

Report of	Meeting	Date
Director of Finance	Council	7 th March 2006

STATUTORY REPORT ON THE ALTERNATIVE BUDGET PROPOSAL PRESENTED BY THE CONSERVATIVE GROUP FOR 2006/07

PURPOSE OF REPORT

1. In accordance with the requirement of Section 25 of the Local Government Act 2003, to provide the Council with the Chief Finance Officer's views on the robustness of the budget and the adequacy of reserves in the budget proposals put forward by the Conservative Group.

CORPORATE PRIORITIES

2. The report is specifically concerned with a range of technical matters. However, the budget impacts on the Council's ability to deliver its Corporate Priorities as set out in the Corporate Strategy.

RISK ISSUES

3. The issue raised and recommendations made in this report involve risk considerations in the following categories:

Strategy		Information	
Reputation		Regulatory/Legal	
Financial	√	Operational	
People		Other	

4. This report is entirely concerned with an assessment of the deliverability of the proposals as set out in the Alternative Budget Report.

BACKGROUND

5. Under the requirements of S25 of the Local Government Act 2003, the Council's Chief Finance Officer is required to advise members when setting the Council's budget as to the robustness of the estimate and the adequacy of reserves. This report aims to give Members that assessment.

ROBUSTNESS OF THE ALTERNATIVE PROPOSAL

6. I have reported to members on the robustness of the estimates contained in the Continuation Budget and the Executive Cabinets budget recommendations. As the Alternative proposal is presented, it is essentially a variation to the Executive Cabinet recommendations, therefore all that has been said previously on the robustness of the budget applies. However set out below are my comments on the specific proposals made by the Conservative Group. The comments relate to my assessment of the deliverability of the proposals and not the policy elements or consequences.

REMOVAL OF CAR PARKING YIELD INCOME

7. This amendment is relatively straightforward and would be readily achievable as no firm proposals have yet been made in relation to delivering this increase, pending a review of charges.

REMOVAL OF GROWTH ITEMS

8. No action has yet been taken to implement these proposals, as this would require Council approval. Consequently not implementing the proposals, again would be easily achievable in pure budgetary terms.

REDUCTION IN STAFFING LEVELS

9. The proposal is that a further reduction in staffing levels is implemented, by reducing the number of full time equivalent at the Council by five. Of these five posts, the Equalities and Diversity Officer post is currently vacant but with a proposal to remove two further vacant posts as and when the opportunity arises. At our current turnover rates this would be achievable during 2006/07.
10. With regard to other posts, which currently have staff in them, disestablishment of these posts would result in some one-off redundancy costs being incurred. The timing of any cessation of the service would also impact on the budget savings in 2006/07, but not materially if completed early on in the new financial year.

OTHER REDUCTIONS

11. The other reductions figure is made up of payments to third parties. Accordingly these could be stopped without much notice and the savings taken during 2006/07.

ADEQUACY OF RESERVES

12. The Alternative Budget Proposal has no impact on the level of working balances, and as such balances would remain within the range agreed by Council in the financial strategy.

COMMENTS OF THE HEAD OF HUMAN RESOURCES

13. The proposals may result in redundancies, as such the Council should ensure that full and proper consultation with those affected occurs.

CONCLUSION

14. The Alternative Budget Proposals are soundly based and could be delivered during 2006/07, as the robustness of the budget is not fundamentally undermined by any of the proposals. In addition the level of balances proposed is within the range of acceptability.

RECOMMENDATION(S)

15. The Council are recommended to note the advice of the Chief Finance Officer under S25 of the Local Government Act 2003, set out in this report, and have regard to it when considering the Budget for 2006/07.

GARY HALL
DIRECTOR OF FINANCE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
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