service Area	2009/10 Draft Budget (Excl Capital Charges) £	Capital Charges £	2009/10 Draft Budget £
Rent Allowances	43,700	0	43,700
Rent Rebates (Incl HRA)	34,930	0	34,930
Council Tax Rebates	29,060	0	29,060
Hsg/Local Tax Rebates Admin	512,050	26,150	538,200
Information and Systems	521,040	0	521,040
Operations Manager Revenue and Benefits	60,880	0	60,880
Revenue Collection Services	-1,600	1,600	0
Accounting Services	-74,420	74,420	0
Financial Management *	-196,690	0	-196,690
Internal Audit Summary	-1,010	1,010	0
Corporate Management Direct Costs	266,340	0	266,340
Unapportionable Central Oheads Nndr Collection	2,709,360	1,500,000	4,209,360
Council Tax	11,520 636,020	8,410 27,590	19,930 663,610
Nndr Discretionary Rate Relief	63,430	27,590	63,430
Civic Social Club	9,680	0	9,680
	9,000	0	9,000
Central Overheads Susp Summary	788,590	0	788,590
Central Overheads Susp Summary Corporate Management Summary			
Corporate Management Summary		0	808,950
	808,950 0	0 -1,639,180	808,950 -1,639,180

	mocratic Services		
Service Area	2009/10 Draft Budget (Excl Capital Charges) £	Capital Charges £	2009/10 Draft Budget £
Court illend Comings		0	
Councillors' Services Legal Services	0	0	
Democratic and Business Support	0	0	
Head of Legal Services	0	0	
Registration Of Electors	59,520	0	59,52
Borough Council Elections	44,210	0	44,21
Councillors' Costs	351,790	0	351,79
Capital Charges Adjustment	0	0	455.50
Total	455,520	0	455,52
Head of Corporate	Development		
Service Area	2009/10 Draft Budget (Excl Capital Charges) £	Capital Charges £	2009/10 Draft Budget £
Performance Unit	0	0	
Human Resources Summary Head of Corporate Development *	0 -133,750	0	-133,75
		U	,
	228 660	626 300	854 96
Information Technology Summary	228,660 0	626,300 -626,300	
		626,300 -626,300 0	-626,30
Information Technology Summary Capital Charges Adjustment Total	0	-626,300	854,96 -626,30 94,91
Information Technology Summary Capital Charges Adjustment	94,910	-626,300	-626,30
Information Technology Summary Capital Charges Adjustment Total * Includes unallocated service group savings targets	94,910	-626,300	-626,30 94,91
Information Technology Summary Capital Charges Adjustment Total * Includes unallocated service group savings targets Head of Communication Service Area	ations & Design 2009/10 Draft Budget (Excl Capital Charges) £	-626,300 0 Capital Charges	-626,30 94,91 2009/10 Draf Budget £
Information Technology Summary Capital Charges Adjustment Total * Includes unallocated service group savings targets Head of Communication Service Area Tourist Information Centre	ations & Design 2009/10 Draft Budget (Excl Capital Charges) £ 151,670	-626,300 0 Capital Charges £	-626,30 94,91 2009/10 Draf Budget £
Information Technology Summary Capital Charges Adjustment Total * Includes unallocated service group savings targets Head of Communication Service Area Tourist Information Centre Printing Section - Summary	2009/10 Draft Budget (Excl Capital Charges) £ 151,670 107,160	-626,300 0 Capital Charges £ 12,440 13,520	-626,30 94,91 2009/10 Draf Budget £ 164,11 120,68
Information Technology Summary Capital Charges Adjustment Total * Includes unallocated service group savings targets Head of Communicated Service Area Tourist Information Centre Printing Section - Summary Press and Publicity Services	ations & Design 2009/10 Draft Budget (Excl Capital Charges) £ 151,670	-626,300 0 Capital Charges £	-626,30 94,91 2009/10 Draf Budget £ 164,11 120,68
Information Technology Summary Capital Charges Adjustment Total * Includes unallocated service group savings targets Head of Communication Service Area Tourist Information Centre Printing Section - Summary	0 94,910 ations & Design 2009/10 Draft Budget (Excl Capital Charges) £ 151,670 107,160 0	-626,300 0 Capital Charges £ 12,440 13,520 0	-626,30 94,91 2009/10 Draf Budget £

Head of Planning, Transpo	rt and Regeneratior	1	
Service Area	2009/10 Draft Budget (Excl Capital Charges) £	Capital Charges £	2009/10 Draft Budget £
Concessionary Travel - Summary	3,153,830	0	3,153,830
Concessionary Pass Scheme	11,880	0	11,880
Bus Route Subsidies - General	33,170	0	33,170
Bus Network Support - General	40,270	0	40,270
Hackney Carriages and Private Hire Vehicles	17,300	0	17,300
Footway Lighting	137,050	45,450	182,500
Street Names and Seats	18,130	45,450	182,500
Verges - Maintenance	266,630	0	266,630
· ·	,	0	
Town Centre Pedestrian Areas Shopmobility	20,220	0	20,220
, ,	9,110		9,110
Misc Highways - Recharges	144,130	000.040	144,130
Corporate Properties	-1,854,350	969,940	-884,410
Property Services Management	0	0	07.000
Head of Planning Transport and Regeneration *	-87,930	0	-87,930
Transportation	121,000	1,870	122,870
Community Improvements Unit	24,250	0	24,250
Drainage Engineering	93,940	0	93,940
Engineering Management and Support	0 000	0	0
Highways and Construction	20,680	18,950	39,630
Planning Delivery Grant	-439,000	0	-439,000
Planning and Development	153,960	0	153,960
Strategic Planning and Regeneration Summary	237,050	0	237,050
Caps System Costs	35,020	5,760	40,780
Amenity Areas (Open Spaces)	13,440	0	13,440
Historic Churches	41,090	0	41,090
Community/Environmental Improvements	33,280	250,000	283,280
Conservation of Historic Buildings	31,600	0	31,600
Local Land Charges	71,820	0	71,820
Misc Drainage Inc Cavendish St	21,570	0	21,570
Economic Development	319,640	0	319,640
Town Centre Management	380	0	380
Highways Agency - Admin	7,530	0	7,530
Economic Grants	137,390	0	137,390
Capital Charges Adjustment	0	-1,291,970	-1,291,970
Total	2,834,080	0	2,834,080
* Includes unallocated service group savings targets			

Head o			
Service Area	2009/10 Draft Budget (Excl Capital Charges) £	Capital Charges £	2009/10 Draf Budget £
Defere Commence	4 000 400	00.000	4 000 0
Refuse Summary	1,606,480	22,860	1,629,3
Waste Education and Promotion	320,440	04 520	320,4
Recycling Summary	237,140	84,520	321,6
Public Conveniences Summary	116,120	78,520	194,6
Parks Summary Account	1,199,010	401,400	1,600,4
Allotments	32,650	0	32,6
Abandoned Vehicles	13,900	0	13,9
Residents Parking Schemes	-5,320	0	-5,3
IBC Car Parks Summary	-1,558,360	1,320,050	-238,3
SCC On Street Parking	-840	840	
Special Parking Areas	-21,340	21,340	
Head of Streetcare *	-296,160	0	-296,1
Streetcare Customer Services	0	0	
Grounds Mtce Summary Account	888,770	21,330	910,1
Refuse Collection Summary	-5,940	5,940	
Cleansing Services Summary	1,200,220	15,820	1,216,0
Capital Charges Adjustment	0	-1,972,620	-1,972,6
Total * Includes unallocated service group savings targets	0 3,726,770	-1,972,620 0	
Total * Includes unallocated service group savings targets	3,726,770		-1,972,6 3,726,7
* Includes unallocated service group savings targets Head of Envir	3,726,770		3,726,7
* Includes unallocated service group savings targets Head of Envir Service Area	3,726,770 ronmental Services 2009/10 Draft Budget (Excl Capital Charges) £	Capital Charges £	3,726,7 2009/10 Dra Budget £
* Includes unallocated service group savings targets Head of Envir Service Area Environmental Services Students	3,726,770 ronmental Services 2009/10 Draft Budget (Excl Capital Charges) £	Capital Charges	3,726,7 2009/10 Dra Budget £
* Includes unallocated service group savings targets Head of Envir Service Area Environmental Services Students Occupational Health	3,726,770 ronmental Services 2009/10 Draft Budget (Excl Capital Charges) £ 52,140 199,020	Capital Charges	3,726,7 2009/10 Dra Budget £ 52,1 199,0
* Includes unallocated service group savings targets Head of Envir Service Area Environmental Services Students Occupational Health Food Safety	3,726,770 ronmental Services 2009/10 Draft Budget (Excl Capital Charges) £ 52,140 199,020 264,870	Capital Charges £	3,726,7 2009/10 Dra Budget £ 52,1 199,0 264,8
* Includes unallocated service group savings targets Head of Envir Service Area Environmental Services Students Occupational Health Food Safety Pollution	3,726,770 ronmental Services 2009/10 Draft Budget (Excl Capital Charges) £ 52,140 199,020 264,870 411,270	Capital Charges	3,726,7 2009/10 Dra Budget £ 52,1 199,0 264,8 427,8
* Includes unallocated service group savings targets Head of Envir Service Area Environmental Services Students Occupational Health Food Safety Pollution EHO Grp Support Services	3,726,770 ronmental Services 2009/10 Draft Budget (Excl Capital Charges) £ 52,140 199,020 264,870 411,270 151,340	Capital Charges £	3,726,7 2009/10 Dra Budget £ 52,1 199,0 264,8 427,8 151,3
* Includes unallocated service group savings targets Head of Envir Service Area Environmental Services Students Occupational Health Food Safety Pollution EHO Grp Support Services Port Health	3,726,770 ronmental Services 2009/10 Draft Budget (Excl Capital Charges) £ 52,140 199,020 264,870 411,270 151,340 34,570	Capital Charges £ 0 0 0 16,590 0 0	3,726,7 2009/10 Dra Budget £ 52,1 199,0 264,8 427,8 151,3 34,5
* Includes unallocated service group savings targets Head of Envir Service Area Environmental Services Students Occupational Health Food Safety Pollution EHO Grp Support Services Port Health Animal Welfare Summary	3,726,770 ronmental Services 2009/10 Draft Budget (Excl Capital Charges) £ 52,140 199,020 264,870 411,270 151,340 34,570 145,100	Capital Charges £	3,726,7 2009/10 Dra Budget £ 52,1 199,0 264,8 427,8 151,3 34,5 145,1
* Includes unallocated service group savings targets Head of Envir Service Area Environmental Services Students Occupational Health Food Safety Pollution EHO Grp Support Services Port Health Animal Welfare Summary Environmental Strategy	3,726,770 ronmental Services 2009/10 Draft Budget (Excl Capital Charges) £ 52,140 199,020 264,870 411,270 151,340 34,570 145,100 155,230	Capital Charges £	3,726,7 2009/10 Dra Budget £ 52,1 199,0 264,8 427,8 151,3 34,5 145,1 155,2
* Includes unallocated service group savings targets Head of Envir Service Area Environmental Services Students Occupational Health Food Safety Pollution EHO Grp Support Services Port Health Animal Welfare Summary Environmental Strategy Cemeteries and Crematorium Summary	3,726,770 ronmental Services 2009/10 Draft Budget (Excl Capital Charges) £ 52,140 199,020 264,870 411,270 151,340 34,570 145,100 155,230 -376,750	Capital Charges £	3,726,7 2009/10 Dra Budget £ 52,1 199,0 264,8 427,8 151,3 34,5 145,1 155,2 -159,5
* Includes unallocated service group savings targets Head of Envir Service Area Environmental Services Students Occupational Health Food Safety Pollution EHO Grp Support Services Port Health Animal Welfare Summary Environmental Strategy Cemeteries and Crematorium Summary Head of Environmental Services *	3,726,770 ronmental Services 2009/10 Draft Budget (Excl Capital Charges) £ 52,140 199,020 264,870 411,270 151,340 34,570 145,100 155,230 -376,750 -43,790	Capital Charges £ 0 0 0 0 16,590 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	3,726,7 2009/10 Dra Budget £ 52,1 199,0 264,8 427,8 151,3 34,5 145,1 155,2 -159,5
* Includes unallocated service group savings targets Head of Envir Service Area Environmental Services Students Occupational Health Food Safety Pollution EHO Grp Support Services Port Health Animal Welfare Summary Environmental Strategy Cemeteries and Crematorium Summary Head of Environmental Services * Building and Design	3,726,770 ronmental Services 2009/10 Draft Budget (Excl Capital Charges) £ 52,140 199,020 264,870 411,270 151,340 34,570 145,100 155,230 -376,750 -43,790 0	Capital Charges £ 0 0 16,590 0 217,230 0 0	3,726,7 2009/10 Dra Budget £ 52,1 199,0 264,8 427,8 151,3 34,5 145,1 155,2 -159,5
* Includes unallocated service group savings targets Head of Envir Service Area Environmental Services Students Occupational Health Food Safety Pollution EHO Grp Support Services Port Health Animal Welfare Summary Environmental Strategy Cemeteries and Crematorium Summary Head of Environmental Services * Building and Design Admin Buildings Summary	3,726,770 ronmental Services 2009/10 Draft Budget (Excl Capital Charges) £ 52,140 199,020 264,870 411,270 151,340 34,570 145,100 155,230 -376,750 -43,790 0	Capital Charges £ 0 0 16,590 0 217,230 0 0 0	3,726,7 2009/10 Dra Budget £ 52,1 199,0 264,8 427,8 151,3 34,5 145,1 155,2 -159,5 -43,7
* Includes unallocated service group savings targets Head of Envir Service Area Environmental Services Students Occupational Health Food Safety Pollution EHO Grp Support Services Port Health Animal Welfare Summary Environmental Strategy Cemeteries and Crematorium Summary Head of Environmental Services * Building and Design Admin Buildings Summary Building Control Summary	3,726,770 ronmental Services 2009/10 Draft Budget (Excl Capital Charges) £ 52,140 199,020 264,870 411,270 151,340 34,570 145,100 155,230 -376,750 -43,790 0 362,870	Capital Charges £ 0 0 16,590 0 217,230 0 0 17,520	3,726,7 2009/10 Dra Budget £ 52,1 199,0 264,8 427,8 151,3 34,5 145,1 155,2 -159,5 -43,7
* Includes unallocated service group savings targets Head of Envir Service Area Environmental Services Students Occupational Health Food Safety Pollution EHO Grp Support Services Port Health Animal Welfare Summary Environmental Strategy Cemeteries and Crematorium Summary Head of Environmental Services * Building and Design Admin Buildings Summary Building Control Summary Licensing and Enforcement Unit	3,726,770 ronmental Services 2009/10 Draft Budget (Excl Capital Charges) £ 52,140 199,020 264,870 411,270 151,340 34,570 145,100 155,230 -376,750 -43,790 0 362,870 -2,260	Capital Charges £ 0 0 0 16,590 0 217,230 0 0 17,520 1,020	3,726,7 2009/10 Dra Budget £ 52,1 199,0 264,8 427,8 151,3 34,5 145,1 155,2 -159,5 -43,7 380,3 -1,2
* Includes unallocated service group savings targets Head of Envir Service Area Environmental Services Students Occupational Health Food Safety Pollution EHO Grp Support Services Port Health Animal Welfare Summary Environmental Strategy Cemeteries and Crematorium Summary Head of Environmental Services * Building and Design Admin Buildings Summary Building Control Summary	3,726,770 ronmental Services 2009/10 Draft Budget (Excl Capital Charges) £ 52,140 199,020 264,870 411,270 151,340 34,570 145,100 155,230 -376,750 -43,790 0 362,870	Capital Charges £ 0 0 16,590 0 217,230 0 0 17,520	3,726,7 2009/10 Dra Budget

Head of Community S	ervices		
Í			
Service Area	2009/10 Draft Budget (Excl Capital Charges) £	Capital Charges £	2009/10 Draft Budget £
Health and Children	40,110	0	,
Head of Community Services *	-28,000	0	,
Emergency Planning Health And Safety	78,730 0	0	-,
Customer Services Centre	0	0	
Customer Services Contact Centre	72,020	0	72,020
Payments and Tickets	78,530	0	
Community Development Team	250,110	0	
Community Safety	279,890	0	
Emergency Services Centre	548,310	79,370	627,680
Community Grants	318,200	0	318,200
Capital Charges Adjustment	0	-79,370	-79,370
Total	1,637,900	0	1,637,900
**			
* Includes unallocated service group savings targets			
Head of Leisure and Cultu	iai Seivices		
	2009/10 Draft		
	Budget (Excl		
	Capital	Capital	2009/10 Draft
	Capital Charges)	Charges	Budget
Service Area	•	•	
	Charges) £	Charges £	Budget £
Leisure Development Manager	Charges) £ 115,100	Charges £	Budget £ 115,100
Leisure Development Manager Business Development Manager Culture	Charges) £ 115,100 47,690	Charges £	Budget £ 115,100 47,690
Leisure Development Manager Business Development Manager Culture Fore Street Baths Chp Unit	Charges) £ 115,100 47,690 30,330	Charges £	Budget £ 115,100 47,690 30,330
Leisure Development Manager Business Development Manager Culture	Charges) £ 115,100 47,690	Charges £ 0 0	Budget £ 115,100 47,690 30,330 2,490
Leisure Development Manager Business Development Manager Culture Fore Street Baths Chp Unit Ransomes Sports Centre	Charges) £ 115,100 47,690 30,330 2,490	Charges £ 0 0 0	Budget £ 115,100 47,690 30,330 2,490 192,240
Leisure Development Manager Business Development Manager Culture Fore Street Baths Chp Unit Ransomes Sports Centre Sports Development Unit	Charges) £ 115,100 47,690 30,330 2,490 192,240	Charges £ 0 0 0 0 0 0 0 0	Budget £ 115,100 47,690 30,330 2,490 192,240 83,180
Leisure Development Manager Business Development Manager Culture Fore Street Baths Chp Unit Ransomes Sports Centre Sports Development Unit Landseer Play Centre Ipswich Skatepark Ipswich Civic Concerts (Gen)	Charges) £ 115,100 47,690 30,330 2,490 192,240 62,520 1,960 12,230	Charges £ 0 0 0 0 0 20,660 0	Budget £ 115,100 47,690 30,330 2,490 192,240 83,180 1,960 12,230
Leisure Development Manager Business Development Manager Culture Fore Street Baths Chp Unit Ransomes Sports Centre Sports Development Unit Landseer Play Centre Ipswich Skatepark Ipswich Civic Concerts (Gen) Grants to Cultural Organisations	Charges) £ 115,100 47,690 30,330 2,490 192,240 62,520 1,960 12,230 120,190	Charges £ 0 0 0 0 0 20,660 0 0 0	Budget £ 115,100 47,690 30,330 2,490 192,240 83,180 1,960 12,230 120,190
Leisure Development Manager Business Development Manager Culture Fore Street Baths Chp Unit Ransomes Sports Centre Sports Development Unit Landseer Play Centre Ipswich Skatepark Ipswich Civic Concerts (Gen) Grants to Cultural Organisations Arts and Young People	Charges) £ 115,100 47,690 30,330 2,490 192,240 62,520 1,960 12,230 120,190 4,140	Charges £ 0 0 0 0 20,660 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Budget £ 115,100 47,690 30,330 2,490 192,240 83,180 1,960 12,230 120,190 4,140
Leisure Development Manager Business Development Manager Culture Fore Street Baths Chp Unit Ransomes Sports Centre Sports Development Unit Landseer Play Centre Ipswich Skatepark Ipswich Civic Concerts (Gen) Grants to Cultural Organisations Arts and Young People Whitehouse Community Centre	Charges) £ 115,100 47,690 30,330 2,490 192,240 62,520 1,960 12,230 120,190 4,140 5,540	Charges £ 0 0 0 0 0 20,660 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Budget £ 115,100 47,690 30,330 2,490 192,240 83,180 1,960 12,230 120,190 4,140 5,540
Leisure Development Manager Business Development Manager Culture Fore Street Baths Chp Unit Ransomes Sports Centre Sports Development Unit Landseer Play Centre Ipswich Skatepark Ipswich Civic Concerts (Gen) Grants to Cultural Organisations Arts and Young People Whitehouse Community Centre Museum Summary Account **	Charges) £ 115,100 47,690 30,330 2,490 192,240 62,520 1,960 12,230 120,190 4,140 5,540 1,263,810	Charges £ 0 0 0 0 20,660 0 0 0 5255,040	Budget £ 115,100 47,690 30,330 2,490 192,240 83,180 1,960 12,230 120,190 4,140 5,540 1,788,850
Leisure Development Manager Business Development Manager Culture Fore Street Baths Chp Unit Ransomes Sports Centre Sports Development Unit Landseer Play Centre Ipswich Skatepark Ipswich Civic Concerts (Gen) Grants to Cultural Organisations Arts and Young People Whitehouse Community Centre Museum Summary Account ** Corn Exchange Summary	Charges) £ 115,100 47,690 30,330 2,490 192,240 62,520 1,960 12,230 120,190 4,140 5,540 1,263,810 314,580	Charges £ 0 0 0 0 20,660 0 0 525,040 526,210	Budget £ 115,100 47,690 30,330 2,490 192,240 83,180 1,960 12,230 120,190 4,140 5,540 1,788,850 840,790
Leisure Development Manager Business Development Manager Culture Fore Street Baths Chp Unit Ransomes Sports Centre Sports Development Unit Landseer Play Centre Ipswich Skatepark Ipswich Civic Concerts (Gen) Grants to Cultural Organisations Arts and Young People Whitehouse Community Centre Museum Summary Account ** Corn Exchange Summary Entertainments Box Office	Charges) £ 115,100 47,690 30,330 2,490 192,240 62,520 1,960 12,230 120,190 4,140 5,540 1,263,810 314,580 31,410	Charges £ 0 0 0 0 0 20,660 0 0 0 525,040 526,210 0	Budget £ 115,100 47,690 30,330 2,490 192,240 83,180 1,960 12,230 120,190 4,140 5,540 1,788,850 840,790 31,410
Leisure Development Manager Business Development Manager Culture Fore Street Baths Chp Unit Ransomes Sports Centre Sports Development Unit Landseer Play Centre Ipswich Skatepark Ipswich Civic Concerts (Gen) Grants to Cultural Organisations Arts and Young People Whitehouse Community Centre Museum Summary Account ** Corn Exchange Summary	Charges) £ 115,100 47,690 30,330 2,490 192,240 62,520 1,960 12,230 120,190 4,140 5,540 1,263,810 314,580 31,410 465,050	Charges £ 0 0 0 0 20,660 0 0 525,040 526,210	Budget £ 115,100 47,690 30,330 2,490 192,240 83,180 1,960 12,230 120,190 4,140 5,540 1,788,850 840,790 31,410 2,298,630
Leisure Development Manager Business Development Manager Culture Fore Street Baths Chp Unit Ransomes Sports Centre Sports Development Unit Landseer Play Centre Ipswich Skatepark Ipswich Civic Concerts (Gen) Grants to Cultural Organisations Arts and Young People Whitehouse Community Centre Museum Summary Account ** Corn Exchange Summary Entertainments Box Office Regent Theatre Summary	Charges) £ 115,100 47,690 30,330 2,490 192,240 62,520 1,960 12,230 120,190 4,140 5,540 1,263,810 314,580 31,410 465,050 -105,230	Charges £ 0 0 0 0 0 20,660 0 0 525,040 526,210 0 1,833,580	Budget £ 115,100 47,690 30,330 2,490 192,240 83,180 1,960 12,230 120,190 4,140 5,540 1,788,850 840,790 31,410 2,298,630 -105,230
Leisure Development Manager Business Development Manager Culture Fore Street Baths Chp Unit Ransomes Sports Centre Sports Development Unit Landseer Play Centre Ipswich Skatepark Ipswich Civic Concerts (Gen) Grants to Cultural Organisations Arts and Young People Whitehouse Community Centre Museum Summary Account ** Corn Exchange Summary Entertainments Box Office Regent Theatre Summary Head of Cultural Services *	Charges) £ 115,100 47,690 30,330 2,490 192,240 62,520 1,960 12,230 120,190 4,140 5,540 1,263,810 314,580 31,410 465,050	Charges £ 0 0 0 0 20,660 0 0 0 525,040 526,210 0 1,833,580 0	Budget £ 115,100 47,690 30,330 2,490 192,240 83,180 1,960 12,230 120,190 4,140 5,540 1,788,850 840,790 31,410 2,298,630 -105,230 -6,220
Leisure Development Manager Business Development Manager Culture Fore Street Baths Chp Unit Ransomes Sports Centre Sports Development Unit Landseer Play Centre Ipswich Skatepark Ipswich Civic Concerts (Gen) Grants to Cultural Organisations Arts and Young People Whitehouse Community Centre Museum Summary Account ** Corn Exchange Summary Entertainments Box Office Regent Theatre Summary Head of Cultural Services * Icard Costs Sports Centres Summary Profiles (All Centres)	Charges) £ 115,100 47,690 30,330 2,490 192,240 62,520 1,960 12,230 120,190 4,140 5,540 1,263,810 314,580 31,410 465,050 -105,230 -6,220	Charges £ 0 0 0 0 0 20,660 0 0 0 525,040 526,210 1,833,580 0	Budget £ 115,100 47,690 30,330 2,490 192,240 83,180 1,960 12,230 120,190 4,140 5,540 1,788,850 840,790 31,410 2,298,630 -6,220 1,382,200
Leisure Development Manager Business Development Manager Culture Fore Street Baths Chp Unit Ransomes Sports Centre Sports Development Unit Landseer Play Centre Ipswich Skatepark Ipswich Civic Concerts (Gen) Grants to Cultural Organisations Arts and Young People Whitehouse Community Centre Museum Summary Account ** Corn Exchange Summary Entertainments Box Office Regent Theatre Summary Head of Cultural Services * Icard Costs Sports Centres Summary Profiles (All Centres) Swimming Pools Summary	Charges) £ 115,100 47,690 30,330 2,490 192,240 62,520 1,960 12,230 120,190 4,140 5,540 1,263,810 314,580 31,410 465,050 -105,230 -6,220 1,176,980	Charges £ 0 0 0 0 0 20,660 0 0 525,040 526,210 0 1,833,580 0 205,220 0 2,840,780	Budget £ 115,100 47,690 30,330 2,490 192,240 83,180 1,960 12,230 120,190 4,140 5,540 1,788,850 840,790 31,410 2,298,630 -105,230 -6,220 1,382,200 -203,470 3,734,360
Leisure Development Manager Business Development Manager Culture Fore Street Baths Chp Unit Ransomes Sports Centre Sports Development Unit Landseer Play Centre Ipswich Skatepark Ipswich Civic Concerts (Gen) Grants to Cultural Organisations Arts and Young People Whitehouse Community Centre Museum Summary Account ** Corn Exchange Summary Entertainments Box Office Regent Theatre Summary Head of Cultural Services * Icard Costs Sports Centres Summary Profiles (All Centres) Swimming Pools Summary Capital Charges Adjustment	Charges) £ 115,100 47,690 30,330 2,490 192,240 62,520 1,960 12,230 120,190 4,140 5,540 1,263,810 314,580 31,410 465,050 -105,230 -6,220 1,176,980 -203,470 893,580	Charges £ 0 0 0 0 20,660 0 0 525,040 526,210 0 1,833,580 0 205,220 0 2,840,780 -5,951,490	Budget £ 115,100 47,690 30,330 2,490 192,240 83,180 1,960 12,230 120,190 4,140 5,540 1,788,850 840,790 31,410 2,298,630 -105,230 -6,220 1,382,200 -203,470 3,734,360 -5,951,490
Leisure Development Manager Business Development Manager Culture Fore Street Baths Chp Unit Ransomes Sports Centre Sports Development Unit Landseer Play Centre Ipswich Skatepark Ipswich Civic Concerts (Gen) Grants to Cultural Organisations Arts and Young People Whitehouse Community Centre Museum Summary Account ** Corn Exchange Summary Entertainments Box Office Regent Theatre Summary Head of Cultural Services * Icard Costs Sports Centres Summary Profiles (All Centres) Swimming Pools Summary	Charges) £ 115,100 47,690 30,330 2,490 192,240 62,520 1,960 12,230 120,190 4,140 5,540 1,263,810 314,580 31,410 465,050 -105,230 -6,220 1,176,980 -203,470 893,580	Charges £ 0 0 0 0 0 20,660 0 0 525,040 526,210 0 1,833,580 0 205,220 0 2,840,780	Budget £ 115,100 47,690 30,330 2,490 192,240 83,180 1,960 12,230 120,190 4,140 5,540 1,788,850 840,790 31,410 2,298,630 -105,230
Leisure Development Manager Business Development Manager Culture Fore Street Baths Chp Unit Ransomes Sports Centre Sports Development Unit Landseer Play Centre Ipswich Skatepark Ipswich Civic Concerts (Gen) Grants to Cultural Organisations Arts and Young People Whitehouse Community Centre Museum Summary Account *** Corn Exchange Summary Entertainments Box Office Regent Theatre Summary Head of Cultural Services * Icard Costs Sports Centres Summary Profiles (All Centres) Swimming Pools Summary Capital Charges Adjustment Total	Charges) £ 115,100 47,690 30,330 2,490 192,240 62,520 1,960 12,230 120,190 4,140 5,540 1,263,810 314,580 31,410 465,050 -105,230 -6,220 1,176,980 -203,470 893,580	Charges £ 0 0 0 0 20,660 0 0 525,040 526,210 0 1,833,580 0 205,220 0 2,840,780 -5,951,490	Budget £ 115,100 47,690 30,330 2,490 192,240 83,180 1,960 12,230 120,190 4,140 5,540 1,788,850 840,790 31,410 2,298,630 -105,230 -6,220 1,382,200 203,470 3,734,360 -5,951,490
Leisure Development Manager Business Development Manager Culture Fore Street Baths Chp Unit Ransomes Sports Centre Sports Development Unit Landseer Play Centre Ipswich Skatepark Ipswich Civic Concerts (Gen) Grants to Cultural Organisations Arts and Young People Whitehouse Community Centre Museum Summary Account ** Corn Exchange Summary Entertainments Box Office Regent Theatre Summary Head of Cultural Services * Icard Costs Sports Centres Summary Profiles (All Centres) Swimming Pools Summary Capital Charges Adjustment	Charges) £ 115,100 47,690 30,330 2,490 192,240 62,520 1,960 12,230 120,190 4,140 5,540 1,263,810 314,580 31,410 465,050 -105,230 -6,220 1,176,980 -203,470 893,580 0 4,424,920	Charges £ 0 0 0 0 0 20,660 0 0 525,040 526,210 0 1,833,580 0 205,220 0 2,840,780 -5,951,490 0	Budget £ 115,100 47,690 30,330 2,490 192,240 83,180 1,960 12,230 120,190 4,140 5,540 1,788,850 840,790 31,410 2,298,630 -105,230 -6,220 1,382,200 -203,470 3,734,360 -5,951,490 4,424,920

Head of Strategic	Projects		
Service Area	2009/10 Draft Budget (Excl Capital Charges) £	Capital Charges £	2009/10 Draft Budget £
Head of Strategic Projects	348,740	0	348,740
Capital Charges Adjustment	0	0	0
Total	348,740	0	348,740
Head of Housing	Services		
Service Area	2009/10 Draft Budget (Excl Capital Charges) £	Capital Charges £	2009/10 Draft Budget £
Supervision and Management	627,520	0	627,520
Housing Provision	0	1,871,040	1,871,040
Head of Housing Services *	-82,450	0	-82,450
Housing Business Support Unit	9,020	0	9,020
Housing Options	828,680	0	828,680
Contributions to HRA	173,390	0	173,390
Housing Associations - Summary	1,660	0	1,660
Bed and Breakfast Costs	116,480	0	116,480
Other Private Sector Accommodation Costs	189,710	0	189,710
Assistance to Voluntary Bodies (Gen)	24,380	0	24,380
Hostels - (GF)	0	0	0
Sheltered Schemes - (GF)	0	740,000	070.400
Improvement Grants	127,160	749,000	876,160
MVM System Costs	0	0	0
Private Sector Housing Services	255,750	0	255,750
Travellers' Site	79.650	0	79.650
Ipswich Community Resource Centre	78,650	ŭ	78,650
Capital Charges Adjustment Total	2 240 050	-2,620,040	-2,620,040
Total	2,349,950	0	2,349,950
* Includes unallocated service group savings targets			

General Fund Revenue Growth Requests 2009/10

As part of the annual update of the medium term financial plan, Heads of Service identify and quantify budget growth pressures. These pressures arise from a number of sources i.e. Health and Safety requirements, Statutory Requirements, Priority Areas (Transforming Ipswich) and service development.

The growth bids are collated and then prioritised, using the methodology previously set out in the "Overview of the Medium Term Financial Plan".

The growth identified below has already been incorporated into the service budgets:

Service Area	•	2009/10 2010/1 Revenue Reven		2011/12 Revenu	
	Description	Justification	£'000	£'000	£'00
Revs & Bens	Bank Wizard Software	Licence Fees for account validation software to support AUDDIS/ADDACS & paperless direct debit for Local Tax	6.00	6.00	6.0
Building & Design Service	G.H. Rent	Rent review for landlord	0.00	20.00	0.0
Environmental Strategy	CRed Suffolk Climate Change Partnership contribution	Joint partnership with Suffolk LAs, provides business and community worker to support LAA targets and One Ipswich LSP	13.00	13.00	13.
Commercial Services	Ship hygiene inspections	Statutory requirement	7.00	3.50	3.
Finance	Revenue Implications of purchasing an Asset Management System that will meet accounting requirements	Implement and embed an asset management system.	0.00	6.00	6.
	Revs & Bens Building & Design Service Environmental Strategy Commercial Services	Description Revs & Bens Bank Wizard Software Building & Design Service G.H. Rent CRed Suffolk Climate Change Partnership contribution Commercial Services Ship hygiene inspections Revenue Implications of purchasing an Asset Management System that will meet accounting	Description Description Justification Licence Fees for account validation software to support AUDDIS/ADDACS & paperless direct debit for Local Tax Building & Design Service Environmental Strategy CRed Suffolk Climate Change Partnership contribution CRed Suffolk Climate Change Partnership contribution Joint partnership with Suffolk LAs, provides business and community worker to support LAA targets and One Ipswich LSP Commercial Services Ship hygiene inspections Revenue Implications of purchasing an Asset Management System that will meet accounting Implement and embed an asset management system.	Description Justification	Description Justification £'000 £'000

The following table provides, for information, an analysis of the 2009/10 growth approved as part of the 2008/09 Medium Term Financial Plan:-

		Gro	wth Bid	2009/1
Head of Service	Service Area	Description	Justification	Revenu £'00
		·		
Mike Deane	Cleansing	Driver Training - Street Cleansing	New Driver Training Directive	2.5
Mike Deane	Cleansing	Driver Training - Refuse	New Driver Training Directive	21.5
Mike Deane	Grounds Maintenance	Driver Training	New Driver Training Directive	1.9
Mike Deane	Highways	Driver Training - Refuse	New Driver Training Directive	11.0
Mike Tee	PTR Ec Dev and Plan Pol	Public Examination Costs for the Local Development Framework	The relevant documents will be subject of independent examinations which have significant costs.	300.0
Mike Tee	PTR Ec Dev and Plan Pol	Consultancy budget for the Local Development Framework	To ensure the Council has the money to develop the evidence to support the Local Development Framework	100.0
Terry Hayward	Community Safety	Lifting cushion rolling replacement	Legal requirement: H&S of customers and staff. To replace lifting cushions used by Responders with customers	1.0
Billy Brennan	Town Hall and Corn Exchange	Conference Audio/Microphone System	Conference style microphone and sound system is required to fulfil current and future needs for events such as council meetings, conferences etc	1.0
Claire Barritt	Legal Services		Upgrading of trainee solicitor to career grade (retention of staff)	15.0
David Field	Performance Unit	Cyclical funding for customer surveys	Currently, the Performance unit are responsible for the 3 yearly community survey and the customer satisfaction survey. These are regulatory requirements.	12.0
Joe Howarth	Housing Needs	Implementation of Choice Based Lettings - increased cost of software support and advertising properties	Phase two would allow efficiency savings to be developed primarily by centralising many functions such as application processing, property advertising, and the preparation of shortlists across the sub region in a single team.	10.0
Mike Deane	Cleansing	Composting vehicle	Replacement of vehicle originally purchased with DEFRA funding	25.0
Terry Hayward	Customer Services	Uniforms	To replenish the uniform for all staff working within the one-ipswich customer services area	8.0
David Field	ICT	Infrastructure Support Officer (grade 8) - 2 posts	To enable the provision of ICT support outside normal office hours and to generally help improve response times for ICT support queries within the unit.	30.0
Matthew Ling	Pollution	Proposed improvements to Out of Hours noise call out service & Creating 2 EHO/Scientific Officer posts (and eliminating 2 EPO posts)	Extra costs incurred by providing a call out service on Sundays (in addition to Fridays and Saturdays), employing security guards for call out service to accompany Officers on Fri/Sat/Sun nights and providing a standby service Mondays to Thursdays for emergencies and known cases where it is safe for one officer to attend - Reorganisation required to deal with a greater need for proactive/scientific work and the difficulty in attracting EHO's	5.0

Savings Programme 2008/09 to 2011/12

As part of the annual update of the medium term financial plan, the Head of Finance identifies the shortfall in available finances compared with estimated expenditure. The figure calculated is termed the "Budget Gap".

The Heads of Service Team took the lead in identifying potential areas where savings could be made. The initial list was constructed following a group brainstorming session; this was then developed and quantified by Heads of Service in consultation with Portfolio Holders, Directors and Operational Managers.

The following pages contain these approved savings lists, which have been included in the budget forecast: -

GENERAL FUND SAVINGS

		ноѕ	2008/09			2011/12
Opportunity	Description	Lead	£'000	£'000	£'000	£'000
Culture & Leisure Ser	l vices					
Sport - Opening Hours	To rationalise Sports Centre opening hours to 10 pm, Monday to Friday.	ВВ	0	-20	-25	-25
Entertainment Provision	Review of Entertainments Provision	ВВ	0	-158	-225	-225
Corporate Savings	Allocation of corporate savings	BB	-7	-100	-100	-100
	Culture & Leisure Services Total		-7	-278	-350	-350
Legal Services			-			
Corporate Savings	Allocation of corporate savings	СВ	-8	-35	-35	-35
	Legal Services Total		-8	-35	-35	-35
Cornerate Services		1	-			
Corporate Services						
Specialist Line Rentals	Deferral of resilient internet bandwidth	DF	0	-25	0	0
Corporate Savings	Allocation of corporate savings	DF	-7	-67	-67	-67
Corporate Savings	Maximising the level of capitalisation of allowable costs on project work / repairs / equipment replacement (e.g. CCTV)	DF	-25	-50	-50	-50
Summary Position	Capitalisation of IT purchase	DF	-75	-50	-50	-50
Summary Position	Review of 2009/10 growth approved during setting of 2008/09 budget	DF	0	-42	-18	0
	Corporate Services Total		-107	-234	-185	-167
Financial Services						
Sale of Audit Resources	Increased sale of operational audit resources to Suffolk Coastal DC under the IBC/SCDC Audit Partnership arrangements	IB	0	-4	-4	-4
Corporate Savings	Allocation of corporate savings	IB	-16	-115	-115	-115
	Financial Services Total		-16	-119	-119	-119
Hausing Canvios						
Housing Services Corporate Savings	Allocation of corporate savings	JH	-4	-26	-26	-26
	Housing Services Total		-4	-26	-26	-26
Stratagia Prairata				_	_	_
Strategic Projects Strategic Projects - Lose 1	Do not establish the current vacancy for a G7	-				
Post from complement	Business Analyst	JP	0	-37	-37	-37
Corporate Savings	Allocation of corporate savings	JP	0	-4	-4	-4
	Strategic Projects Total		0	-41	-41	-41

GENERAL FUND SAVINGS continued

StreetCare Grounds Maintenance seasonal staff by the seasonal staff programme for GM. Appointing permanent staff for the whole year rather than seasonal staff in the Reg Driver Building to Collect ternis income The increase in scrap metal prices means the number of Collect ternis income The increase in scrap metal prices means the number of Collect ternis increase in scrap metal prices means the number of Wehicle Officer Post Re-engineer the requirement for an Abandoned Vehicle Officer Post Re-engineer the requirement for an Abandoned Vehicle Officer Post Re-engineer the requirement for an Abandoned Vehicle Officer Post Re-engineer the requirement for an Abandoned Vehicle Officer Post Re-engineer the requirement for an Abandoned Vehicle Officer Post Re-engineer the requirement for an Abandoned Vehicle Officer Post Re-engineer the requirement for an Abandoned Vehicle Officer Post Re-engineer the requirement for an Abandoned Vehicle Officer Post Re-engineer the requirement for an Abandoned Vehicle Officer Post Re-engineer the requirement for an Abandoned Vehicle Officer Post Re-engineer the requirement for an Abandoned Vehicle Officer Post Re-engineer the requirement for an Abandoned Vehicle Officer Post Re-engineer the requirement for an Abandoned Vehicle Officer Post MD 0 1-18 1-24 -724 -725 -726 -726 -727 -727 -737 -738 -738 -738 -739 -738 -739 -738 -739			ноѕ	2008/09	2009/10		2011/12
Grounds Maintenance seasonal staff programme for GM. Appointing permanent staff for the whole year rather than seasonal staff with an seasonal staff which grounds with the Reg Driver Building to collect tennis income The increase in scrap metal protein protein shared or the whole year rather than seasonal staff will deliver savings. The increase in scrap metal protein protein shared or the whole year rather than seasonal staff will deliver savings. The increase in scrap metal protein shared or the requirement for an Abandoned whiches has considerably reduced. Abbestor removal is not being charges at commercial rates. An opportunity exists to increase charges at commercial rates. An opportunity exists to increase charges. Recycling provide additional brown bins for larger gardens MD 0 1-18 -24 Increase Charge for Asbestos Collection MD 0 7-7 -7 Parking Services charges at commercial rates. An opportunity exists to increase charges. Parking Services charges at the requirement for an Abandoned which share that the provide additional brown bins for larger gardens. MD 0 -5 -5 Disestablish one Ranger Post of the provide additional brown bins for larger gardens. MD 0 -23 -23 Disestablish one Ranger Post of the provide additional brown bins for larger gardens. MD 0 -23 -23 Disestablish one Ranger Post of the provide additional brown bins for larger gardens. MD 0 -23 -32 Disestablish one Ranger Post of the provide additional brown bins for larger gardens. MD 0 -23 -32 Corporate Savings Review Transport provision MD 0 -23 -32 Corporate Savings Review Transport provision MD 0 -33 -33 StreetCare Total -22 -304 -319 StreetCare Total -22 -304 -319 Carry out Fire Risk Assessments using existing staff ML 0 -30 -37 Target than using external consultants. Idensing control Carry out Fire Risk Assessments using existing staff ML 0 -30 -35 Dullding control Partnership income building control Partnership income potential staff saving ML 0 -35 -35 Dullding control Partnership income potential staff saving	Opportunity	Description	Lead	£'000	£'000	£'000	£'000
Appointing parmanent staff for the whole year rather will deliver savings. Appointing parmanent staff for the whole year rather will deliver savings. Reallocate Tennis Collector duties MD O -42 -42 -42 -42 -42 -42 -42	StreetCare						
the Reg Driver Building to Collector duties Reallocate Tennis Collector duties MD O 14 44 44 The increase is scrap metal prices means the number of abandoned vehicles has considerably reduced. Rebestos removal is not being charges at commercial rates. An apportunity exists to horderesse charge for Asbestos Collection MD O 77 77 77 77 77 77 77 77 77		Appointing permanent staff for the whole year rather	MD	0	-42	-42	-42
prices means the number of Re-engineer the requirement for an Abandoned Abandoned vehicle Officer Post vehicle Off	the Reg Driver Building to	Reallocate Tennis Collector duties	MD	0	-4	-4	-4
being charges at commercial rates. An opportunity exists to increase charge for Asbestos Collection MD 0 -7 -7 -7 opportunity exists to increase charges. Recycling provide additional brown bins for larger gardens MD 0 -5 -5 -5 -5 -5 -5 -5 -5 -5 -5 -5 -5 -5	prices means the number of abandoned vehicles has		MD	0	-18	-24	-24
Parking Services Increase charge for football parking in line with normal charges Disestablish one Ranger Post Terminate current temporary contract for Ranger post (but leave post established) Grounds Maintenance Central review of Grounds Maintenance MD 0 -23 -32 Corporate Savings Review Transport provision MD 0 -38 -38 -38 -38 -39 Corporate Savings Allocation of corporate savings MD -18 -124 -124 -124 -13 StreetCare Total StreetCare Total StreetCare Total Display increase on site equipment ML 0 -30 -57 -50 -50 -50 -50 -50 -50 -5	being charges at commercial rates. An opportunity exists to	Increase Charge for Asbestos Collection	MD	0	-7	-7	-7
charges charge	Recycling	provide additional brown bins for larger gardens	MD	0	-5	-5	-5
Communications & Design Composed packets Communications & Design Communications & Design Communications & Design Communications & Design Composed packets Communications & Design Comm	Parking Services		MD	-5	-20	-20	-20
Corporate Savings Review Transport provision MD 0 -38 -38 -38 -36 Corporate Savings Allocation of corporate savings MD -18 -124 -124 -1 -124 -1 -124 -1 -124 -124			MD	0	-23	-23	-23
Corporate Savings Allocation of corporate savings MD -18 -124 -124 -1 StreetCare Total -23 -304 -319 -3 Environmental Services grafton house campaign to reduce storage ML 0 -6 -6 -6 grafton house review manned security & increase on site equipment ML 0 -30 -57 -57 building control Carry out Fire Risk Assessments using existing staff rather than using external consultants ML 0 -10 -10 -10 licensing charging for minor services currently not charged ML 0 -3 -3 -3 animal welfare statutory requirement & proposed new fees - stray dog collection fee collection fee building control Partnership income ML 0 -20 -20 -20 -20 -20 -20 -20 -20 -20 -	Grounds Maintenance	Central review of Grounds Maintenance	MD	0	-23	-32	-32
StreetCare Total	Corporate Savings	Review Transport provision	MD	0	-38	-38	-38
StreetCare Total	· · ·	: :	MD	-18	-124	-124	-124
Environmental Services grafton house campaign to reduce storage ML 0 -6 -6 grafton house review manned security & increase on site equipment ML 0 -30 -57 building control Carry out Fire Risk Assessments using existing staff rather than using external consultants ML 0 -10 -10 -10 licensing charging for minor services currently not charged ML 0 -3 -3 -3 animal welfare statutory requirement & proposed new fees - stray dog ML 0 -8 -8 building control Partnership income ML 0 -20 -20 - building control potential staff saving ML 0 -35 -35 - building control Fee income increases ML 0 -15 -15 - Corporate Savings Allocation of corporate savings ML 1-13 -73 -73 -73 -73 -73 -73 -73 -73 -74 -74 -74 -74 -74 -74 -74 -74 -74 -74							
grafton house campaign to reduce storage ML 0 -6 -6 grafton house review manned security & increase on site equipment ML 0 -30 -57 building control Carry out Fire Risk Assessments using existing staff rather than using external consultants ML 0 -10 -10 -10 licensing charging for minor services currently not charged ML 0 -3 -3 animal welfare statutory requirement & proposed new fees - stray dog collection fee collection fee collection fee ML 0 -20 -20 building control Partnership income ML 0 -35 -35 building control potential staff saving ML 0 -35 -35 building control Fee income increases ML 0 -15 -15 Corporate Savings Allocation of corporate savings ML -13 -73 -73 Environmental Services Total -13 -200 -227 -2 Communications & Design Review of strategic tourist marketing activity MS 0 -14 -14 -14		StreetCare Total		-23	-304	-319	-319
grafton house campaign to reduce storage ML 0 -6 -6 grafton house review manned security & increase on site equipment ML 0 -30 -57 building control Carry out Fire Risk Assessments using existing staff rather than using external consultants ML 0 -10 -10 -10 licensing charging for minor services currently not charged ML 0 -3 -3 animal welfare statutory requirement & proposed new fees - stray dog collection fee collection fee collection fee ML 0 -20 -20 building control Partnership income ML 0 -35 -35 building control potential staff saving ML 0 -35 -35 building control Fee income increases ML 0 -15 -15 Corporate Savings Allocation of corporate savings ML -13 -73 -73 Environmental Services Total -13 -200 -227 -2 Communications & Design Review of strategic tourist marketing activity MS 0 -14 -14 -14							
grafton house campaign to reduce storage ML 0 -6 -6 grafton house review manned security & increase on site equipment ML 0 -30 -57 building control Carry out Fire Risk Assessments using existing staff rather than using external consultants ML 0 -10 -10 -10 licensing charging for minor services currently not charged ML 0 -3 -3 animal welfare statutory requirement & proposed new fees - stray dog collection fee collection fee collection fee ML 0 -20 -20 building control Partnership income ML 0 -35 -35 building control potential staff saving ML 0 -35 -35 building control Fee income increases ML 0 -15 -15 Corporate Savings Allocation of corporate savings ML -13 -73 -73 Environmental Services Total -13 -200 -227 -2 Communications & Design Review of strategic tourist marketing activity MS 0 -14 -14 -14	Environmental Service	ne .					
grafton house review manned security & increase on site equipment ML 0 -30 -57 -57 -57 -57 -57 -57 -57 -57 -57 -57			ML	0	-6	-6	-6
licensing charging for minor services currently not charged ML 0 -3 -3 -3 animal welfare statutory requirement & proposed new fees - stray dog collection fee building control Partnership income ML 0 -20 -20 -20 building control potential staff saving ML 0 -35 -35 -35 building control Fee income increases ML 0 -15 -15 -15 -20 Corporate Savings Allocation of corporate savings ML -13 -73 -73 -73 -73 -73 -73 -73 -73 -73 -7							-57
animal welfare statutory requirement & proposed new fees - stray dog collection fee collection fee ML 0 -20 -20 -20 building control Partnership income ML 0 -35 -35 -35 building control potential staff saving ML 0 -15 -15 -15 -15 -15 -15 -15 -15 -15 -15	building control		ML	0	-10	-10	-10
Communications & Design Review of strategic tourist marketing activity MS O -14	licensing	charging for minor services currently not charged	ML	0	-3	-3	-3
building control Partnership income ML 0 -20 -20 building control potential staff saving ML 0 -35 -35 -35 building control Fee income increases ML 0 -15 -15 -15 Corporate Savings Allocation of corporate savings ML -13 -73 -73 -73 Environmental Services Total -13 -200 -227 -2 Communications & Design	animal welfare		ML	0	-8	-8	-8
Duilding control Detential staff saving ML 0 -35 -35 -35	building control		ML	0	-20	-20	-20
building control Fee income increases ML 0 -15 -15 - Corporate Savings Allocation of corporate savings ML -13 -73 -73 - CORPORATE Savings Allocation of corporate savings ML -13 -200 -227 -2 -2 -2 -2 -2 -2 -2 -2 -2 -2 -2 -2 -2				0	-35	-35	-35
Environmental Services Total -13 -200 -227 -2 Communications & Design Review of strategic tourist marketing activity MS 0 -14 -14 -14	building control	Fee income increases					-15
Communications & Design Review of strategic tourist marketing activity MS 0 -14 -14 -14	Corporate Savings	Allocation of corporate savings	ML	-13	-73	-73	-73
Review of strategic tourist marketing activity MS 0 -14 -14		Environmental Services Total		-13	-200	-227	-227
Review of strategic tourist marketing activity MS 0 -14 -14	Communications 9 Do	eign					
9 9	Communications & De		MS	0	-14	-14	-14
	Corporate Savings						-6
Communications & Design Total 0 -20 -20 -							-20

GENERAL FUND SAVINGS continued

Opportunity	Description	HOS Lead	2008/09 £'000	2009/10 £'000	2010/11 £'000	2011/12 £'000
Planning, Transport &	Paganaration					
Economic Development		NAT.				
(GKKB)	Grants (5627) SDA, Ipsenta, Princes Trust	MT	0	-8	-8	-8
Corporate Savings	Look at more shared services e.g. Economic Development	MT	0	-11	-11	-11
	Review of Sponsorship Contract	MT	0	-15	-15	-15
Charge for information	Example - pre planning application enquiries	МТ	0	-19	-19	-19
Summary Position	Review of 2009/10 growth approved during setting of	мт	0	-400	175	0
Corporate Savings	2008/09 budget Allocation of corporate savings	MT	-11	-78	-78	-78
Corporate Cavings	Amodulion of corporate savings			70	70	70
	Planning, Transport & Regeneration Total		-11	-531	44	-131
Community Sorvious						
Community Services Corporate Savings	Grant review - focus programme	TH	0	-30	-30	-30
csc	Review of operational expenditure without reducing the level of service provided	тн	0	-17	-17	-17
CSC payments area	Don't recruit vacant post - rely on box office	тн	0	-11	-11	-11
Emergency Services Centre	Management and Admin phase 1 restructure	тн	0	-58	-58	-58
Corporate Savings	Allocation of corporate savings	TH	-8	-54	-54	-54
,						
	Community Services Total		-8	-170	-170	-170
General Fund Summar	•	DE	0	-697		0
Corporate Savings	SSH	DF	0		0	0
	Review recruitment processes until 31/03/09	DF	-100	0	0	0
Corporate Savings	Reduce use of agency staff	DF	-50	0	0	0
Corporate Savings	Reduce Overtime/Casuals assuming better sickness management (10days pp to national average)	DF	-100	0	0	0
Corporate Savings	Manage vacancies more effectively	DF	-200	0	0	0
Corporate Savings Corporate Savings	Reserves review Growth – new growth to be matched by reviewing growth approved during 2008/09 budget setting	IB IB	-50	-100 -250	-250	-250
	General Fund Summary Total		-500	-1,047	-250	-250
Management Savings	not yet allocated to services					
Corporate Savings	Savings/Income Opportunities - competition for staff	JP	0	-20	-20	-20
		DF	0	-150		
Summary Position Summary Position	Staffing initiatives Streetcare Procurement Review	MD	0	-150	-150 -200	-150 -200
-		JP	0	0	-56	-56
Efficiency savings	Payment modernisation/cashless operation					
Efficiency savings	Centralise debt recovery	IB	0	0	-19	-19
	Management Savings not yet allocated to services		0	-370	-445	-445
	Total Savings Approved @ 2009/10 price b	ase	-697	-3,375	-2,143	-2,300
	3 11					

Table of Specific and Other Revenue Grants

In addition to the Revenue Support Grant, the Council receives specific other grants to support Government initiatives towards services provided by the Council. The table below shows the level of grant receivable and the gross cost of the service:

Grant	Ringfenced Y/N	Status	2009/10 Grant £'000	2009/10 Related Expenditure £'000
Housing Benefit and Council Tax Benefit Administration	Y	Confirmed	1,322	2,486
Additional National Bus Concessionary Fares Grant for 2008/09 Scheme changes	Y	Confirmed	608	1,120
Homelessness Grant	Y	Confirmed	90	90
Area Based Grant (Youth Taskforce)	N	Confirmed	30	30
Housing & Planning Delivery Grant	N	To be confirmed	N/A	N/A

The background and a short summary of all the grants is shown below:-

Housing Benefit and Council Tax Benefit Administration – This is awarded by the Department of Works and Pensions to help cover the cost of processing Housing and Council Tax Benefit.

National Bus Concessionary Fares Grant – This grant was introduced in 2008/09 to help fund the government initiative of free bus travel from 1 April 2008 for males over 60 in England. As can be seen from the above table it is estimated that this initiative will cost the Council Tax Payer £512,000 as the total additional cost is estimated to be £1.12M.

Homelessness Grant – This was introduced as a government initiative a number of years ago to help towards the cost of Homelessness.

Area Based Grant – Non ring-fenced Area Based Grants replaced the old Local Area Agreement Grants with effect from 2008/09. Ipswich has been allocated £30K a year for the next two years for Youth Taskforce expenditure.

Housing and Planning Delivery Grant – This replaces the old Planning Delivery Grant from 2008/09. Global allocations have been agreed for the next two years, but individual authority allocations for 2009/10 will not be known until the Autumn 2009. Funding cannot be guaranteed for the two years.

PUBLIC CONSULTATION RESULTS – JANUARY 2009

A public consultation exercise was undertaken in December 2008 to January 2009.

The 2.5% sample covers all Ipswich council tax payers on each Band.

The public consultation focused only on Ipswich Borough Council's element of the Council Tax

Council's General Fund Budget/Council Tax levels

Option 1 – Council services largely staying the same (this would mean a council tax increase of about 3% for 2009/10 and about 5% increase per annum for 2010/11 and 2011/12)	39%
Option 2 - A small reduction in the services provided by the Council (this would mean a 2% increase in council tax for 2009/10 and about 4% increase per annum for 2010/11 and 2011/12)	24%
Option 3 – A larger reduction in the services provided by the Council (this would mean no increase in council tax for 2009/10 and about 2% increase per annum for 2010/11 and 2011/12)	35%

312 responses received equating to an overall response rate of 22.5%

Section 5

HOUSING REVENUE ACCOUNT FORECAST 2008/2009 TO 2011/12

(shows the Capital contingency required to maintain minimum HRA Balances in order to fund ALL the Original Ipswich Standards

Programme increase)

	· ·	Programme increas	е)			
2007/08 OUT-TURN		2008/09 Original Budget	2008/09 FORECAST	2009/10 FORECAST	2010/11 FORECAST	2011/12 FORECAST
£		£	£	£	£	£
	<u>EXPENDITURE</u>					
	MANAGEMENT & MAINTENANCE					
3,279,517	Supervision & Management General	3,638,440	3,498,820	3,583,940	3,680,710	3,780,090
1,703,024	Supervision & Management Special	1,857,910	1,773,900	1,938,040	1,990,370	2,044,110
316,641	Superannuation Backfunding	396,110	309,260	344,382	353,680	363,230
4,382,408	Jobbing Repairs	4,295,460	4,354,460	4,434,360	4,554,090	4,677,050
231,899	Special Repairs	260,920	433,920	260,920	267,960	275,190
1,032,350	Planned Maintenance	1,005,030	1,005,030	1,000,000	1,000,000	1,000,000
10,945,839	MANAGEMENT & MAINTENANCE TOTAL	11,453,870	11,375,390	11,561,642	11,846,810	12,139,670
	CAPITAL FINANCING COSTS					
48,864	Debt Management Expenses	43,590	43,920	45,050	45,650	47,130
8,197,511	Depreciation	7,879,250	7,879,250	7,879,250	7,950,420	8,022,370
583,560	Impairment of Assets	0	0	0	0	0
4,188Cr	Deferred Charges	620,000	620,000	620,000	620,000	620,000
8,825,747	TOTAL CAPITAL FINANCING COSTS	8,542,840	8,543,170	8,544,300	8,616,070	8,689,500
0	RENT REBATES	0	0	0	0	0
4,932,791	GOVERNMENT SUBSIDY PAYMENT	6,139,850	6,317,630	6,390,020	7,327,010	8,293,860
135,668	PROVISION FOR BAD DEBTS	100,000	100,000	100,000	100,000	100,000
123,300	HRA share of Corporate Democratic Core and Non Distributed Costs	126,500	126,500	129,790	133,290	136,890
24,963,345	TOTAL EXPENDITURE	26,363,060	26,462,690	26,725,752	28,023,180	29,359,920
	<u>INCOME</u>					
	RENT INCOME					
24,814,675Cr	Rents	26,051,220Cr	26,194,814Cr	27,688,900Cr	28,932,970Cr	30,203,590C
638,737Cr	Service Charges	593,250Cr	646,840Cr	687,330Cr	721,700Cr	750,570C
532,893Cr	Commercial	570,200Cr	536,210Cr	536,210Cr	536,210Cr	536,210C
253,952Cr	Hostels	315,840Cr	239,290Cr	254,270Cr	266,980Cr	277,660C
297,276Cr	Shops(Net)	250,000Cr	300,000Cr	300,000Cr	300,000Cr	300,000C
26,537,533Cr	RENTS TOTAL	27,780,510Cr	27,917,154Cr	29,466,710Cr	30,757,860Cr	32,068,030C
365,517Cr	RENTAL CONSTRAINT ALLOWANCE	0	0	0	0	0
169,000Cr	G.R.A. RECHARGE	173,390Cr	173,390Cr	173,390Cr	178,590Cr	183,950C
27,072,050Cr	TOTAL INCOME	27,953,900Cr	28,090,544Cr	29,640,100Cr	30,936,450Cr	32,251,980C
2,108,705Cr	NET COST OF SERVICES	1,590,840Cr	1,627,854Cr	2,914,348Cr	2,913,270Cr	2,892,060C

HOUSING REVENUE ACCOUNT FORECAST continued

HOUSING REVENUE ACCOUNT FORECAST 2008/2009 TO 2011/12

(shows the Capital contingency required to maintain minimum HRA Balances in order to fund ALL the Original Ipswich Standards

Programme increase)

2007/08 OUT-TURN		2008/09 ORIGINAL	2008/09 FORECAST	2009/10 FORECAST	2010/11 FORECAST	2011/12 FORECAST
		BUDGET				
£		£	£	£	£	£
2,108,705Cr	NET COST OF SERVICES	1,590,840Cr	1,627,854Cr	2,914,348Cr	2,913,270Cr	2,892,060Cr
0	Items t/f from previous to current year	0	50,720Cr	0	0	0
267,000Cr	Ipswich Standard Contingency	33,760	23,760	23,760	23,760	23,760
0	Growth Bids (Categories 1)	61,250	0	0	0	0
0	Inspections/Replacement of Immersion Heaters	173,000	0	0	0	0
0	Single Status & Harmonisation Contingency	50,000	0	0	50,000	50,000
0	Recharge Savings	100,000Cr	127,320Cr	0	0	0
0	Target Savings	0	51,740	0	0	0
0	NKA Savings (net)	0	0	0	203,540Cr	341,390Cr
0	Transitional Vacancy savings	60,000Cr	86,500	60,000Cr	60,000Cr	60,000Cr
1,959,907Cr	Adjusting Transfer from AMRA	1,717,010Cr	1,717,010Cr	1,531,250Cr	1,622,620Cr	1,720,750Cr
246,458Cr	Interest	156,870Cr	195,500Cr	53,440Cr	38,340Cr	25,410Cr
4,582,070Cr	NET OPERATING EXPENDITURE	3,306,710Cr	3,556,404Cr	4,535,278Cr	4,764,010Cr	4,965,850Cr
348,434Cr	Contributions to Provisions	0	0	0	0	0
3,357,058	RCCO's_original	3,858,000	6,126,000	4,802,000	3,481,000	3,370,000
0	RCCO's additional (to balance lpswich Standard programme)	2,268,000	0	1,127,000	1,714,000	1,208,000
1,573,446Cr	(SURPLUS)/DEFICIT	2,819,290	2,569,596	1,393,722	430,990	387,850Cr
0	balancing requirement (savings required)	0	0	0	0	0
3,667,953Cr	HRA Balance b/f 1st April	4,482,123Cr	5,241,399Cr	2,671,803Cr	1,278,081Cr	847,091Cr
5,241,399Cr	HRA Balance c/f 31st March	1,662,833Cr	2,671,803Cr	1,278,081Cr	847,091Cr	1,234,941Cr
	MINIMUM REQUIRED BALANCE	500,000Cr	500,000Cr	500,000Cr	500,000Cr	500,000Cr

NOTES:

NKA Net savings are based on contracted minimum savings target
Assumes RCCO adjusted to balance Ipswich Standard Programme funding

Recommended Sheltered Scheme Charges 2009/10 (per week over 50 weeks)

Charge	2008/09	2009/10	Comment
Service Charge	£ 13.50	£14.50	Increase due to covering no increase in SP funding (See below) (This charge is eligible for Housing Benefit)
Supporting People Charge	£ 24.34	£24.34	Supporting People (SP) have not pay any inflationary factor for 2009/10 for sheltered housing (SP cover this cost for all tenants in receipt of Housing Benefits)
Water Rate Charge	£ 2.95	£3.10	Increase due to water charge increases
Heating Communal Areas Charge 1	£ 1.80	£2.00	(This charge is eligible for Housing Benefit)
Charge 2*	£ 0.65	£0.75	
Heating – Individual home Charge 1 –2 rooms with	£ 3.36	£3.59	Increases of around 10% to match higher gas prices although the rise has been mitigated by appropriate the control of the cont
htg 3 – 4 rooms	£ 5.25	£5.77	mitigated by energy improvements made to boilers
with htg 5/6 rooms with htg	£ 7.14	£7.85	systems
7+ rooms with htg	£ 9.03	£9.93	

^{*}Neighbourhood Sheltered Schemes only (All Hallows Court, Goldcrest Court, Stratford Court)

Notes

- (i) Charges are made to cover anticipated budget costs
- (ii) Charges are pooled and apply to all schemes (although some schemes have individual heating and therefore pay their gas/electric charges direct)

Garage Rents 2009/10 (per week) all charges to Increase by 6.2% in line with the average Council house inflationary increase (rounded up/down)

Scheme	2008/09	2009/10	Change
Garages*			
Vary From	£ 5.64	£ 5.99	+ £0.35
То	£ 7.50	£ 7.97	+ £0.47
Other Charges			
Water charge (where	£ 0.93	£ 0.99	+ £0.06
applicable)			
Hardstands			
Vary from	£1.19	£1.26	+ £0.07
То	£1.49	£1.58	+ £0.09

^{*}Non- council tenants will pay **VAT** on garage rents

District Heating Charges 2009/10 (per week)

	2008/09	2009/10	Change
			·
Lower rate	£ 8.10	£ 8.10	£ 0.00
Higher rate	£ 9.80	£ 9.80	£ 0.00

Charges vary according to number of rooms with heating – Charges have been held as despite price increases, recent improvements have been made to the district heating boiler rooms to reduce gas consumption as part of the Councils corporate aim to reduce energy consumption

Section 6

Reserves and Provisions Policy

- The Council complies with the requirements of the Local Authority Accounting Bulletin 77 (November 2008) on the establishment and maintenance of local authority provisions, reserves and balances. Compliance with current bulletins is recommended in the CIPFA 2003 Statement of the Role of the Finance Director in Local Government.
- 2. The requirement for financial reserves is acknowledged in statute. Sections 32 and 43 of the Local Government Finance Act 1992, require billing and precepting authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. There is no statutory minimum level of reserves that must be held.
- 3. Reserves can be held for three main purposes:
 - a working balance to cope with uneven cash flows and reduce temporary borrowing
 - ii) a contingency to deal with unexpected events or emergencies
 - iii) earmarked reserves to build up funds to meet known future requirements
- It is the responsibility of the Section 151 Officer to recommend the level of reserves and put in place protocols for their establishment and use.
- 5. Statement of Recommended Accounting Practice (SORP) 2008 requires Provisions when:
 - i) there is a present obligation as a result of a past event
 - ii) it is probable that the obligation will arise
 - iii) the amount of the obligation can be estimated

Reserves held by Ipswich Borough Council

General Fund

Working Balance

6. The level of the General Working Balance to be held by the Council is determined by consideration of strategic, operational and financial risks. The determination of the level of reserves to be held is influenced by cash flow requirements, budget assumptions e.g. inflation, interest rates, planned efficiency savings and the availability of other funds together with an assessment of the financial standing and management of the authority e.g.

track record in budget management and strength of financial reporting procedures.

- 7. The opportunity cost of maintaining a minimum General Fund working balance of £1.5 million, is contrasted with the cost of running services such as Domestic Refuse Collection, Parks and Open Spaces or the Emergency Services Centre which are all comparable in cost. The level of reserves held is also influenced by the "opportunity cost" of holding these funds, which could otherwise be used for other purposes. The funds could be used to reduce the level of Council Tax or increase the overall level of services provided.
- 8. The benefits of investment income accrued on reserves held to the overall budget is also a consideration in arriving at the level of reserves to be held.
- 9. Consideration of the current economic climate and the possible impact on cash flow has led to a decision to increase the General Fund Working Balance by £800,000 for 2009/10 onwards.

Ipswich Buses Ltd - Debenture Loan

 The Transport Realisation Account represents the initial investment in Ipswich Buses, less the write down of accumulated losses (no further losses are anticipated).

Trading Account Profits

11. This represents an allowance to meet the risks inherent in external trading by DSOs. The current level of external trading engaged in by Ipswich Borough Contracts is minimal. Therefore it is recommended that this reserve is no longer required after 2009/10.

Insurance Reserve

12. The Insurance Reserve is required to cover the potential liability for excess payments arising from claims below the insurance threshold and uninsured risks.

Repair and Renewal

13. The Repairs and Renewals Reserve are sums set aside for the repair and replacement of various assets, funded from external sources e.g. Gower Street Factory Units – the level of these reserves is based upon an assessment of future need.

Housing Revenue Account

Working Balance

14. The HRA Working Balance is maintained to provide a contingency for dealing with potentially significant variances that could arise due to events like changes in subsidy or overspends on the large improvement programme. The current minimum balance of £500,000 is equivalent to a variance of approximately 9% on management & maintenance or repairs and 2% of rental income.

Repair and Renewal

15. There is a £1m repair and renewal reserve to ensure sufficient capacity to meet emergency repairs to Council Houses e.g. as a result of flooding or high winds. The level of this reserve is based upon an assessment of risk and past experience.

Miscellaneous

16. Miscellaneous Housing Reserves include sums set aside for replacement of Housing computer systems, implementation of the "Ipswich Standard" and Supporting People. The sums put aside are based upon known future requirements.

Provisions held by Ipswich Borough Council

General Fund

Insurance Provision

17. The Insurance Provision represents funds set aside to meet the value of outstanding unsettled claims, as advised by our external insurers.

Bad Debts

18. The provision for bad debts comprises of individual provisions for Corporate Rents, Sundry Debtors, Business Rates and Council Tax – the level of provision is based upon past experience of default e.g. Sundry debtor provision 10%.

Housing Revenue Account

Bad Debts

- 19. The provision for bad debts comprises of individual provisions for Housing Rents, Service Charges and Sundry Debtors the level of provision is based upon past experience of default.
- 20. It is recommended that the minimum level of General Fund Balances remain at £1.5m, however, in recognition of the current economic climate, that the actual level be increased to £2.3m for 2009/10 onwards.
- 21. It is recommended that the current level of HRA working balance be maintained at a minimum of £500,000.

Schedule of Working Balances, Reserves and Provisions

<u>Reserves</u>	Balance			Balance			Balance	Balance	Balance
	31-Mar-08 £'000	Appropriations £'000		31-Mar-09 £'000	Appropriations £'000	Applications £'000	31-Mar-10 £'000	31-Mar-11 £'000	31-Mar-12 £'000
General Fund:									
W orking Balance	3,995Cr	0	1,550	2,445Cr	0	145	2,300Cr	2,300Cr	2,300C
Transport Realisation Reserve	252Cr	0	0	252Cr	0	0	252Cr	252Cr	252C
Trading Account Profits	29Cr	321Cr	300	50Cr	250Cr	300	0	0	0
Insurance Reserve	1,467Cr	0	150	1,317Cr	0	100	1,217Cr	1,217Cr	1,217C
Repair and Renewal	948Cr	45Cr	330	663Cr	0	0	663Cr	663Cr	663C
Miscellaneous	0	0	0	0	0	0	0	0	0
Total	6,691Cr	366Cr	2,330	4,727Cr	250Cr	545	4,432Cr	4,432Cr	4,432C
Housing Revenue Account:									
Working Balance	5,241Cr	0	2,435	2,806Cr	0	1,885	921Cr	500Cr	500C
Repair and Renewal	1,000Cr	0	0	1,000Cr	0	0	1,000Cr	1,000Cr	0
M iscellaneous	1,175Cr	0	85	1,090Cr	0	85	1,005Cr	1,090Cr	1,277C
Total	7,416Cr	0	2,520	4,896Cr	0	1,970	2,926Cr	2,590Cr	1,777Cı
Capital:									
Usable Capital Receipts	12,437Cr	6,450Cr	8,747	10,140Cr	9,420Cr	9,561	9,999Cr	9,142Cr	703C
Total	12,437Cr	6,450Cr	8,747	10,140Cr	9,420Cr	9,561	9,999Cr	9,142Cr	703C
Provisions									
General Fund:									
Insurance Provision	654Cr	0	0	654Cr	0	0	654Cr	654Cr	654C
Provision for Bad Debts	2,587Cr	0	0	2,587Cr	0	0	2,587Cr	2,587Cr	2,587C
Total	3,241Cr	0	0	3,241Cr	0	0	3,241Cr	3,241Cr	3,241C
Housing Revenue Account:									
Provision for Bad Debts	615Cr	100Cr	100	615Cr	100Cr	100	615Cr	615Cr	615C
Total	615Cr	100Cr	100	615Cr	100Cr	100	615Cr	615Cr	615C
Grand Total	30,400Cr	6,916Cr	13,697	23.619Cr	9,770Cr	12,176	21,213Cr	20,020Cr	10,768C

Section 7

CAPITAL STRATEGY

1. <u>VISION AND CORPORATE STRATEGY</u>

- 1.1 The Finance Strategy sets the Council's overall strategy for Finance. The Capital Strategy and Asset Management Strategy complement the Finance Strategy and cover the Council's service investment programme and property management respectively. These strategies are subject to an annual review to ensure they remain up to date.
- 1.2 The Capital Strategy brings together the key priorities and targets for the Council, aspects of partnership working within the local community, and investment to deliver the aims and objectives of the Council as described in the Corporate Plan and in Operational Plans. It aims to bring together the overriding issues identified in those documents, which require capital investment to deliver the services and growth agenda for Ipswich.
- 1.3 The Capital Strategy has been developed by members of the Strategic Asset Management and Investment (SAMI) Group in consultation with Councillors, Directors Team, and the Corporate Property Officer. It brings together the Council's response to Community consultation, and facilitates the achievement of the Best Value Performance Plan, Operational Plans, the Asset Management Plan, Housing Investment Plan and Housing Revenue Account (HRA) Business Plan. The Capital Strategy covers all capital expenditure and its financing.
- 1.4 Ipswich Borough Council has launched "Transforming Ipswich (TI)" with a vision:-

"To deliver quality services for the people of Ipswich"

- 1.5 The key objectives and priorities of the Council and its partners in working towards this vision are encapsulated in the following six strategic goals:—
- Clean and Green Ipswich We will work with the community to make Ipswich a model urban clean and green place.
- **Expanding Ipswich** We will work with business and external funders to encourage new Investment, Innovation, Learning and Sustainable growth and Employment.
- Safe Ipswich We will work with the community to keep Ipswich a safe place to live.
- Strengthening the Community of Ipswich We will help individuals and groups in the One-Ipswich community who experience disadvantage and will work towards everyone having the opportunity of a decent home.
- Travel in Ipswich We will develop and encourage the provision and use of an integrated and effective transport system, which maximises the use of

- public transport, walking and cycling and reduces the overall impact of travel on the environment.
- Vibrant Ipswich We will enrich and protect the town's historic assets and diverse cultural offering, whilst working to attract award-winning architecture, and increase the availability of public art and live performance opportunities, as well as encourage participation in all sport and leisure pursuits to create an even more vibrant town.

2. KEY AREAS OF CAPITAL EXPENDITURE

- 2.1 There are a number of key areas of capital expenditure within the authority, namely:-
- 2.2 Maintenance of the Council's assets Councillors are committed to investing in the Council's assets to maintain them in a "Fit for Purpose" state.
- 2.3 As required by the Government, the Council undertook, in consultation with tenants, a full stock options appraisal of the HRA housing stock, with the result being that the Council decided to retain its stock and approve a ten year £123m+ investment programme known as the "Ipswich Standard". The Government's regional office, Go-East has approved the decision and the Council does not need to reappraise its stock holding until 2013 unless there is any significant risk to the delivery of the Ipswich Standard programme in the intervening time. Due to the potential uncertainty and volatility of resources to finance the programme, e.g. Government allowances and capital receipts, the programme and resource availability is monitored both in year and on a year-by-year basis.
- 2.4 Investment in Culture There are a number of schemes in the capital programme including investment in Crown Pools, Fore Street Baths, play areas and new football facilities to help people stay healthy in Ipswich.
- 2.5 Community Schemes The Council is committed to listening to the views of tenants and Ipswich Strategic Partnership and provides funding for Environmental Improvements, Community Improvements and Area Forums.
- 2.6 The Council provides matched funding for Disabled Facilities Grants and also for meeting the Decent Homes standard in private dwellings through Improvement Grants.

3. FUNDING CAPITAL EXPENDITURE

3.1 Given the extent of the Council's future capital requirements, it is clear that the Council will need to maintain innovative procurement methods and a robust and rigorous approach to the management of its capital and assets in order to deliver its key objectives. To fund its capital investment requirements, the Council will have access to limited sources of funding, and will have to make decisions about how, when and how much of the different funding sources will be used:-

- 3.2 **Government Grants** These are contributions received from Government bodies. They are normally attributable to specific schemes or programmes e.g. Major Repairs Allowance
- 3.3 **Supported Capital Expenditure (SCE)** This is Government Approved borrowing to undertake Capital Expenditure. The Government pays for the principal repayments and interest through RSG/Housing Subsidy in future years. SCE can only be used in the year in which the borrowing approval is received. They are normally scheme specific, except in the case of the Housing Revenue Account (HRA), where we are currently receiving SCE in respect of meeting the Decent Homes standard, and that covers a number of different schemes e.g. Affordable Warmth, Improving Ipswich Homes.
- 3.4 **External Funding -** These are contributions received from any other bodies e.g. Developers, East of England Development Agency (EEDA), Heritage Lottery Fund (HLF). The Council has established a corporate team to research and secure additional funding resources to complement the Council's aims. The Council has produced, as part of the finance strategy, external funding guidelines and a checklist. Where schemes attract external funding, which does not require Ipswich Borough Council to use additional capital resources, the value of the funding is automatically added to the capital programme.
- 3.5 **Section 106 Contributions** These are contributions constrained by planning law and are normally for specific schemes such as Affordable Housing and Parks
- 3.6 Revenue Contributions to Capital Outlay (RCCO's) This is where the Council pays for Capital Expenditure from the revenue accounts. The HRA is making contributions from revenue towards HRA Capital Expenditure to meet the Ipswich Standard. The General Fund does not normally make contributions towards capital expenditure
- 3.7 **Capital Receipts** These are contributions received from the sale of our assets.
- 3.8 **Prudential Borrowing -** This is unsupported borrowing. Any schemes funded through this method will incur revenue expenditure in respect of principal and interest charges. It is normally only used for "Invest to Save" schemes i.e. those schemes that will pay back the capital expenditure through savings/increased income.

4. PERFORMANCE FRAMEWORK OVERVIEW

- 4.1 The Council has adopted Best Practice and established the SAMI Group which coordinates:-
 - Service Investment Prioritisation and Planning
 - Project Appraisal and Resourcing Options
 - Capital Programme Performance Monitoring
 - Asset Management

The Group is chaired by the Operational Manager - Accounting Services and reports to Directors' Team and the Finance Portfolio Holder. Financial monitoring reports are submitted quarterly to the Executive. The Council has a policy that all Capital resources that are not ring-fenced should be pooled to meet the Council's priorities. Capital receipt forecasts based on the Asset Management Plan are updated on a monthly basis.

- 4.2 All new capital project bids have to demonstrate that they represent value for money and meet the Council's objectives. Before a capital bid is submitted all options are considered including "do nothing" and the best option both in terms of value for money and meeting the Council's objectives is submitted as a Capital Bid.
- 4.3 The Council has introduced a new Capital Performance framework with a comprehensive structured process to help deliver the Council's objectives. This framework is coordinated by the Asset and Capital Programme Manager. Managers are required to submit a Project Feasibility which will include:-
 - Aim of the Project
 - Meeting "Transforming Ipswich" objectives
 - Priority
 - Financial Information (Both Capital and Ongoing Revenue costs)
 - Business Case
 - Risk Management
 - Timescales
 - Milestones
 - Asset Management
 - Responsible Officer
- 4.4 The SAMI Group appraises the project and once it is satisfied that all the required criteria shown above have been met the project will proceed to the prioritisation stage. If a scheme does not meet all the criteria, the project manager is notified of the reasons why the scheme has not progressed to the prioritisation stage.
- 4.5 All schemes, which progress from the project feasibility stage, are subject to evaluation The Council has developed a Capital Prioritisation methodology which scores all the factors in the Project feasibility. A guide to the evaluation process is available to officers and members to ensure a transparent and understandable method of evaluation. The revenue implications are checked as part of the Capital bidding scoring process. The scores for all projects are included within a list to be considered by Councillors and Directors' Team.
- 4.6 The Council has adopted a corporate procurement strategy, which is reviewed annually to ensure procurement supports the achievement of corporate aims and objectives. The Council has appointed a Procurement Officer and all strategic procurement decisions are to be made for the overall benefit of the organisation and not for individual constituent parts.

5. PERFORMANCE MEASURES AND MONITORING

- 5.1 The Council has developed a performance management framework comprising:-
 - An annual Performance Plan
 - Key Strategies
 - Action Plans for Key Strategies
 - Business Plans for each service
 - Quarterly progress reports to Executive
- 5.2 In addition to adopting Audit Commission National and Local Indicators, the Council has developed a range of local performance measures and benchmarking techniques to inform on comparison with other similar organisations, public and private, identify "best practice" and enable continuous improvement.
- 5.3 The Capital Programme is monitored and reviewed in the following way:-
 - The Strategic Asset Management and Investment (SAMI) Group meet regularly and one of their roles is to review the Capital Programme
 - Project Managers are responsible for monitoring individual schemes
 - Online financial information is available to all Project Managers
 - All project managers have access to, and have received training in the Council's Financial reporting system, Agresso
 - Commitment Accounting is available in Agresso
 - Capital Programme and Asset Management Officer receives monthly exception reports from Project Managers
 - Capital Programme monitoring is done on a quarterly basis, so any additional resources required/surplus resources that are not needed are identified at an early stage
 - Quarterly reports to Executive showing a 3 year Capital Programme and estimated resources
 - An annual report to Finance and Audit Scrutiny Committee detailing the reasons for budget carry forwards
 - A system of project completion reviews in being implemented during 2008/09 for all projects in excess of £100,000
 - Any variances between +/- 5%/£5,000 (whichever is the higher) of budget to actual expenditure need a report to the SAMI Group
 - Any variances between +/- 5% of projected to actual completion dates need a report to the SAMI Group
- 5.4 For all HRA schemes where improvements are made to tenant's dwellings, the tenant is invited to complete a satisfaction survey, with an end of year review carried out to enable continuous improvement.

6. LINKS TO PARTNERS AND CONSULTATION

- 6.1 Ipswich Borough Council has a history of working successfully together with a number of organisations and this has led to the formation of the 'One Ipswich' Local Strategic Partnership (LSP), as a body which will encompass all previous partnership working and improve local strategic decision making. The Local Strategic Partnership has agreed the Ipswich Community Strategy along the following themes:-
 - Access and Fairness
 - Culture and Learning
 - Environment and Transport
 - Crime
 - Economy and Regeneration
 - Health and Well-being
- 6.2 Although these themes do not mirror exactly Transforming Ipswich they are complementary to it and link the Council's Corporate Plan to the delivery of local priorities across wider cross cutting issues.
- 6.3 The reasons for having the Local Strategic Partnership are based on:-
 - Ensuring that all organisations serving the community coordinate their actions and resources to address key priorities and to promote seamless service delivery.
 - Identify local priorities and deliver services based on addressing them.
 - Engage the local community in having a say on the things that shape their environment, facilities and lifestyle.
- 6.4 The thematic approach will help support these aims and has been further enhanced by the creation of 5 Area Forums across the town to focus on issues on a more local level and to engage with the people within each community. The key aim is to provide opportunities for local people and communities to take part in decisions that affect them.
- 6.5 A "One-Ipswich" website has been set up to support the Area Forums across the town providing an immediate identity.
- 6.6 The Council has regularly undertaken surveys in order to obtain representative public opinion on service priorities. The last Ipswich wide representative survey was undertaken in 2007 in order to inform policy and decision making at an Ipswich Borough Council level. This is in addition to on-going consultation carried out by Service Managers in relation to levels of customer satisfaction and service quality.
- 6.7 A presentation of the Capital Programme is also made to the Local Business Forum in February each year at which views are sought. This forum also brings together the aspirations of the various groups and helps co-ordinate partnership working schemes.

Section 8
Capital Programme for 2008/09 and Future Years

Programme Name	Project Manager	2008/09	2009/10	2010/11	2011/12
HRA					
HRA shops	S. Rutter	128,280	68,900	80,000	0
Introduction of Choice Based Lettings	A. Ward	38,800	30,000	0	0
Ipswich Standard	A. Huffey	12,806,260	12,328,640	11,410,630	10,785,000
HRA TOTAL		12,973,340	12,427,540	11,490,630	10,785,000
GF					
Affordable Housing - Other	P. Hart	0	335,700	500,000	250,000
Affordable Housing - Ravenswood	P. Hart	303,370	558,250	498,230	249,120
Alexandra Park Wall repair	M. Hunter	8,600	0	0	0
Allotment - Toilets	E. Peters	13,120	0	0	0
Allotment - Water Pipes	E. Peters	12,170	0	0	0
Allotment Improvements	E. Peters	10,000	0	0	0
Area Forum Central	J. Clements	63,880	19,000	9,500	9,500
Area Forum North East	J. Clements	54,290	19,000	9,500	9,500
Area Forum North West	J. Clements	66,000	19,000	9,500	9,500
Area Forum South East	J. Clements	67,070	19,000	9,500	9,500
Area Forum South West	J. Clements	79,140	24,000	12,000	12,000
Asbestos Management	T. Wright	62,700	50,000	0	0
Belstead Allotments Container	E. Peters	1,290	0	0	0
Block Paving Upper Brook Street	M. Tee	431,850	0	0	0
Bourne Park Play Facilities	E. Peters	100,000	0	0	0
Broomhill Pool - make site safe	M. Hunter	113,000	0	0	0
Bus Shelters Replacement 08/09	J. Jacobs	12,000	0	0	0
Bus shelters - 75 Grimwade Street	J. Jacobs	3,500	2,000	0	0
Bus shelters - 52 Belstead Road	J. Jacobs	2,500	3,350	0	0
Bus shelter/Bus Stop raised Kerbs Glasswells/Ranelagh Rd	J. Jacobs	11,500	0	0	0
Bus Stop raised Kerb 40 - 50 Princes Street	J. Jacobs	6,000	0	0	0
Cap. IT Dev Business Continuity	H. Gaskin	10,000	0	0	0
Cap. IT DevCSC-Call Centre/CRM Back Off/E Gov dev of web	J. Perigo	100,000	275,000	125,000	0
Cap. IT Dev Electronic Doc man system + extension	S. Langdon	80,000	46,530	0	0
Cap. IT Dev Government Connect	H. Gaskin	50,000	0	0	0
Cap. IT Dev Implementing Electronic Government	D. Field	110,000	0	0	0
Cap. IT Dev Integrated Financial Systems-Agresso	I. Blofield	72,150	16,500	0	0
Cap. IT Dev Performance Manager System	V. Moseley	3,300	0	0	0
Cap. IT Dev Pension Banding Solution	D. Field	3,450	0	0	0
Cap. IT Dev Green Travel Plan	I. Booth	50,000	0	0	0

Capital Programme for 2008/09 and Future Years continued

Programme Name	Project Manager	2008/09	2009/10	2010/11	2011/12
Cap. IT Dev SQL Server Electoral Reg. System	S. Langdon	18,600	0	0	0
Cap. IT Dev Upgrading PARIS income management	S. Langdon	18,200	0	0	0
Cap. IT Dev Upgrading Arts & Ent. Booking system	S. Langdon	8,650	0	0	0
Cap. IT Dev Caps Uniform Asset Management System	S. French	13,200	0	0	0
Cap. IT Dev BECS e-Benefits system	P. Farrer	50,000	0	0	0
Cap. IT Dev PC replacement	D. Field	100,000	50,000	100,000	100,000
Capitalised repairs	M. Hunter	654,210	716,770	550,000	550,000
Carbon Reduction Programme Invest to Save	B. Moss-Taylor	300,000	0	0	0
CCTV	P. Farrer	2,090	50,000	0	0
CCTV Grafton House - Security Upgrade	B. Harvey		30,000	0	0
Cemetery - Phase 2a	M. Grimwood	20,000	0	50,000	200,000
Cemetery Toilets Upgrade	M. Hunter	14,090	0	0	0
Christchurch Mansion Platform Lift and Escape Staircase	M. Hunter	28,500	90,840	0	0
Christchurch Mansion Repairs	M. Hunter	285,520	14,000	0	0
Christchurch Mansion/China Room Roof	M. Hunter	20,730	0	0	0
CCM - Air Conditioning and Roof remodel	M. Hunter		0	0	400,000
Community Improvements	J. Clements	319,270	186,080	150,000	150,000
Contaminated Land Cap Grant Stanley Ave/Pearce Road	S. Rock	24,220	0	0	0
Corn Exchange - External and Roof Repairs	M. Hunter	831,320	327,300	0	0
Old Cemetery drainage & footpaths	D. Cooper	50,000	0	0	0
Cremator Replacement	M. Grimwood		0	1,000,000	4,000,000
Crown Pools Repairs	M. Hunter	155,000	0	0	0
Crown Pools Improvements	M. Hunter	50,000	950,000	1,660,000	1,000,000
Dance East - Dance House Project	B. Brennan	75,000	75,000	0	0
Disabled Facilities Grant	C. Lovell	321,670	400,000	400,000	400,000
Emergency Service Centre Items	P. Farrer	27,370	0	0	0
Empty Homes Strategy	C. Lovell	412,220	77,500	0	0
Environmental Improvements Town Centre	M. Tee	290,000	850,000	750,000	1,750,000
Footway/Street Lighting	M. Wedgwood	103,880	100,000	0	0
Fore Street CHP improvements/alterations	M. Hunter	20,000	0	0	0
Fore Street Pool Improvements	M. Hunter	50,000	250,000	0	0
Gippeswyk Park Play Area	E.Peters	47,130	0	0	0
Improvement Grants	C. Lovell	290,000	400,000	400,000	400,000
Improving Access for Disabled People	M. Hunter	0	30,000	30,000	30,000
IAFDP Town Hall Stairlift	M. Hunter	710	0	0	0
IAFDP Millennium Cemetery improve Foot Paths	M. Hunter	10,910	0	0	0
IAFDP Regent Access Imps	D. Mansfield	14,500	0	0	0
IAFDP Temple of Remembrance Ramp	M. Hunter	12,000	0	0	0

Capital Programme for 2008/09 and Future Years continued

Programme Name	Project Manager	2008/09	2009/10	2010/11	2011/12
IAFDP Gainsborough S C Main Doors	M. Hunter	16,200	0	0	0
IP-City Graduation Centre	D. Mapus-Smith	20,570	16,160	0	0
Ipswich Village Car Park Cable	V. Sundram	82,390	0	0	0
IVR Back Office Accommodation Russell Road	J. Stebbings	20,560	0	0	0
Legal Case Management System	C. Barritt	6,000	4,000	0	0
Leases funded by loan	G. Elliston	51,030	0	0	0
Liveability	Various	253,720	0	0	0
Local Housing Allowance IT Software	M. Drouet	18,500	0	0	0
M&E Installations	M. Hunter	30,000	485,000	385,000	100,000
Museum - HEG Roof Refurbishment	M. Hunter	9,870	335,180	0	0
Old Cemetery Church refurbishment	M. Hunter	91,760	4,000	0	0
Old Cemetery Toilets & South Shelter	M. Hunter	49,010	11,990	0	0
Operational Bases for GM Staff	M. Hunter	30,000	0	519,070	600,000
Parks Lodges repairs	M. Hunter	113,520	19,500	0	0
Parks Lottery Bid Christchurch Park	E. Peters	670,520	39,500	0	0
Pericles/Hardware Upgrade	H. Blowers	-1,500	0	0	0
Pericles - Sequal 2005 Software/ Licensing	S. Langdon	18,610	0	0	0
Planning Delivery Grant	M. Tee	125,000	21,280	0	0
Play Facilities	E. Peters	126,000	243.500	125,000	0
Ransomes SSC changing facilities	T. Snook	0	50,000	0	0
Ravenswood IBC costs	J. Stebbings	5,220	111,820	0	0
Ravenswood Project Account	J. Stebbings	570	331,630	0	0
Red Rose Chain	B. Brennan		75,000		0
Regent - Online communications	D. Mansfield	10,000	0	0	0
Regent Repairs	D. Mansfield	50,000	0	0	0
Regent Theatre CCTV	D. Mansfield	3,650	0	0	0
Road Improvements	M. Tee	100,000	600,000	600,000	600,000
St Lawrence Church	M. Hunter	312,660	0	0	0
Tourist Information Centre (TIC) External Repairs	M. Hunter	63,150	0	0	0
Tower Ramparts Bus Station CP22	J. Clements	0	0	0	162,840
Town Hall Dome Repair	M. Hunter	129,240	0	0	0
Town Hall Gallery (prev. Museum Display Facilities)	M. Hunter	27,960	0	0	0
Town Hall/Corn Exchange conference audio system	C. Oldfield	14,030	0	0	0
ucs	J. Hehir	0	458,000	458,000	0
Waste PE Grant Recycling at Flats	D. Reeve	3,400	0	0	0
Waste PE Grant WEEE Impact Waste Electrical	D. Reeve	3.000	0	0	0
Waste PE Grant Brown Bins	D. Reeve	6,440	0	0	0
Waste PE Grant IT Project	D. Reeve	49,960	0	0	0
Whitton SC All weather Area	T. Snook	1,090	0	0	0
Whitton S C Football Facilities	T. Snook	0	0	460.000	n 0
GF TOTAL		9,052,000	8,791,380	8,810,300	10,991,960

Capital Programme for 2008/09 and Future Years continued

Programme Name	Project Manager	2008/09	2009/10	2010/11	2011/12
CONTINGENCY					
Broomhill Pool	S. Kemp	0	0	1,000,000	0
Contingency - Additional Commitments	I. Blofield	130,040	200,000	200,000	0
Contingency - I.T Upgrades	D. Field	8,300	275,440	200,000	100,000
Crown Pools Repairs	S. Kemp	32,000	134,100	0	0
Crown St Car Park Repairs	J. Clements	63,950	316,530	0	600,000
Ipswich Street Prostitution Strategy	J. Clements	0	50,000	50,000	0
Pension Fund Contributions	D. Wolton	1,500,000	1,500,000	500,000	1,000,000
Regent Repairs	M. Hunter	0	335,000	334,340	0
CONTINGENCY TOTAL		1,734,290	2,811,070	2,284,340	1,700,000
TOTAL SCHEMES APPROVED		23,759,630	24,029,990	22,585,270	23,476,960

Funding of Capital Programme

FUNDING OF CAPITAL PROGRAMME							
	CAPITAL RECEIPTS	EXTERNAL FUNDING	PRUDENTIAL BORROW	SUPPORTED CAPITAL EXPENDITURE	MAJOR REPAIRS ALLOWANCE	RCCO'S	TOTAL
2008/09							
Resources at 31.03.2008	12,437,420	635,370	0	0	0	345,400	13,418,190
Resources in year	0	1,862,060	51,030	1,314,000	4,985,000	6,126,000	14,338,090
Use of Resources	8,747,110	2,191,090	51,030	1,314,000	4,985,000	6,471,400	23,759,630
Balance at year end	3,690,310	306,340	0	0	0	0	3,996,650
2009/10							
Balance bought forward	3,690,310	306,340	0	0	0	0	3,996,650
Capital Receipts forecast to be received during 2008/2009	6,450,430	0	0	0	0	0	6,450,430
Resources in year	0	1,595,520	0	1,314,000	5,165,280	5,929,360	14,004,160
Use of Resources	9,719,890	1,901,460	0	1,314,000	5,165,280	5,929,360	24,029,990
Balance at year end	420,850	400	0	0	0	0	421,250
2010/11							
Resources at 31.03.2010	420.850	400	0	0	0	0	421,250
Capital Receipts forecast to be received during 2009/2010	9,420,060	0	0	0	0	0	9,420,060
Resources in year	0	2,199,790	1,000,000	0	5,135,000	5,194,630	13,529,420
Use of Resources	9,055,850	2,199,790	1,000,000	0	5,135,000	5,194,630	22,585,270
Balance at year end	785,060	400	0	0	0	0	785,460
2011/12							
Resources at 31.03.2011	785,060	400	0	0	0	0	785,460
Capital Receipts forecast to be received during 2010/2011	8,041,000	0	0	0	0	0	8,041,000
Resources in year	0	253,000	4,000,000	0	5,105,000	5,680,000	15,038,000
Use of Resources	8,438,960	253,000	4,000,000	0	5,105,000	5,680,000	23,476,960
Balance at year end	387,100	400	0	0	0	0	387,500

Notes to Capital Programme

- The Council's capital programme has been reviewed in respect of the Council's priorities and the forecast resources available to fund the programme over the next few years. The major changes and the reasons for these changes are highlighted below.
- 2. A programme for 2011/12 has been added and the rolling programmes for schemes such as Improvement Grants, Disabled Facilities Grants, Capitalised repairs, Community Improvements and the Ipswich Standard have reviewed and show allocations across all years.
- 3. The Council has also looked to set the programme as to when the expenditure is anticipated, and a number of schemes have been reprofiled to reflect this. These schemes include Affordable Housing, Cemetery Phase 2a, Environmental Improvements Town Centre, Operational bases for grounds maintenance staff, Regent repairs and Broomhill Pool.
- 4. A number of major growth items have been added and these include £1.9m for road improvements over the next three years, £5m for new cremators to meet legislation targets, and £10.7m for the Ipswich Standard in 2011/12.
- 5. The funding of the Capital Programme has also been looked at to ensure the Council is managing its capital resources well and financing schemes from currently available funding where applicable.
- 6. Funding for phase 2 of the University Campus Suffolk project of £916,000 is included in 2 equal instalments over 2009/10 and 2010/11.

Asset Management Plan

Section 9

Contents

	Page
Foreword	94
Introduction	95
Key Objectives & Priorities	98
Organisational Framework	101
Data Management	106
Progress Update	108
Action plan for 2009/10	115

Foreword by Portfolio Holder for Asset Management

Welcome to Ipswich Borough Council's Asset Management Plan.

The Asset Management Plan provides a strategic overview of the management of the Council's property assets. The plan is intended to be a working document which identifies what the Council has achieved in the past year and what it plans to do in the future to further improve the management of the Council's assets.

I am pleased to be able to report steady progress in a number of areas, building on the improvements made in 2008. In particular the completion of a major review of operational properties, improvements to the way asset data is recorded and used, the continuing programme of disposals of surplus assets for reinvestment in services, and further significant levels of planned investment in both the corporate property portfolio and the Housing stock have further helped to ensure that Council assets are relevant it its needs and fit for purpose.

Whilst improvements have been made, this is very much a work in progress, and the Council recognises that much remains to be achieved in the future. In recognition of this, a challenging action plan has been prepared aimed at improving both the systems and processes used in managing the assets, and the utilisation of the assets themselves. In addition to specific short term action points, the action plan includes items to further develop the asset management plan to set longer term targets for effectively utilising the Council's assets.

The economic downturn currently being felt in 2009 will present a number of challenges to the Council in relation to the management of its property assets, particularly with regard to the sale of surplus assets, and the market for letting Council owned assets to public, private and community based organisations across the town. We will be working to ensure that the Council continues to obtain best value from its property assets.

The Asset Management Plan will be updated again in February 2010.

Councillor John Carnall
Portfolio holder for Asset Management

1. Introduction

- 1.1 This asset management plan provides a strategic overview of the Council's approach to the management of its property assets. The document is a rolling five year plan highlighting the progress made in implementing the previous plan prepared at the end of 2007 and identifying how the plan needs to be updated to take account of changes to a rapidly developing asset management environment.
- 1.2 Ipswich is a regional centre with a population of 130,000 which is set to exceed 150,000 by 2021. Around a third of a million people live in its immediate catchment area. As part of the Haven Gateway Partnership and Regional Cities East initiatives, the town is helping to meet the Government's growth agenda for the eastern region.
- 1.3 Ipswich Borough Council is a large District Council providing a comprehensive range of services and consequently has a significant number of operational properties, a large housing stock and a large non-operational property portfolio. The Council is therefore a major land and property owner in the town and a summary of its land and property holdings as at 31st March 2008 is as follows:

Type of Property	Number of	Asset
	Properties	Value
	·	£'000s
Operational Properties	112	56,064
Non-Operational Properties	75	58,242
Social Housing Properties	8,186	428,430
Total	8,373	542,736

Source: IBC Statement of Accounts 2007/08

- 1.4 Given the size of the portfolio, the range of service delivery objectives and the limited financial resources available to the Council to deliver it's objectives, the Council needs to be certain that its property assets are aligned to the delivery of its priorities and robust asset management is essential to ensuring that this is achieved.
- 1.5 The asset management plan is the main vehicle for delivering improved asset utilisation at the Council and provides:
 - A summary of the policy context for asset management at the Council
 - Details of data handling in relation to the property portfolio
 - The extent and standard of the required maintenance for the portfolio and the steps being taken to tackle this
 - A summary of progress made to date in implementing good asset management at the Council
 - Details of progress on reviewing future utilisation of Council operational and non-operational property

- A plan of future actions to be taken to further improve the management of the Council's property assets
- 1.6 The review of local government structures in Suffolk is continuing. The date on which the Boundary Committee is to report on its recommendations has been delayed until 13th February 2009 with the implementation date for any resulting structural change being April 2010. Clearly, any structural change is likely to have a significant impact on the management of the Council's assets but the timescales involved means that it is not relevant for consideration in the asset management plan at this time.

External Assessment

- 1.7 As part of the Comprehensive Performance Assessment (CPA), the Audit Commission carries out an assessment of the way the Council uses its resources, including the management of its asset base. The asset management assessment uses various criteria known as key lines of enquiry against which performance is assessed and performance levels are awarded. These are then aggregated to arrive at a single performance level for the management of the Council's asset base.
- 1.8 Performance levels are assessed on the basis of a four-point scale as follows:

Level 1	Below minimum requirements – inadequate performance
Level 2	Only at minimum requirements – adequate performance
Level 3	Consistently above minimum requirements – performing well
Level 4	Well above minimum requirements – performing strongly

- 1.9 In its report in March 2006, the Council's auditors considered performance to be at level one (below minimum requirements inadequate performance) as the Council did not have an up to date asset management plan at the time and the asset register was unfinished.
- 1.10 A further assessment was carried out in March 2007, which showed performance to be at level two (at minimum requirements – adequate performance) indicating that improvements had been made since the previous year in managing the Council asset base.
- 1.11 In its annual audit letter and inspection letter in March 2008, the Audit Commission reported that the Council's asset management arrangements were sufficient to meet level three (consistently above minimum requirements performing well). This demonstrates that significant improvements have been made over the past two years in the way the Council manages its asset base, resulting in the move from level one to level three. The challenge now for the Council is to further improve its arrangements in order to maintain or improve its assessments in coming inspections.
- 1.12 From 2009, the Audit Commission is replacing the CPA with the CAA (Comprehensive Area Assessment). The Audit Commission identifies that "the CAA is a new approach that will provide the first independent assessment of

- the prospects for local areas and the quality of life for people living there. It will assess and report how well public money is spent and will ensure that local public bodies are accountable for their quality and impact".
- 1.13 Work will need to be carried out over the next year to ensure that the Council has the necessary activities in place to meet the requirements of the CAA with regard to asset management. In preparation for this, PriceWaterhouseCoopers will be undertaking a "critical friend" audit of the Council's asset management arrangements between January and March 2009 to help identify strengths and weaknesses of the Council's current approach.

2 Key Objectives and Priorities

- 2.1 In 2005, the Council adopted a new vision, key service priorities and values under the banner of "Transforming Ipswich" in response to community consultation. This identifies improvements the Council and partner organisations wish to achieve.
- 2.2 The Corporate Plan has a vision:

"To deliver quality services for the people of Ipswich"

The key objectives of how the Council and its partners are working towards this vision are encapsulated in six strategic goals:

Clean and Green: We will work with the community to make Ipswich a model urban clean and green place.

Expanding Ipswich: We will work with business and external funders to encourage new investment, innovation, learning and sustainable growth and employment.

Safe Ipswich: We will work with the community to keep Ipswich a safe place to live.

Strengthening the community of Ipswich: We will help individuals and groups in the one-Ipswich community who experience disadvantage and will work towards everyone having the opportunity of a decent home.

Travel in Ipswich: We will develop and encourage the provision and use of an integrated and effective transport system, which maximises the use of public transport, walking and cycling and reduces the overall impact of travel on the environment.

Vibrant Ipswich: We will enrich and protect the town's historic assets and diverse cultural offering, whilst working to attract award-winning architecture, and increase the availability of public art and live performance opportunities, as well as encourage participation in all sport and leisure pursuits to create an even more vibrant town.

- 2.3 Five principles underpin all Council activity:
 - We will deliver effective local government, based on excellent customer care, which is open and responsive to residents' wishes.
 - All our services will be delivered in a way that is fair, accessible and easy to use.
 - We will deliver value for money services.

- We will consult and work in partnership with one-lpswich, other organisations, business, as well as individuals, when making decisions and prioritising, to achieve cohesive service delivery.
- We will continue to value our staff and the contribution they make in achieving our vision and priorities.
- 2.4 The priorities for 2008-2011 are:
 - Taking forward the town's community strategy
 - · Transforming and modernising customer access to services
 - · Do the basics better for less

One Ipswich Community Plan

- 2.5 The Council is a partner in the One-Ipswich local strategic partnership (LSP). This is a partnership between the various local public services organisations and other partners to take co-coordinated action to address issues and priorities identified from surveys of the Ipswich community. A Community Plan for Ipswich was first produced by the LSP in 2004 with an updated plan being published recently.
- 2.6 The following table shows how the Council's goals link with those of the Community Strategy:

Transforming Ipswich – Links to the Community Strategy

Community Plan Themes	Transforming Ipswich Goals	
Keep safe Be healthy and stay well	Safe Ipswich	
Achieve their potential and enjoy life	Vibrant Ipswich	
Be prosperous and have a place to live	Expanding Ipswich	
Be healthy and stay well	Clean and Green Ipswich Travel in Ipswich	
Live in friendly and supportive communities	Strengthening Communities	
Have a greater say and better choices	Underlying Principles and Strengthening Communities	

- 2.7 The 2008/09 asset management plan acknowledged the importance of developing links with partner organisations on asset management issues. The Council is a member of the CIPFA Asset Management Planning Network of local authorities which meets three times a year to share good practice on asset management. The Corporate Property Officer also attends Association of Chief Estate Surveyors in East Anglia to network with other local authorities.
- 2.8 Whenever the opportunity arises, the Council works with other public and community organisations to develop and improve the utilisation of Council-owned assets. Recent examples include Pinewood Community Centre where, as part of the Council's section 106 responsibilities in relation to land at Thorrington Hall, Council-owned land has been leased to Pinewood Parish Council on concessionary terms for the development of the community centre.

Links to other Strategies

2.9 The asset management plan links to other Council strategies and plans as follows:

Capital Strategy

The capital strategy provides the framework for how the Council manages its capital resources including the funding of capitalised repairs and maintenance to its property portfolio.

Local Development Framework

The local development framework for Ipswich identifies sites and allocates uses for future development in the town. This will include sites owned by the Council which may in the future be brought forward for development.

Economic Development Strategy

The economic development strategy provides the framework and vision for the economic development and regeneration of Ipswich. The Council regularly uses its assets to help regenerate areas of the town, such as at Ravenswood, and to help in priming major developments such as the university.

• HRA Business Plan

The HRA business plan provides the framework for the maintenance of the Council's housing stock to provide good quality homes.

IMPACT Carbon Management Plan

The IMPACT Carbon Management Plan is the framework for how the Council will reduce its impact on the causes of climate change through the reduction of emissions of greenhouse gasses from the Council's Operational Properties and through activities over which we have control. This programme involves addressing energy usage at our own premises considering insulation, upgrading to more efficient equipment and reviewing management & business processes. Improvement in these areas will have corresponding benefits in cost efficiency and improving the fabric of the stock.

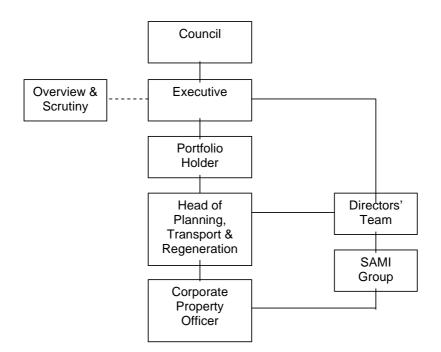
3 Organisational Framework

3.1 Ipswich Borough Council's aim in relation to asset management is as follows:

To ensure that the Council optimises the use of its land and property in terms of service benefit, financial return and value for money.

- 3.2 Within this overall aim, the Council seeks to ensure that its property portfolio:
 - Supports the delivery of the Council's objectives
 - Is well maintained and fit for purpose
 - · Is suitably located and accessible
- 3.3 A robust internal corporate structure has been established at key levels in the Council to take asset management forward. This structure provides a significant degree of overlapping membership to facilitate a co-ordinated approach. The structure and its main elements are outlined below:

Organisational Framework



Executive Committee

- 3.4 Executive is the main decision making body of the Council that makes most of the key decisions regarding the Council's property assets. Some decisions are delegated to the Head of Planning, Transport and Regeneration, and thereafter to the Asset and Property Operational Manager who is also the Council's Corporate Property Officer (CPO).
- 3.5 A member of Executive is given portfolio responsibility for property and asset management matters. The Portfolio holder is able to make any decision on an Executive function relating to their portfolio in accordance with the terms of the Council's standing orders. The CPO will report annually to Executive on asset management issues.
- 3.6 Three-weekly meetings take place between the portfolio holder and senior officers with responsibility for property and asset management.

Overview & Scrutiny Committee

- 3.7 The role of Overview and Scrutiny Committee is to challenge and inform the Executive Committee and in so doing ensures that the Council is operating efficiently and effectively. The committee also ensures that Executive decisions are publicly held to account and helps develop policy though its review programme.
- 3.8 At the end of 2007, the Committee carried out a review of the way the Council manages its heritage assets. The outcomes of the review were reported to the Executive in January 2008 and, as a result, a significant sum has been agreed for carrying out a programme of condition surveys of heritage assets over a four-year period.
- 3.9 A further review is currently underway to look at the way the Council's non-operational properties are managed by its agents, Strutt & Parker. Terms of reference for the review are currently being agreed.

Directors' Team

- 3.10 Directors' Team is the strategic senior officer body in the Council and comprises the Chief Executive, Directors, Head of Finance and the Monitoring Officer. Its role in relation to asset management is to ensure that the Council's approach is properly set within the wider corporate context and that the Council's policies and procedures are properly followed.
- 3.11 The CPO will report quarterly to Directors' team on asset management issues, including progress on the implementation of this asset management plan.

Strategic Asset Management & Investment Group (SAMI)

3.12 The Council has adopted Audit Commission recommendations and established a Strategic Asset Management and Investment Group to ensure

effective management of the Council's capital resources and expenditure. This senior officer group is drawn from a variety of services across the authority, is chaired by the Accounting Services Operational Manager and includes the CPO. The SAMI Group has responsibility for:

- Overall monitoring and review of the Capital Programme and its financing in accordance with corporate strategy
- Preparation and development of the Asset Management Plan and Capital Strategy
- Consideration of submitted project appraisal reports in accordance with the above
- Monitoring of schemes attracting external financing resources such as Special Government Schemes, Private Financing, Lottery Funding, Partnerships, and PFI
- Prioritisation of schemes using evaluation criteria
- Monitoring and review of current projects through standard reports
- Monitoring the application of project management principles
- Co-ordinating and reviewing project review reports
- Performance monitoring particularly against PI targets

Corporate Property Officer

3.13 The CPO role was established in March 2000. Following a major review of the Council's management structure in 2007, the role of Asset & Property Operational Manager was created and the post holder undertakes the role of CPO. The CPO is responsible for developing and maintaining corporate asset management for the Council's property portfolio and has strategic responsibility for all Council property. The CPO is also responsible for the day-to-day management of non-operational property whilst day-to-day responsibility for operational property remains with operational managers.

3.14 The CPO is specifically responsible for:

- Ensuring property implications are acknowledged in the corporate planning process and promoting an integrated approach between corporate and service delivery objectives.
- Developing and maintaining a corporate asset register sufficient for performance measurement and strategic decision-making.
- Establishing and maintaining a performance measurement system.
- Promoting property performance improvement through review and challenge.
- Leading the preparation of the asset management plan.

- 3.15 To support the CPO, the role of Asset & Capital Performance Officer has been established. The purpose of this role is to assist the CPO in developing and maintaining systems for managing and monitoring the Council's property portfolio and capital programme. Specific responsibilities include:
 - Assisting in the preparation of the Council's asset management plan
 - Establishing and maintaining a system for monitoring the performance of the Council's property assets
 - Reporting the performance of the Council's property assets to councillors and managers
 - Establishing a database of the Council's capital programme
 - Establishing a performance monitoring system for the capital programme
 - Reporting the performance of the capital programme to councillors and managers

Service Related Property Management

Operational Property

- 3.16 Day to day management of operational property is the responsibility of the services that utilise the property. Strategic management of the operational portfolio is the responsibility of the Corporate Property Officer.
- 3.17 Repair and maintenance of operational property is the responsibility of the Building & Design Services (B&DS) co-ordinator, the authorised officer for repairs and maintenance, in consultation with the operational managers. The Repairs and Maintenance Group, led by a Corporate Director and including representatives from B&DS, Financial Services and IB Contracts, centrally controls the budget allocation for repairs. The group reports annually to Directors' Team and the portfolio holder for property and asset management.
- 3.18 Building & Design services and Asset and Property services provide professional support to operational managers on property maintenance and management issues, whilst the Conservation and Urban Design service provides professional and technical advice on the Council's heritage assets.

Housing Stock Management

- 3.19 The Council's housing stock is managed by Housing Services. In 2004, the Council undertook a Housing Option Appraisal exercise and following an objective assessment of the technical and financial information, the decision was taken to retain the housing stock in Council ownership.
- 3.20 As at 31 March 2008 some 1692 homes were below the Decent Homes Standard. The Council is on target to bring all its homes up to this minimum standard by the Government's target date of December 2010. Furthermore the Council has committed to, and is on target to deliver, an enhanced locally determined "Ipswich Standard" to all homes by 2014. Completion of these

- programmes is subject to the Council obtaining the necessary funding. Progress with meeting both the Decent Homes Standard and the Ipswich Standard is reported to the Housing Management Board.
- 3.21 Right to buy sales have reduced the housing stock by over 35% since its inception in the early 1980s but the current high property values have slowed the trend and sales are currently at their lowest level for several years. During 2008, 16 right-to-buy sales were completed, compared with 54 in the previous year.

4. Data Management

- 4.1 The Council has stored core data relating to its assets on the IPF Asset Manager System. IPF announced last year that their Asset Manager System is no longer being supported, having been replaced by a web based system, and the Council has spent the last year considering the options for its replacement.
- 4.2 The decision has been made to use the CAPS Uniform system as the Council's asset management system. This provides major benefits to the Council in that it provides continuity with other services that use the CAPS Uniform suite of software, including Planning, Building Control and Land Charges, and enables easy access to create a record of the Council's property ownership on the Council's GIS system. The CAPS option is also a cost effective solution in that there are only relatively minor cost implications as the Council already uses the CAPS systems.
- 4.3 The Council's Building and Design Service (B&DS) has been working to improve the accuracy of information on the state of repair of its key assets. This is enabling the Council to develop an action plan to address this, which includes an ongoing programme of condition surveys to ensure that data on assets is kept up to date. It will also be used to inform the prioritisation of schemes in the capital programme and the asset review programme.
- 4.4 B&DS maintains a schedule of required repairs for all corporate properties developed and updated from the condition surveys. This helps the Council to keep track of the required repairs to its properties and to inform the priorities for spending on maintenance and repairs.
- 4.5 Data relating to the Council's housing assets is held on a dedicated asset management computer system which holds large amounts of information on key components to each individual home. This allows extensive reports to be produced for decent homes returns, surveys, forecasting, programming, and delivery of maintenance and improvement work.
- 4.6 The Council has taken the decision to join the IPF National Property Performance Management Initiative (NaPPMI) and has at the same time taken the opportunity to review data capture procedures to ensure that systems are robust and data is accurate.
- 4.7 The property performance indicator data provides a baseline of property performance. It is anticipated that refinement, validation and comparison of PI data will identify opportunities for improvement in the management of the portfolio allowing challenging service improvements and targets to be set.
- 4.8 The NaPPMI performance indicators cover the following areas:
 - PI 1: Condition and required maintenance
 - PI 2: Energy, Water Consumption and CO2 Emissions
 - PI 3: Suitability
 - PI 4: Building Accessibility

- 4.9 Membership of NaPPMI should provide improved quality of data through external validation and the opportunity to compare performance of the property portfolio with a wide range of organisations, including local authorities, other public sector organisations and possibly some from the private sector.
- 4.10 Data has been entered into the database for the 2006/07 financial year and an analysis with other District Councils has been completed. Interpretation of the analysis and assessment of the quality and usefulness of the data will follow. The NaPPMI database is currently open for entering of the data for 2007/08 and work is underway within the Council to pull together and validate the data prior to entering it into the database.

5. Progress Update

- 5.1 The Council has made progress in a number of areas towards improving the management of its assets. This includes the following actions:
 - The disposal of surplus assets to raise capital receipts
 - Investment in corporate property assets to improve services
 - Review of the corporate property portfolio
 - Implementation of the IMPACT Carbon Management Plan
 - Other issues

Disposal of Assets

- 5.2 The Council has continued its programme of disposals of development land, surplus property and sales of houses under Right to Buy legislation. The receipts from these disposals are used to help fund expenditure on the Council's capital programme or are invested to produce an income, which is reinvested in the revenue account. Forecasted capital receipts in 2008/09 currently totals £6.45 million against a target for the year of £11 million. The downturn in the housing market and the economy in general has had a detrimental effect on both the value of land for sale and the likelihood of disposals being achievable. As a result the forecasted capital receipts from the sale of surplus assets has been revised downwards to reflect this.
- 5.3 A target of £9.4 million has been set for further sales in 2009/10. However, this also needs to be set in the context of the continuing economic downturn and therefore the likelihood of this level of receipts being achieved is difficult to predict.
- 5.4 In 2008/09, the Council is using over £8.5 million of capital receipts to help fund an approved capital programme of £23.8 million. Further significant capital receipts are programmed to be used to fund capital schemes in 2009/10 and 2010/11.
- 5.5 The 2006 Asset Management Plan introduced a policy on the Council's approach to acquisitions and disposals. An action point was included in the 2007/08 asset management plan that this acquisitions and disposals policy be reviewed to clarify the Council's approach. A draft disposals policy has been prepared which is receiving further consideration.

Investment in Corporate Property Assets

5.6 The Council continues to invest in improving its assets for the benefit of occupiers and users and to address the required maintenance needs of the property portfolio where budgets permit. The required maintenance of the corporate estate is estimated to be approximately £17.4 million (after having spent £3.03 million on repairs, maintenance and improvements to corporate property assets in 2007/08). To tackle this, approximately £4.13 million is planned to be invested in property assets in 2008/09, financed largely from capital receipts, with a further £5.9 million approved for spending in 2009/10. A

sum of £0.91 million is included in revenue budgets for repairs and maintenance in the 2009/10 financial year.

- 5.7 A new programme of corporate contracts for cyclical maintenance has been established with the aim of consolidating similar works into single programmes, thus enabling the Council to gain economies of scale from letting single contracts.
- 5.8 Examples of the projects planned or undertaken during the year include:

Ipswich Regent Theatre

Following the refurbishment of the Regent auditorium during the summer of 2007, a survey has been completed to assess the condition of the steel frame of the building. As a result of the survey, a consulting engineer has been instructed to carry out intrusive investigations and design work to establish repair requirements with the intention of increasing the longer-term viability of the theatre.

• Ipswich Village Car Park Cable

This £1.1 million project is externally funded through Communities & Local Government (CLG) and East of England Development Agency (EEDA). The Ipswich Prospectus, the joint investment plan approved by the Council and EEDA in 2005, highlighted the need to improve the environment in Ipswich Village. This project, completed in September 2008, has enabled the release of this Council-owned site for redevelopment by the removal of a 132kv live voltage cable running through the centre of the car park, thus contributing towards the regeneration of the Ipswich Village area.

• Concrete Repairs to Crown Car Park

Crown Car Park was constructed in the 1970's and is the main public car park in the town centre. Following a survey, severe structural problems were discovered and brought to the attention of Executive in September 2005. A £1.6 million scheme to improve the safety of the car park in the short to medium term was agreed and implemented in 2006/07 and 2007/08 prior to a long-term solution for the car park being found. A project team has been established to manage the project to decide on the long-term future of the car park and orders have been placed with engineers to investigate options.

• Corn Exchange Façade and Roof

The Council is spending £1.2 million to carry out repairs to the stonework of this Grade II listed building. The poor state of the stonework to the external walls was identified in a Condition Survey carried out in 2001. Repairs to the stonework have been coincided with roof repairs, which are necessary to prevent water from penetrating the roof. Works will be completed during 2009.

• Christchurch Mansion Repairs

Following a condition survey carried out in 2003, major works have been required to repair and restore this Grade 1 listed building. The completion of these repairs during 2009 will ensure that the repairs requirement for this building is reduced to a manageable level.

• Disabled Access Audits & Improvements

The Council carries out accessibility audits on publicly accessible Council owned buildings to ensure that they comply with the requirements of the Disability Discrimination Act 2005.

These buildings have been scheduled and ranked in order of priority for auditing of accessibility. The standard adopted for auditing purposes is Approved Document M to The Building Regulations. So far in 2008 access audits have been carried out on Christchurch mansion including its approach, tearoom and grounds in close proximity, and the Temple of Remembrance at the Lawn Cemetery.

The auditing process for all buildings on the schedule will continue, as buildings from the list are either identified as a priority, or require more urgent attention to satisfy a particular need.

The Council has identified a contingency budget to carry out improvements arising from the audits. The works carried out in 2008/09 includes improvements to public toilets at the Cemetery and Christchurch Park.

Review of the corporate property portfolio

5.9 The Council continually reviews its property portfolio to ensure that its assets are being used effectively to deliver its objectives and are fit for purpose.

Asset challenge reviews of operational properties

- 5.10 Following the successful completion of the pilot, the programme of asset challenge reviews has been extended to cover all of the Council's operational properties. The review process, based on a model developed by Cambridgeshire County Council, a beacon Council for asset management, is intended to identify a recommended future utilisation for each property from the following five alternatives:
 - Continued maintenance
 - Better utilisation
 - Major investment required
 - · Longer term development opportunity
 - Surplus to requirement

- 5.11 The review has been successfully completed and the outcomes reported to the portfolio holder for asset management. The review report will be further considered by Councillors during January and February 2009. Once the review has been concluded and the outcomes agreed, an action plan will be prepared for the implementation of the outcomes. It is expected that the review will produce the following outcomes:
 - An agreed future utilisation for each operational property
 - The identification of any surplus properties for disposal
 - A schedule of ongoing repairs and maintenance for each retained property based on agreed maintenance standards
 - A schedule of major repairs and a plan of how its implementation might be achieved
 - A list of opportunities for improving utilisation of the Council's operational assets and how this might be achieved.

Strategic review of the non-operational property portfolio

- 5.12 The Council currently uses Strutt & Parker to manage its non-operational property portfolio, which allows in-house staff to focus on more strategic issues relating to the management of the Council's property portfolio. As part of the contractual arrangement, Strutt & Parker are required to provide the Council with a strategy report highlighting ways of improving the performance of the portfolio.
- 5.13 Strutt & Parker reported initially in September 2005 and again in September 2007. The 2007 report contained a number of recommendations, many of which were useful in helping to reaffirm that the Council was taking the appropriate course of action in relation to individual assets. Of the remaining recommendations, several are worthy of further investigation and these will be pursued as and when staffing resources are available.
- 5.14 Following completion of the asset challenge reviews of operational properties, it is proposed to establish a similar review process for non-operational properties. The first stage is to identify suitable review criteria which will be completed by the end of March 2009.

Specific Property Based Reviews

- 5.15 The Council seeks to undertake specific reviews of its property ownership as and when the opportunity arises. The following details reviews which have recently been completed and the outcomes of which are currently being progressed:
 - The review of parks lodges reported upon in the 2007/08 Asset Management Plan is being implemented with the repairs programme currently being carried out. The review of the need for some lodges to be retained is currently in progress.

 A review was carried out in 2006 to consider the feasibility of developing small Council owned sites for affordable housing. This review identified in principle a number of sites where development was feasible and as a result four sites have been sold to Orwell Housing Association for the provision of new affordable homes. In addition, two further sites are in the process of being sold. A further three sites are still being investigated.

Implementation of the IMPACT Carbon Management Plan

- 5.16 In 2008 Ipswich was successful in its application to join phase 6 of the Carbon Trust's Local Authority Carbon Management Programme. This is a structured five—year programme that offers support and guidance to public bodies to assist them to reduce their carbon emissions.
- 5.17 To date, the following has been achieved:
 - complete inventory of all sources of energy, water and fuel consumption for council premises and activities
 - carbon footprint calculated for the whole organisation
 - · energy consumption plotted for individual buildings and activities
 - targets set for the reduction of emissions 30% reduction by 2012 and 50% by 2021
 - a self replenishing invest to save fund established to support initiatives that reduce energy and fuel consumption
 - production of the IMPACT Carbon Management Plan –a key deliverable of the programme
 - · launch of the IMPACT programme to staff
 - establishment of 'Transformers', a staff group designed to identify and promote opportunities for carbon savings
 - identification and quantification of individual projects to reduce carbon and achieve the first target
- 5.18 In addition to specific projects the Plan also proposes actions to embed carbon management (and so energy efficiency) in the organisation's processes and culture so that carbon reduction will become a recurring and self-renewing process rather than a single project or programme as now.

Other Issues

5.19 Other asset management related issues have been considered during the past year as follows:

Community Use of Council Assets

5.20 The Council seeks to empower community organisations and voluntary organisations and to assist with this the Council has traditionally granted leases of land and buildings to a range of community and voluntary organisations, sometimes at concessionary rates where these organisations contribute towards achieving the Council's aims and objectives.

- 5.21 In May 2007, the Government reported on the outcome of the Quirk review into community management and ownership of assets. The Council will consider the extent to which requests to transfer the ownership of community assets are in line with its overall aims and objectives. Each request to transfer ownership will be considered on its merits.
- 5.22 Decisions to grant concessionary rates to organisations or to dispose of assets at less than best consideration are based on the merits of each case and are governed by the terms of Section 123 of the Local Government Act 1972. However, the Council has no policy basis for these decisions and, for the benefit of consistency and transparency, the Council needs to develop a policy that outlines the basis on which decisions to grant concessions are made.

Building Conservation

- 5.23 As a major land and property owner, the Council has a significant role to play in the management of heritage assets in the town. The Council currently owns 52 heritage assets, buildings and structures of which 31 are listed buildings. The Council recognises that it needs to set a good example as the custodian of its listed buildings. Repairs already included in the approved capital programme have involved major works to the Council's heritage assets, including St Lawrence's Church, Christchurch Mansion, and the Corn Exchange in 2008/09.
- 5.24 The Overview and Scrutiny Committee carried out a review of the management and maintenance of the Council's heritage assets in 2007 and concluded that a sum of £39,000 per annum over a four-year period would be required to carry out condition surveys or update long standing surveys of these assets. Executive approved this review on 15th January 2008 having agreed with the conclusions of Overview and Scrutiny Committee. The first phase of the condition surveys has taken place and is due for completion by 31st March 2009.

Regeneration

- 5.25 Where appropriate, the Council uses its asset base to aid the regeneration of the town. The following examples exist where Council assets have been used in this way:
 - The Council has transferred 1.94 hectares of land at Orwell Quay to the University Campus Suffolk as the Council's main contribution to enable the university development to take place.
 - In partnership with Bellway Homes, the Council has continued its
 development of the former airfield site at Ravenswood. The development,
 begun in 1998, has involved the creation of an urban village on the site,
 which includes community facilities at the local centre. Through the
 employment of a community development worker, the Council has sought

- to ensure that the development is fully integrated with existing neighbouring housing developments.
- The Council has utilised its significant land holdings in the Ipswich Village area to take forward the regeneration of this important area of the town. The Council relocated its headquarters to this area in 2006 and the removal of the electricity cable in the Ipswich Village car park has removed a potential barrier to further development in this area. The installation of a new footbridge over the River Orwell linking Ipswich Village with new developments on the opposite side of the river will provide a further boost to this area.
- 5.26 Options are currently being considered for further developments in the area centred on the Portman Road and Ipswich Village Car Parks to enable further regeneration of the area to take place.

Display Energy Certificates

5.27 As of 1st October 2008, all public buildings with a floor space of more than 1000M² were required to have Display Energy Certificates. Nine Council buildings fell within the 1000M² parameter and the certificates have all been installed as required.

Fire Risk Assessments

5.28 A full programme of fire risk assessments has been carried out. The resulting reports have been collated and funding sought for an improvement contract.

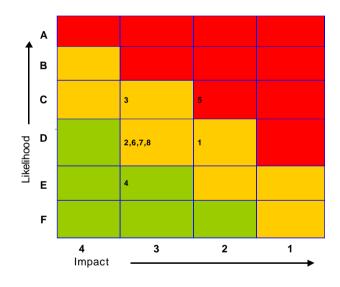
Business Continuity Management

5.29 In partnership with Zurich Risk, a full business continuity management programme is being implemented by the Emergency Planning Officer to protect the delivery of Council services in the event of an emergency. One element of this is ensuring the security of utility provision across the Council's operational portfolio and this is being progressed by the Building & Design Service.

6 Action for 2009/10

6.1 The Council has made considerable progress towards developing and implementing an integrated approach to the management of its assets. To ensure that progress is maintained, an action plan has been developed to further consolidate this approach. The action plan is detailed below.

IBC Risk Management Matrix



Likelihood:

A Very high
B High
C Significant
D Low
E Very low
F Almost impossible

Impact:

Catastrophic
 Critical
 Marginal
 Negligible

Risk	Likelihood	Impact	Action	Timescale	Who
Risk 1 The Council's property portfolio falls into disrepair and is not fit for purpose			Develop a Council property maintenance policy, which identifies minimum maintenance standards for Council buildings. Prepare an up to date schedule of	October 2009	Mark Hunter, Building & Design Services Mark Hunter,
			required maintenance for Council buildings and develop a plan to meet the identified maintenance needs.	2009	Building & Design Services
	D	D 2	Continue to implement a programme of condition surveys over a four year period of 38 of the Council's heritage assets	March 2012	Mark Hunter, Building & Design Services
			Continue to implement the programme of repairs to Council housing in order to meet the Decent Homes Standard by December 2010 and the Ipswich Standard by 2014.	Ongoing	Alan Huffey, Surveying Services
			Carry out accessibility audits to Council owned buildings to identify where improvements need to be made and carry out any necessary works to improve accessibility.	Ongoing	Robert Self, Access Officer, Building Control Mark Hunter, B&DS

Aim: To ensure the Council's operational and non-operational assets are being utilised effectively to deliver its objectives, are relevant and are fit for purpose. Risk Impact Who Likelihood Action Timescale Prepare a schedule of agreed Mike Gregory, March 2009 recommendations arising from the Asset & Property operational asset challenge reviews and develop a plan for their implementation. Develop an approach to the review of Mike Gregory, March 2009 the Council's non-operational property Asset & Property Risk 2 portfolio and prepare terms of The Council's property reference for its completion. portfolio is poorly utilised Carry out a review of the Council's TBA Mike Gregory, and/or poorly performing, and D 3 non-operational property portfolio Asset & Property as a result is not relevant to based on the agreed terms of the needs of the Council and reference. its services. Review and report on the David Mapus-Smith, Asset & performance of the corporate estate using the 2006/07 & 2007/08 NBVBS Property PI data. Complete the disposal of the February Pauline Hart, HS remaining sites arising from the 2010 Richard Beckton housing small sites review A&P

Aim: To ensure that the systems for recording and maintaining information about the Council's assets are suitable to enable their performance to be measured.					
Risk	Likelihood	Impact	Action	Timescale	Who
Risk 3 The Council's asset data management systems are inadequate to enable	С	3	Gather performance indicator data and submit to the NBVBS database. Implement CAPS Uniform asset management database system	May 2009	Mike Gregory, Asset & Property Stephen French, PT&R Support
performance of assets to be properly managed					

Risk	Likelihood	Impact	Action	Timescale	Who
Risk 4 The Council's property dealings are not carried out in a consistent and transparent manner.	Е	3	Complete the development of statements to clarify the Council's policies relating to the acquisition and disposal of property assets, and the disposal or leasing of its assets at less than best consideration.		David Mapus- Smith, Asset & Property

Aim: To maximise the Council's receipts from the sale of surplus property assets and to meet the target set by the Council for 2008/09					
Risk	Likelihood	Impact	Action	Timescale	Who
Risk 5 The Council will raise insufficient capital receipts through the disposal of surplus assets to finance the approved capital programme.	С	2	Continue the programme of surplus asset disposals in order to meet the 2009/10 capital receipts target.	March 2010	David Mapus- Smith, Asset & Property

Risk	Likelihood	Impact	Action	Timescale	Who
Risk 6 The Council's property portfolio will be inefficient in the use of energy and water	D	3	Implement the proposals set out in the IMPACT Carbon Management Plan and continue with a rolling programme of energy & water audits & action plan for each.	2008-2013	IMPACT Board & Team (Project Lead Barbara Moss-Taylor)

Aim: To establish arrangements for working with LSP and other partners to maximise the benefits from joint working on asset management issues					
Risk	Likelihood	Impact	Action	Timescale	Who
Risk 7 The Council will not benefit			Liaise with LSP partners to establish a forum to seek benefits of joint working		David Mapus- Smith, Asset &
from joint working with partners on asset management issues	U	3	on asset management issues.		Property

Aim: To create an asset management plan that shows how the council's property assets will be used to help deliver corporate priorities and service delivery needs over the longer term.					
Risk	Likelihood	Impact	Action	Timescale	Who
Risk 8 The Council will not plan how it will use its property assets to achieve longer-term strategic goals.	D	3	Review the 2008/12 asset management plan to include longer-term action points for the period 2009/13		David Mapus- Smith, Asset & Property

Section 10

THE PRUDENTIAL CODE AND TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY 2009/10

This report outlines the Council's prudential indicators for 2009/10 - 2011/12 and sets out the expected treasury operations for this period. It fulfils four key legislative requirements:

- The reporting of the prudential indicators setting out the expected capital activities (as required by the CIPFA Prudential Code for Capital Finance in Local Authorities;
- The Council's Minimum Revenue Provision (MRP) Policy, which sets out how the Council will pay for capital assets through revenue each year (as required by Regulation under the Local Government and Public Involvement in Health Act 2007;
- The treasury management strategy statement which sets out how the Council's treasury service will support the capital decisions taken above, the day to day treasury management and the limitations on activity through treasury prudential indicators. The key indicator is the Authorised Limit, the maximum amount of debt the Council could afford in the short term, but which would not be sustainable in the longer term. This is the Affordable Borrowing Limit required by s3 of the Local Government Act 2003. This is in accordance with the CIPFA Code of Practice on Treasury Management;
- The investment strategy which sets out the Council's criteria for choosing investment counterparties and limiting exposure to the risk of loss. This strategy is in accordance with the CLG Investment Guidance.

The Council is recommended to approve each of the five key elements:

- 1. The Prudential Indicators and Limits for 2009/10 to 2011/12.
- 2. The Minimum Revenue Provision (MRP) Statement which sets out the Council's policy on MRP.
- 3. The Treasury Management Strategy 2009/10 to 2011/12, and the Treasury Prudential Indicators.
- 4. The Authorised Limit Prudential Indicator.
- 5. The Investment Strategy 2009/10 contained in the Treasury Management Strategy and the detailed criteria.

1 BACKGROUND

- 1.1 The Local Government Act 2003 allows local authorities to determine locally their levels of capital investment and associated borrowing. To ensure probity, affordability and accountability the Authority should comply with the code of practice, the 'Prudential Code', which requires the Council to determine a number of key indicators prior to setting its council tax each year. These indicators must be consistent with the Council's budget strategy. Principally, this process requires an assessment that:
 - a) capital investment plans are affordable
 - b) all external borrowing and other long term liabilities are within prudent and sustainable levels, and

- c) treasury management decisions are taken in accordance with professional good advice.
- 1.2 The Code also requires councils to consider, and set indicators for the next three years as part of their Medium Term Financial Planning. These indicators should be monitored during the year and must be reviewed annually.
- 1.3 The aim of the code is to allow Members to be informed of the impact of capital investment decisions on the overall Council budget. The Council must set ten indicators. These are set out at Section 2 below and need to be considered as a whole: the sequence of presentation is not an indication of relative significance.
- 1.4 In addition the Code requires the Council to set borrowing limits, which establish borrowing ceilings and the 'debt mix' of any borrowings to be made. Under the Code the Council is also required to approve its annual Treasury Management Strategy and this is set out at Section 3 below for 2009/10.
- 1.5 The table below shows the Councils net borrowing position since 2004.

Year End	Borrowings	Investments	Net Position
	£000's	£000's	£000's
31/03/2004 Actual	36.931	14,005	22,926
31/03/2005 Actual	39,815	25,865	13,950
31/03/2006 Actual	42,402	22,855	19,547
31/03/2007 Actual	51,166	25,000	26,166
31/03/2008 Actual	48,903	35,145	13,758
31/03/2009 Estimate	42,000	32,000	10,000

Note

The estimate investment figure as at 31/03/2009 includes £5m that is currently frozen with Icelandic banks.

2 PRUDENTIAL INDICATORS

It is recommended that Council approve the Prudential Indicators shown below:-

Indicator One: Local authority has adopted the CIPFA Code of Treasury Management in the Public Services

2.1 The Code was adopted by the Council in 2002. The Code represents best practice in the regulation and management of borrowing and investments and related activities. Treasury Management Practices (TMP's) have been established with advice from Butlers Treasury Services and applied to the Council's treasury management.

Indicator Two: Estimates of capital expenditure

2.2 The Council has to make reasonable estimates of the total of capital expenditure that it plans to incur during the forthcoming financial year and the following two financial years. These have been based on the Capital Programme for that period.

Section 10 - Prudential Code, Treasury Management and Annual Investment Strategy

Year	General Fund	HRA	Overall
2007/08 Actual	£13,212,199	£9,563,552	£22,775,751
2008/09 Approved	£10,786,290	£12,973,340	£23,759,630
2009/10 Estimate	£11,602,450	£12,427,540	£24,029,990
2010/11 Estimate	£11,094,640	£11,490,630	£22,585,270
2011/12 Estimate	£12,691,960	£10,785,000	£23,476,960

Indicator Three: Estimates of capital financing requirements and net borrowing

- 2.3 The third prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total outstanding capital expenditure, which has not yet been paid for from either revenue or capital resources. It is essentially a measure of Council's underlying borrowing need. The Council is required to pay off an element of the accumulated General Fund capital spend each year through a revenue charge (the Minimum Revenue Provision), although it is also allowed to undertake additional voluntary payments.
- 2.4 CLG Regulations have been issued which require full Council to approve **an MRP Statement** in advance of each year. A variety of options are provided to councils to replace the existing Regulations, so long as there is prudent provision.
- 2.5 It is recommended that Council approve the following MRP Statement

For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

• **Existing practice** - MRP will follow the existing practice outlined in former CLG Regulations;

From 1 April 2008 for all unsupported borrowing the MRP policy will be

- Asset Life Method MRP will be based on the estimated life of the assets, in accordance with the proposed regulations.
- 2.6 The table below shows the actual CFR at 31st March 2008 and the projected CFR at the end of 2008/09, 2009/10, 2010/11 and 2011/12.

Year	General Fund	HRA	Overall
2007/08 Actual	£13,775,500	£33,569,278	£47,344,778
2008/09 Estimate	£13,148,749	£34,883,278	£48,032,027
2009/10 Estimate	£12,340,422	£36,197,278	£48,537,700
2010/11 Estimate	£12,448,059	£36,197,278	£48,645,337
2011/12 Estimate	£15,419,880	£36,197,278	£51,617,158

Indicator Four: Estimate of ratio of financing costs to net revenue stream

2.7 The Council must estimate the proportion of the revenue budget, which is taken up in financing capital expenditure i.e. the net interest cost and to make provision to repay debt.

Year	General Fund	HRA	Overall
2007/08 Actual	-1.12%	7.01%	2.80%
2008/09 Estimate	-1.31%	6.48%	2.65%
2009/10 Estimate	2.27%	6.69%	4.49%
2010/11 Estimate	4.57%	6.77%	5.65%
2011/12 Estimate	7.95%	6.795	7.39%

Indicator Five: Incremental Impact of Capital Investment decisions on Band D Council Tax

2.8 The Council must estimate the proportion of the revenue budget, which is taken up in financing new capital expenditure through prudential borrowing.

Year	Amount
2008/09 Estimate	£0.00
2009/10 Estimate	£0.00
2010/11 Estimate	£0.61
2011/12 Estimate	£4.66

Indicator Six: Incremental Impact of Capital Investment decisions on Housing Rent levels

2.9 The Council must estimate the proportion of the revenue budget, which is taken up in financing capital expenditure through prudential borrowing. This indicator is nil because the Council does not anticipate funding any part of the capital programme through prudential borrowing.

Year	Amount
2008/09 Estimate	£0.00
2009/10 Estimate	£0.00
2010/11 Estimate	£0.00
2011/12 Estimate	£0.00

Indicators Seven: External Debt Prudential Indicators

- 2.10 The Council must set prudential limits for its total external debt, gross of investments, separately identifying borrowing from other long-term liabilities. The authorised limit sets a ceiling on external debt, the maximum amount the Council may borrow at any point in time in the year. It has to be set at a level the Council considers is "prudent". The proposed indicator takes account of the capital financing requirement estimated at the start of each year, plus the expected net borrowing requirement for the year.
- 2.11 The Head of Finance reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.
- 2.12 Councillors wish to maintain the minimum level of debt for the Council to keep the Council Tax level low, subject to optimum use of the Prudential Code when opportunities arise that are beneficial to the Council.
- 2.13 A further two prudential indicators control or anticipate the overall level of borrowing and take into account the above. These are:

The Authorised Limit for External Debt – This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by full Council. The Operational Boundary for External Debt –This indicator is based on the expected maximum external debt during the course of the year; it is not a limit. Council is asked to approve the following Authorised Limit and Operational Boundary:

Year	Authorised Limit	Operational Boundary
31/3/2008 Actual	£54M	£51M
31/3/2009 Estimate	£54M	£51M
31/3/2009 Estimate	£54M	£51M
31/3/2010 Estimate	£54M	£51M
31/3/2011 Estimate	£54M	£51M

2.14 The actual position on external borrowing as at 31 March 2008 and the estimated position for future years based on the Capital Programme in the Medium Term Financial Plan is shown in the table below.

Year	Amount	
31/3/2008 Actual Debt	£48.9M	
31/3/2009 Estimate	£42.0M	
31/3/2010 Estimate	£41.5M	
31/3/2011 Estimate	£41.6M	
31/3/2012 Estimate	£44.6M	

Indicator Eight: Fixed and Variable interest rate exposure

- 2.15 The Council must place an upper limit on the total amount of net borrowing (borrowing less investment) which is at fixed rates secured against future interest rate movements. These limits represent 100% of the Operational Boundary in each year.
- 2.16 The Council must place an upper limit on the total amount of net borrowing (borrowing less investment) which is at variable rates subject to interest rate movements. These limits represent 50% of the Operational Boundary in each year.
- 2.17 For the purposes of practicality and clear meaningful reporting it is proposed to have a limit for borrowing and a limit for investments as follows:

Borrowing

Year	Fixed Rate	Variable Rate	
31/3/2008	100%	50%	
31/3/2009	100%	50%	
31/3/2010	100%	50%	
31/3/2011	100%	50%	
31/3/2012	100%	50%	

Investments

Year	Fixed Rate	Variable Rate
31/3/2008	100%	50%
31/3/2009	100%	50%
31/3/2010	100%	50%
31/3/2011	100%	50%
31/3/2012	100%	50%

Indicator Nine: Prudential limits for the maturity structure of borrowing

2.18 The Council must set upper and lower limits with respect to the maturity (debt profile) structure of its borrowing. The proposed prudential limits have been set with regard to the maturity structure of the Council's borrowing, and reflect the relatively beneficial long term rates that are expected to be available over the next few years. The proposed limits are as follows:

Period	Lower Limit	Upper Limit	
Up to 1 Year	0%	25%	
1 Year to 2 Years	0%	25%	
2 Years to 5 Years	0%	50%	
5 Years to 10 Years	0%	75%	
Over 10 Years	0%	100%	

Indicator Ten: Total investments for periods longer than 364 days

2.19 Authorities are able to invest for longer than 364 days; this can be advantageous if higher rates are available. However it would be unwise to lend a disproportionate amount of cash for too long a period, therefore it is proposed to limit the investments that are deposited as follows:

Year	Limit
31/3/2008	£15M
31/3/2009	£15M
31/3/2010	£15M
31/3/2011	£15M
31/3/2012	£15M

3 TREASURY MANAGEMENT STRATEGY

- 3.1 The treasury management service is an important part of the overall financial management of the Council's affairs. The prudential indicators consider the affordability and impact of capital expenditure decisions, and set out the Council's overall capital framework. The treasury service considers the effective funding of these decisions. Together they form part of the process which ensures the Council meets the balanced budget requirement under the Local Government Finance Act 1992.
- 3.2 The Council's treasury activities are strictly regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management). The Council adopted the Code of Practice on Treasury Management in February 2002, and as a result adopted a Treasury Management Policy Statement. This adoption meets the requirements of the first of the treasury prudential indicators.
- 3.3 The Office of the Deputy Prime Minister (now CLG) issued Investment Guidance on 12th March 2004. The key intention of the Guidance is to maintain the current requirement for Councils to invest prudently, and that priority is given to security and liquidity before yield
- 3.4 The Council has to produce an Annual Investment Strategy as part of its annual treasury strategy for the following year, covering the identification and approval of following:
 - The strategy guidelines for decision making on investments, particularly nonspecified investments.
 - The principles to be used to determine the maximum periods for which funds can be committed.
 - Specified investments the Council will use. These are high security (i.e. high credit rating, although this is defined by the Council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.
 - Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.
- 3.5 The Constitution requires an annual strategy to be reported to Council outlining the expected treasury activity for the forthcoming year. A key requirement of this report is to explain both the risks, and the management of the risks, associated with the treasury service. A further treasury report is produced after the year-end to report on actual activity for the year.
- 3.6 This strategy covers:
 - The Council's debt and investment projections;
 - The Council's estimates and limits on future debt levels:
 - The expected movement in interest rates:
 - The Council's borrowing and investment strategies;
 - Treasury performance indicators;

- Specific limits on treasury activities;
- Any local treasury issues.
- 3.7 The following table shows the interest rate forecasts for the next 15 months from the Council's Treasury Management consultants.

			N	Money Rates		PWLB Rates		es
Year	End	Bank	3 Mth	6 Mth	12 Mth	5 Yr	20 Yr	50 Yr
	Period	Rate %	%	%	%	%	%	%
2008	Dec	2.00	3.0	3.2	3.3	3.0	4.2	4.0
2009	March	1.00	2.0	2.2	2.4	2.7	4.1	3.8
	June	0.50/	1.5	1.6	1.8	2.2	3.9	3.7
		0.75						
	Sept	0.50/	1.5	1.6	1.7	2.2	3.8	3.7
		0.75						
	Dec	1.00	1.6	1.7	1.8	2.5	3.9	3.8
2010	March	1.25	1.7	1.9	2.0	2.6	3.9	4.1

Note

- 3.8 The money rates shown are estimated to be the highest available. For investments with the major clearing banks and the Government's Debt Management Office the rates are lower.
- 3.9 The UK economy has entered a deep recession, worsened by a dangerous combination of negative growth and dislocation in the domestic and world financial markets. The situation in the economy is considered critical by the policy setters who are concerned that the testing financial environment, the sharp decline in house prices and persistently tight credit conditions could trigger a collapse in consumer confidence. At best this could deliver a short, sharp downturn, at worst a prolonged Japanese-style recession.
- 3.10 The sharp downturn in world commodity, food and oil prices, the lack of domestic wage pressures and weak retail demand promises a very steep decline in inflation in the year ahead. In the recent pre-Budget Report, the Treasury suggested RPI inflation could fall to minus 2.25% by September 2009. Inflation considerations will not be a constraint upon Bank of England policy action. Indeed, the threat of deflation strengthens the case for more aggressive policy ease.
- 3.11 The Government's November pre-Budget Report did feature some fiscal relaxation but it also highlighted the very poor health of public sector finances. The size of the package is considered insufficient to kick-start the economy. The onus for economic stimulation will fall upon monetary policy and the Bank of England.
- 3.12 The Bank will continue to ease policy and the need to drive commercial interest rates, currently underpinned by the illiquidity of the money market, to much lower levels suggests the approach will be more aggressive than might otherwise have been the case. A Bank Rate of 1% now seems a distinct possibility and short-term LIBOR rates of below 2% may result. Only when the markets return to some semblance of normality will official rates be edged higher.

3.13 Long-term interest rates will be the victim of conflicting forces. The threat of deep global recession should drive bond yields to yet lower levels and this will be a favourable influence upon the sterling bond markets. But the prospect of exceptionally heavy gilt-edged issuance in the next three years (totalling in excess of £100bn per annum), as the Government seeks to finance its enormous deficit, could severely limit the downside potential for yields.

Borrowing Strategy

- 3.14 The uncertainty over future interest rates increases the risks associated with treasury activity. As a result the Council will take a cautious approach to its treasury strategy.
- 3.15 Long-term fixed interest rates are at risk of being higher over the medium term. The Head of Finance, under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates at the time, taking into account the risks shown in the forecast above. It is likely that shorter term fixed rates may provide better opportunities. This may include borrowing in advance of future years requirements.
- 3.16 With the likelihood of a steepening of the yield curve debt restructuring is likely to focus on switching from longer term fixed rates to cheaper shorter term debt, although the Head of Finance and treasury consultants will monitor prevailing rates for any opportunities during the year.
- 3.17 The option of postponing borrowing and running down investment balances will also be considered. This would reduce counterparty risk and hedge against the expected fall in investments returns.
- 3.18 The Council may also look to repay borrowing and reducing investments as a risk reduction strategy. This course of action depends on a number of factors and the current unusual market conditions.

Investment Counterparty and Liquidity Framework Issues

Operational Issues

3.19 2008/09 has been a challenging year for Treasury Management and over the course of the year the Council's counterparty list with whom investments can be made has reduced considerably. There have also been considerable changes within the UK financial environment. Over the last year five Building Societies have merged with larger ones and Lloyds/TSB and HBOS have just merged. The Council has £5m of investments frozen in the collapsed Icelandic banks. Every effort is being made to satisfactorily resolve the situation, but the pace of progress is determined by the administrators. Following this event, the Council has restricted activity and only been placing investments with UK financial institutions for periods of no more than six months. This has resulted in the Council making only one investment since the middle of October and using the Council's instant access accounts with Abbey National and The Bank of Scotland more. The advantage to this strategy has been

- added security and liquidity of funds, but the downside is the Council is achieving lower returns on its investments.
- 3.20 The Council has had investments of up to £50m during 2008/09 and by the end of October 2009, all but £4m will have potentially matured and a significant proportion will need to be reinvested. A list of current investments as at 2 February 2009 is shown in Appendix 1.
- 3.21 There are a number of operational issues Councillors will need to take into account when agreeing the Counterparty list for 2009/10 and these are detailed below.

Investment Security and Returns

3.22 The security and return of investments is the biggest priority due to the current economic circumstances. As a general rule the more security an investment has, the lower the interest rate is. The table below shows the rates available from three different investment categories. It also shows there are different levels of security with the three investments all of which are very good. The rates shown below are based on a six month investment with base rates at 1.50%

Investment Counterparty	Interest Rate	Security
Government Debt Management Account	0.63%	The government guarantees this money is returned
Major UK Clearing Bank	2.00%	Even though the government has guaranteed funds in UK clearing banks, this guarantee does not extend to Local Authority deposits. However the government is likely to nationalise any Major UK Clearing bank that gets in trouble
UK Building Society (Best rate available)	2.70%	If UK Building Societies do get into trouble, past experience shows they are taken over by other Building Societies. However, we do not know what will happen in the future.

3.23 The effect on Council Tax is another major factor. As can be seen from the interest rate levels, returns on an approximate portfolio of £35m could range from £220,500 to £945,000. The difference is equivalent to a Band D Equivalent of £18.11. Investment returns are an important income source and help keep Council Tax levels down and are a key part of the Finance Strategy. From an operational point of view, the Council will spread investments over a number of different counterparties and categories.

Money and Time Limits

3.24 With certain financial institutions there is a minimum dealing limit of £2m per transaction. This is normally the case with the major UK clearing banks. The Council normally deal in tranches of £1m. The other issue is the larger the investment the higher the rate normally available.

- 3.25 There is also the issue of time periods of investments. The maximum period for an investment in the government's debt management account is six months and most investments with local authorities are borrower led and are normally for less than one month. The longer an investment can be made for, the more certainty there is on the Council's budget in terms of investment income, but this has to be weighed against the security of the Council's money.
- 3.26 There is a clear operational difficulty arising from the current banking crisis. Ideally investments would be invested longer to secure better returns, however uncertainty over counterparty creditworthiness suggests shorter dated investments would provide better security.
- 3.27 The Council does not deal in the market every day and manages its short- term cash flows through its instant access accounts. This is similar to other counterparties in the market and when the Council wants to undertake long term investments not all counterparties are available to deal with.
- 3.28 The Council sets group limits for counterparties on its lending list, so the Council does not get overexposed to any one group. The best illustration of this is the recent merger of HBOS and Lloyds/TSB. Whereas the Council used to have two counterparties with whom to deal this is has now been reduced to one. By having a comprehensive list agreed at the beginning of the year this should reduce the need for further requests to Council to add further names to the list.

Other Operational Issues

- 3.29 There is a correlation between the Council's borrowing and its investments in that if the Council does not borrow up to its Capital Financing Requirement there could be a financial effect on the General Fund due to Government Subsidy. However the economy and the financial services industry is in very unusual circumstances and it could be in the Council's interest to reduce its borrowings and investments. The main driver for this course of action is for the Council to reduce its risk and have less money invested.
- 3.30 Credit ratings are still one of the major guides to the financial stability of counterparties on the Council's list and these are managed on a daily basis through updates from the Council's treasury management consultants. All counterparties on the Council's list will be subject to meeting the minimum criteria where applicable before any investments are made.
- 3.31 The management of the Council's counterparty list is delegated to the Head of Finance and it is their duty to act within the confines of this list and the limits set. The counterparty limits reflect the minimum size of deposit required, time limits within which institutions will take funds and the flexibility of the market when the Council is looking to place funds.

Investment Counterparty Framework

- 3.32 The Council's counterparty list for investments and the limits has to be agreed by Full Council. If any institutions need to be added to the list or limits changed upwards, this needs to be agreed at Full Council, so in preparing the counterparty list for 2009/10, the Council needs to reflect the current economic climate, but also needs to have scope within the list to help officers act within the Council's best interests.
- 3.33 The comprehensive list (Appendix 2), if agreed by Full Council will be used by the Head of Finance to draw up an operational list for use by officers. This operational list will be subject to change depending on the economic climate, Government guarantees, mergers and credit rating changes. Changes that are automatically triggered, such as credit rating changes will be acted upon immediately. Any other changes would be approved by the Head of Finance in consultation with the Finance Portfolio holder in accordance with the Council's Financial Standing Orders.
- 3.34 The primary principle governing the Council's investment criteria is the security of its investments. Given the current volatility in financial markets extreme caution has been used in selecting appropriate counterparties. Investment vehicles like money market funds, foreign banks and smaller building societies have been removed for 2009/10. Although this will improve the security of the Council's money, the potential investment interest levels will be significantly limited. The yield or return on the investment is also a key consideration. After this main principle the Council will ensure:
 - It maintains a policy covering both the categories of investment types it will invest
 in, criteria for choosing investment counterparties with adequate security, and
 monitoring their security.
 - It has sufficient liquidity in its investments to meet its current liabilities. For this
 purpose it will set out procedures for determining the maximum periods for which
 funds may prudently be committed.
- 3.35 The Head of Finance will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. This criteria selects which counterparties the Council will choose rather than defining what its investments are. The rating criteria use the lowest common denominator method of selecting counterparties and applying limits. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For instance if an institution is rated by two agencies, one meets the Council's criteria, the other does not, the institution will fall outside the lending criteria.
- 3.36 The Council intends to limit new investments to UK financial institutions. A list of four different categories in which investments can be made has been drawn up, which all have different levels of security, financial limits and time limits. The Council would look to spread investments over the different categories so as not to be left overexposed to any one. The limits drawn up for each of the institutions has been based on a combination of security, rate of return, market participation and credit ratings and is sufficient to ensure officers can carry out treasury management

- activities. The categories are also listed in order of security available (highest security first).
- 3.37 **Category 1** The Government has a debt management account and guarantees all deposits. However investments can only be for a maximum of 6 months and the interest rates payable are very low. The time limit for investments is 6 months and the maximum amount to be invested is £20m with an overall maximum exposure for this category of £20m. The reason for the high limit is that if other counterparties are removed from our counterparty list and there are other uncertainties in the market this should be the safest place for the Council to place its investments.
- 3.38 Category 2 Even though Local Authorities are not rated, investments made in them have a high security rating as local authorities have to set legal budgets and have guaranteed borrowing help available to them through government sources. However, most investments in local authorities are normally borrower led and do not normally exceed one month and so makes long term planning and fixing of investment returns very difficult. The time limit for investments in local authorities is 6 months and the maximum amount to be invested in any one local authority is £3m. The overall maximum exposure for this category would be £15m.
- 3.39 Category 3 The UK Government has issued a guarantee to deposits in 8 UK financial institutions, which has now been reduced to 7 due to the merger between Lloyds/TSB and HBOS, but this does not cover wholesale deposits by Local Authorities. However, the government will probably fully nationalise any one of the seven who gets in trouble because of the serious implications if any of them fail. The Council will use UK banks and Building Societies which have at least the following Fitch, Moody's and Standard and Poors ratings (where rated):

	Fitch	Moody's	Standard & Poors
Short Term	F1	P1	A1
Long Term	A-	A2	Α
Individual	С	N/A	N/A
Support	1	N/A	N/A
Financial Strength	N/A	С	N/A

- 3.40 The time limit for investments in institutions falling in the above is 3 years and the maximum amount to be invested in any one group is £10m. For certain financial institutions the maximum amount to be invested in any one group will be a lower figure. The overall maximum exposure for this category would be £50m.
- 3.41 If any of the seven institutions fail to meet the criteria for this category, they will be placed in category 4 if applicable.
- 3.42 **Category 4** The Council will use UK banks and Building Societies which are outside the Government guarantee, or do not meet the credit ratings criteria of the financial institutions in category 3, and have assets of at least £500m as at 31 December 2007.

- 3.43 The time limit for investments in institutions falling in the above is 364 days and the maximum amount to be invested in any one group is £6m. For most financial institutions the maximum amount to be invested in any one group will be a lower figure, and some financial institutions will have shorter investment periods. The overall maximum exposure for this category would be £20m.
- 3.44 A summary of the time limits for institutions and the maximum exposure to any one group on the Council's Counterparty List are as follows (these will cover both Specified and Non-Specified Investments.) This table takes account of the level of security and the number of institutions within the category.

	Number of Institutions	Potential Exposure (£m)	Maximum Exposure (£)	Time Limit
Category 1	1	20	20	Max 6 Months
Category 2	5	15	15	Max 6 Months
Category 3	6	60	50	Max 3 years
Category 4	9	29	20	Max 364 Days

- 3.45 In the normal course of the council's cash flow operations it is expected that both Specified and Non-Specified investments will be utilised for the control of liquidity as both categories allow for short-term investments.
- 3.46 The use of longer-term instruments (greater than one year from inception to repayment) will fall in the Non-specified investment category. These instruments will only be used where the Council's liquidity requirements are safeguarded.

Investment Strategy 2009/10

- 3.47 After taking into account the above operational issues and the counterparty framework set out the Council expects to follow the following strategy during 2009/10.
- 3.48 Expectations on shorter-term interest rates, on which investment decisions are based, show a likelihood of the current 1.5% Bank Rate reducing throughout 2009 and into 2010. The Council's investment decisions are based on comparisons between the rises priced into market rates against the Council's and advisers own forecasts.
- 3.49 There is a clear operational difficulty arising from the current banking crisis. Ideally investments would be invested longer to secure better returns, however uncertainty over counterparty creditworthiness suggests shorter dated investments would provide better security.

- 3.50 Given the volatility and poor returns in the current investment market, the 2009/10 strategy will consider any opportunities, if market conditions allow, to repay existing debt and reduce investment portfolio levels.
- 3.51 The criteria for choosing counterparties set out above, provides a sound approach to investment in "normal" market circumstances. Whilst Councillors are asked to approve this base criteria above, under the exceptional current market conditions the Head of Finance may temporarily minimise or restrict further investment activity until the banking system returns to "normal" conditions. Similarly the time periods for investments are likely to be reduced.
- 3.52 Examples of these restrictions would be the greater use of the Debt Management Deposit Account Facility (DMADF a Government body which accepts local authority deposits), guaranteed deposit facilities and strongly rated institutions offered support by the UK Government. The credit criteria has been amended to reflect these facilities.

Sensitivity to Interest Rate Movements

3.53 Future Council accounts will be required to disclose the impact of risks on the Council's treasury management activity. Whilst most of the risks facing the treasury management service are addressed elsewhere in this report (credit risk, liquidity risk, market risk, maturity profile risk), the impact of interest rate risk is discussed but not quantified. The table below highlights the estimated impact of a 1% increase/ decrease in all interest rates to treasury management costs/income for next year. That element of the debt and investment portfolios which are of a longer term, fixed interest rate nature, will not be affected by interest rate changes.

	2009/10	2009/10
	Estimated	Estimated
	+ 1%	- 1%
Interest on Borrowing	+£30,000	-£30,000
Related HRA Charge	£0	£0
Net General Fund Borrowing Cost	+£30,000	-£30,000
Investment income	+£350,000	-£350,000

Specified and Non-Specified Investments

3.54 As part of the investment strategy the Council has to differentiate between specified and non-specified investments. These are detailed below:-

Specified Investments – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are low risk assets where the possibility of loss of principal or investment income is small. These would include all investments in categories 1 to 3 and some investments in category 4

Non-Specified Investments – Non-specified investments are any other type of investment. The only investments that would fall into this group are some investments in categories 3 and 4.

External Fund Managers

3.55 The Council currently manages its investment portfolio in-house achieving comparable performance without the additional fund manager charges. This arrangement is subject to periodic review. Any fund manager would be contractually required to comply with the annual investment strategy and produce regular performance reports.

APPENDIX 1

IPSWICH BOROUGH COUNCIL'S INVESTMENTS AS AT 2-2-2009

	INVESTMENTS AS AT 2/2/2009 £	INTEREST RATE %	DATE TAKEN OUT	DATE MATURES
Irish Life & Permanaent	2,000,000	6.4500	01/10/2008	02/03/2009
Lloyds TSB	3,000,000	2.6000	04/12/2008	04/03/2009
Royal Bank of Scotland	2,000,000	5.2400	03/10/2005	04/04/2009
EBS Building Society	1,000,000	5.2800	27/10/2005	27/04/2009
National Counties Building Society	2,000,000	6.4000	23/09/2008	23/04/2009
Nottingham Building Society	2,000,000	6.5000	01/10/2008	01/07/2009
Chelsea Building Society	1,000,000	5.6250	22/07/2004	22/07/2009
Kent Reliance Building Society	2,000,000	6.2500	11/08/2008	10/08/2009
Irish Nationwide Building Society	2,000,000	6.1800	18/08/2008	17/08/2009
Irish Nationwide Building Society	1,000,000	6.1700	21/08/2008	20/08/2009
National Counties Building Society	1,000,000	6.1500	21/08/2008	20/08/2009
Close Brothers Limited	2,000,000	6.2300	01/09/2008	28/08/2009
Ipswich Building Society	1,000,000	6.1800	01/09/2008	28/08/2009
Furness Building Society	1,000,000	6.3200	23/09/2008	22/09/2009
Kent Reliance Building Society	1,000,000	6.3200	23/09/2008	22/09/2009
Irish Life & Permanaent	2,000,000	6.5600	30/09/2008	29/09/2009
EBS Building Society	2,000,000	6.6000	01/10/2008	30/09/2009
Dexia Bank Belgium	2,000,000	6.4100	29/05/2008	25/04/2010
Barclays Bank Plc	2,000,000	7.0000	02/06/2008	31/05/2013

TOTAL INVESTMENTS

32,000,000

APPENDIX 2

Approved Organisations for Investment

-	Lending Limit
	£Million
CATEGORY 1 - Government Debt Management Account	20
CATEGORY 2 - Local Authorities (£3m per authority)	15
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CATEGORY 3 - UK Financial Institutions covered by Government Guarantee	
ABBEY NATIONAL GROUP	
- Abbey National	10
- Alliance and Leicester	10
- Bradford and Bingley	
BARCLAYS BANK	10
LLOYDS BANKING GROUP	
- Bank of Scotland	40
- Halifax	10
- Lloyds/TSB	
HSBC	10
NATIONWIDE BUILDING SOCIETY	10
STANDARD CHARTERED BANK	10
CATEGORY 3 - Maximum Exposure	50
CATEGORY 4 LIK Financial Institutions that do not most the criteria of Category 2	
CATEGORY 4 - UK Financial Institutions that do not meet the criteria of Category 3	
ROYAL BANK OF SCOTLAND GROUP	
- National Westminster Bank	6
- Royal Bank of Scotland	
- Ulster Bank Ltd	
Co-operative Bank	3
Yorkshire Building Society	3
Coventry Building Society	3
Chelsea Building Society	3
Skipton Building Society	3
Leeds Building Society	3
Norwich & Peterborough Building Society	3
Britannia Building Society	2
CATEGORY 6 - Maximum Exposure	20

Maximum Exposure 105