

Report of	Meeting	Date
The Executive (Introduced by the Executive Member for Resources)	Council	2 March 2010

ADDITIONAL BUDGET PROPOSALS 2010/11

PURPOSE OF REPORT

- To present a revised proposal to those set out in the papers to Council,

RECOMMENDATION(S)

- That the Council agrees to the proposed additional budget amendments and savings as follows:
 - The following posts are disestablished:
 - 1 FTE Building Control Officer
 - 1 Business Process Officer (Neighbourhoods)
 - 1 Head of Customer Services
 - That consultation takes place with staff in respect of reducing the Council's cost of car leasing scheme by 25%.
 - That an immediate review be undertaken following the senior management restructure of the Council's administrative and transactional service provision to identify further potential savings.
 - That the budget for the Council's contribution towards the Local Strategic Partnership is reduced by £50k from 2010/11.
 - That the building maintenance revenue budget for the Council's leisure facilities be reduced by £50k from 2010/11.
 - That the Council negotiate with Lancashire County Council with a view to producing an alternative public realm provision with a resultant saving for the Council.
 - That the fees and charges items shown in Appendix B are increased below inflation by 2% with effect from the 1 April 2010.
 - That £100k of non recurrent expenditure be allocated in 2010/11 budget to pay for additional street cleaning activities and the creation of additional allotments.
 - Approve the budget and Council tax set out in the resolutions at Appendix C allowing for the freezing of Council tax at the levels set in 2009/10 and the items set out in the original budget papers Appendices B, C and E and note the other items D, F G and H.

EXECUTIVE SUMMARY OF REPORT

3. This report sets out a series of proposed amendments to the Council's budget for 2010/11 that is designed to:
 - (a) Identify additional resources for spending on street cleaning and allotment activities during 2010/11.
 - (b) In line with the budget proposals to start to prepare for the future create budget headroom in 2010/11 that will contribute £320k, or almost 50% of the forecast budget deficit for 2011/12.
 - (c) To enable further funds to be identified that will be used to increase the Council's working balances in line with the Executives budget principles and the Medium Term Financial Strategy.

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

4. To improve the financial position of the Council and to identify resources for additional spending on priorities in 2010/11.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

5. None.

CORPORATE PRIORITIES

6. This report relates to the following Strategic Objectives:

Put Chorley at the heart of regional economic development in the Central Lancashire sub-region		Develop local solutions to climate change.	
Improving equality of opportunity and life chances		Develop the Character and feel of Chorley as a good place to live	
Involving people in their communities		Ensure Chorley Borough Council is a performing organization	√

BACKGROUND

7. The Executive proposals in terms of the 2010/11 budget are contained in the budget papers being presented to Council. However, on reflection and having further considered the advice of the Statutory Finance Officer in his Statutory Report and Medium Term Financial Strategy, it is felt further savings need to be identified during the 2010/11 budget process. The rationale for this change is two fold:

Firstly, the state of the public finances and the uncertainty on funding from 2011/12 onwards means preparing early will ensure the Council is well placed to deliver on its promise to try to minimise the impact on front line services for the tax payer of Chorley.

Secondly, as a prudent measure, increasing the level of working balances will improve the Council's financial standing.

As a consequence and, in addition to the positive measures outlined in the budget report of:

- Freezing of Council Tax
- Freezing of Market Rents and Car Parking charges
- A balanced budget
- Working balances improved

The Executive have decided to commit a sum of £60k to spend on street cleaning activities in the Borough in recognition of the importance of this issue to the tax payer in Chorley and a further £40k on the creation of additional allotments provision in the borough.

WHAT IS PROPOSED

8. Set out in Appendix A are details of the further budget reductions proposed which are based upon the budget principles outlined previously resulting in:
- Further reduction in management and administrative costs
 - Removing unnecessary posts achieved by the reduction in workload
 - Planning for the future by reviewing the terms and conditions for officers eligible for the car leasing scheme
 - Reducing maintenance costs to offset the significant investment made in the Council's leisure assets over the last 3 years
 - Instigating work to illicit further savings during 2010/11
 - Proposing a below inflation rise on income streams other than those that have been frozen as part of the budget process

SPENDING PROPOSALS

9. Allotments and Community Growing Projects
- We've seen an increased demand for allotments over the past few years
 - In partnership with the PCT we've carried out research/consultation
 - We have a project in the Corporate Strategy that addresses this
 - £40,000 will allow us to deliver additional allotment spaces and provide match funding for community growing projects

N1195 – Litter, detritus, fly-tipping and graffiti

- Litter, detritus, fly-tipping and graffiti is a key issue for local people
- Plan to invest a further £60,000 into projects to tackle this issue
- This will include:-
 - community clean ups
 - a focus on partnership working to improve problem sites
 - campaigns to change behaviour
 - move enforcement action

S25 REPORT

10. In terms of the proposals, some will generate immediate savings. The staff reductions of £126,000 will come from vacant posts.

The contractual proposals in relation to the LSP and the maintenance of the leisure facilities can be delivered immediately, thereby guaranteeing a further £100k.

The remaining sums of £93,420 represent a target to be achieved in year.

Given that £226k of the proposals can be taken immediately, and the budget is already balanced, the fact that £93k of the proposal is a target for 2010/11 does not jeopardise the delivery of a balanced budget in 2010/11.

For these reasons I am content that the proposals are reasonable and deliverable. Further details of the proposal plus the impact in the Council Medium Term financial forecasts are shown in Appendix D.

LEVEL OF RESERVES

11. In terms of resource availability, members will be aware and as reported in monitoring working balances are estimated to total £1,556k at the end of March 2010. The working balances position is now made up of estimated balances in hand and forecast forward as shown below and after the impact of the further budget proposals are considered.

	£'000
General fund working balance forecast 31/03/10	1,262
VAT recovery 09/10 and 10/11	545
Recovery of Parkwise sums in dispute	59
Set aside for impairment of Icelandic bank deposit	(310)
Transfer to working balances	220
Forecast balances 31/03/11	1,776

IMPLICATIONS OF REPORT

12. This report has implications in the following areas and the relevant Directors' comments are included:

Finance		Customer Services	
Human Resources		Equality and Diversity	
Legal		No significant implications in this area	

GARY HALL
DIRECTOR OF TRANSFORMATION

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Gary Hall	4180	12/2/2010	Additional Budget Proposals

Savings Options & Proposals 2010/11

Further Staffing Changes	£	Reason for Saving
Delete Building Control Officer post	41,990	Significant reduction in building control work during 2009/10
Delete Business Process Officer post (Neighbourhoods)	23,050	Improvements to internal processes, particularly e-enabling financial process
Delete Head of Customer Services post	61,080	Consequence of Senior Management Restructure increasing the total saving from the restructure to £724k
Target for review of admin and transactional services	50,000	Improvement co-ordination of Transactional and Administrative Services and better use of technology
Review of Car Leasing scheme	10,000	Reductions in cost of car leasing scheme of 25%. Target £70k saving by 2012/13
Contracts		
LSP contribution reduced from £90k - £40k	50,000	Core funding to be pooled into LSP budget - £180k + £40k = £220k
Maintenance of Leisure Facilities	50,000	Reduced ongoing revenue requirement following significant capital investment
Impact of additional funding for maintenance from LCC	20,000	Adoption of an alternative public realm agreement
Income Generation		
2% fees and charges increase	13,420	Inflationary increase (inflation currently 3.5%)
Total	319,540	
Less		
Budget for additional street cleaning and allotment activities	-100,000	
Transfer to working balances	219,540	