

BUDGET UPDATE**Significant Movements from 2010/11 Budget**

	App E1	£'000	£'000	Comments
	Line Ref.			
External Factors				
Reduction in Formula Grant	30 & 31	1,154		Represents a 13.6% reduction in settlement from 2010/11.
Transfer of Concessionary Travel to LCC (statutory)	10	(606)		Impact of transfer of statutory Concessionary Travel costs to upper tier authority.
Transfer of Concessionary Travel to LCC (other)	11	(123)		Impact of transfer of other Concessionary Travel costs to upper tier authority.
Adjustment to Formula Grant for Concessionary Travel	32	<u>592</u>		Reduction in formula grant resulting from transfer to upper tier authority.
			1,017	
Town Centre Improvements	17	266	266	New Growth item funding by budget surplus identified (expenditure for 2011/12 only)
SAVINGS				
Approved				
Restructures		(660)		Admin & Transactional Services, Policy & Communications, Housing.
Shared Chief Executive		(86)		Shared agreement with Wyre Borough Council.
Green Waste Processing/Recyclate income		(57)		Full roll out of food waste collections deferred for 12 months to 2012/13.
Saving on Capita Contract		(66)		Renegotiated contract with Capita for Revenues & Benefits software.
Delete Management Fee for Coppull Leisure Centre		<u>(34)</u>		Leisure Centre no longer managed by Council
	14		(903)	
Savings Proposals				
Review of Shared Assurance Services		(45)		Proposal to reduce the cost of providing Assurance Services
Increase in Planning Fees		(40)		Enforcement costs recharged to third parties
Reduction in scope of Mayoralty		(20)		Reduced support for mayoral functions
Car Parking Fees		(19)		Additional income expected from introduction of new pay & display machines.
Fees & Charges review		(30)		Inflationary increase on Council's main fees & charges for 2011/12.
Reduction in Policy consultation budget		(25)		Increase in services provided in-house resulting in reducing external consultation costs
Reduction in Communications expenditure		(15)		Increase in services provided in-house resulting in reducing costs for publicity cost.
Debt Restructure (MRP)		<u>(100)</u>		Utilisation of resources available to reduce outstanding debt.
	15		(294)	
Volumetric Changes				
Planning Staffing savings (reduced hours)		(32)		Planning Officers - voluntary reduced hours
Reduction in Audit Fees		(32)		Reduced scale of fees and charges for 2011/12.
Bank Charges re-negotiated		(9)		Re-negotiated contract for 2011/12.
Re-basing of Pensions Account		(11)		Budget reduction in line with revised forecasts for 2010/11.
Other savings from re-basing of budgets		<u>(114)</u>		Budgets brought into line with forecasts for 2010/11.
	16		(198)	

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Employees				
Pay	1	(21)		Reduced pay award in 2010/11. No pay award assumed for 2011/12
Pensions	2	29		Increase in pension rate by 0.5% for 2011/12
Increments	6	77		Incremental pay increases anticipated for 2011/12.
			85	
Expenditure				
Waste Contract	4	205		Increase in base contract price plus inflation.
Liberata Contract	4	27		Inflationary increase in line with contract.
Other minor contracts	4	30		Inflationary increases in line with contracts.
Housing & Council Tax Benefits	3	85		Impact of increase in demand for Benefits.
Non Domestic Rates	3	23		Increase in rates for Civic Buildings.
Review of Admin & Transactional Services not yet actioned	13	50		Full saving not achieved in 2010/11 so budgets brought back into base
One-off budget for 2010/11 for street cleaning	13	(60)		Non-recurrent budgets for 2010/11 only, therefore budget removed for 2011/12
One-off budget for 2010/11 for allotments	13	(40)		Non-recurrent budgets for 2010/11 only, therefore budget removed for 2011/12
			320	
Income				
Housing & Planning Delivery Grant	9	127		Housing & Planning Delivery Grant replaced by New Homes Bonus
Personal Search Fees	9	30		Fees for this service reduced to nil by legislation
Increase in volume of Planning Application Fees	9	(30)		Re-basing of budget in line with 2010/11 forecasts
Reduction in volume of Cemetery Fee income	9	25		Re-basing of budget due to reduced demand
Green Waste Processing/Recyclate income	9	57		Loss of income from property based payment mechanism for 2011/12.
Car Parking Charges (VAT change)	9	23		Reduced income from change in VAT rate as parking fees not increased.
Public Realm Direction confirmed by LCC	9	22		Increase in income not achieved in 2010/11 from revised Public Realm Agreement
Reduction in Benefits Admin Grant	5	74		Reduction in grant from DWP
Reduction in recharges to housing capital schemes	9	36		A reduction in eligible time recharged from revenue to capital schemes
			364	
Other Changes				
New Homes Bonus	22	(250)		New grant introduced for 2011/12.
Increase in Council Tax Base	25	(65)		Represents 1% increase in Council Tax Base for 2011/12.
Estimated grant for freezing Council Tax	26	(159)		New grant available to offset loss of additional revenue for 2011/12.
No further LAA Reward Grant (PRG)	34	70		Reduction in grant remaining for use in 2011/12.
No further Area Based Grant	35	29		No grant awarded for 2011/12.
Contribution to General Balances for 2010/11 only	39	(220)		No contribution to General Balances in 2011/12.
No further contributions to LDF Reserve	38	(50)		Reduction in LDF contributions as process due to end in 2011/12
Change to Collection Fund Surplus/Deficit	37	(46)		Surplus of £26k forecast for 2011/12.
Other minor variances		34		
			(657)	
Budget Gap 2011/12		0	0	