

Report of	Meeting	Date
Leader of Labour Group	Council	26 Feb 2008

ALTERNATIVE BUDGET 2008/09

PURPOSE OF REPORT

1. The purpose of the report is to propose an alternative budget for consideration by the Council.

RECOMMENDATION(S)

2. That the Council adopt the alternative budget option as set out in this report.

EXECUTIVE SUMMARY OF REPORT

3. This alternative budget proposal sets out the Labour group's suggestion on how the Council's resources could be better used to improve services to local residents.
4. It differs from the Executive's proposal in that it:
 - Proposes more recurrent expenditure on key service deliverables in Neighbourhoods.
 - Propose more funding for prevention work on homelessness.
 - Propose additional non recurrent expenditure over and above that proposed by the Executive.
5. We believe that the proposal represents a better deal for the residents of Chorley, focussing on their priorities and delivering more than the Executive's proposals.

BACKGROUND

6. The current administration have proposed a series of savings and investment options which develop further the building blocks put in place by the previous administration.
7. However, there are areas where there are differences between the administration and the Labour group. This paper examines those areas and puts forward an alternate approach for consideration by members of the Council.

SPEND V TAX DEBATE

8. The Administration's proposals for a 2½% increase in Council Tax are noted by the Labour Group who propose no amendments.

ALTERNATIVE BUDGET

9. In terms of the alternative budget we have set out the details in Appendix A of this report. The Appendix shows that the alternative budget proposes further investment over and above that proposed by the Executive.

10. Particular focus in the alternative budget is given to:

- Spending in Neighbourhoods and on street cleansing £45,000
- Reducing the increase in car parking fees £27,000

11. We believe these changes are necessary to ensure that services continue to improve, with extra cash for street cleansing which it has been demonstrated through consultation is a key priority for our residents.

12. The administration propose to increase fees and charges along with changes to the tariff structure which we believe will affect trade in the town centre which is contrary to the Council's Corporate Strategy targets, and will penalise those who want to shop locally.

13. In addition to the recurrent expenditure we propose spending a further £150k of non recurrent expenditure over and above that proposed by the Administration, making the total non recurrent budget £300k. The Labour parties priorities differ from the Executive's proposal with £70k being allocated to preventing homelessness. We believe that this is a key use for the town and one which the Executive's proposals do not fully address.

14. In order to finance this proposal further income will be generated from a slightly greater increase in fees and charges in some areas than is proposed by the Executive which will generate an additional £14k with a further £58k coming from additional savings, the bulk of these being:

- Reduce the number of Borough News publications £15k
- Spending less revenue on Partnership projects and replace it with capital spend £30k

It should be noted that overall taking into account no % increase in car parking the increase in fees and charges is less.

15. The non recurrent expenditure would be financed from working balances, taking the estimated levels from £1.480m in the Executive proposals to £1.330m. This is still within the range suggested by the Council's Statutory Finance Officer.

16. We believe that overall this represents a better deal for the residents of Chorley and one which the Council should subscribe to.

S25 REPORT OF THE STATUTORY FINANCE OFFICER

17. Under the requirements of Section 25 of the Local Government Act 2003 the Statutory Finance Officer is required to advise Members when setting the budget of the robustness of the budget assumption and the adequacy of reserves. The following paragraphs meet that obligation.

18. The comments are made purely as a matter of fact regarding the delivery of the financial aspects of the proposal and do not form a view about the policy objectives.

19. The alternative budget is essentially cost neutral on the revenue budget, with the additional investment being paid for from either additional income or savings proposals. In terms of

deliverability they do not represent a significant risk over and above what is contained in the current administrations budget and could be delivered if required.

20. With regard to the non recurrent expenditure the additional £150k to come from working balances would mean working balances are reduced to nearer the lower end of the suggested spectrum. That said they would still be within an acceptable range. On this basis the alternative budget proposals for the use of working balances is also deliverable but would increase the financial risk to the Council if for instance concessionary travel costs were significantly greater than currently budgeted.

GARY HALL
ASSISTANT CHIEF EXECUTIVE
(BUSINESS TRANSFORMATION)

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Gary Hall	5180	18 February	ACE(BT)/Reports/2008/Council/ Alternative Budget

Appendix A

LABOUR GROUP PROPOSALS				
Additional Recurrent Expenditure		Executive Proposal	Labour Group Proposal	Change in Proposal
1 Neighbourhood Officer				20000
Remove 5% increase for parking				27000
Additional street cleansing				25000
Additional Get Up and Go activities				
Total Additional				72000
Additional Savings				
Reduce provision opening Astley Hall				
Additional fees and charges		223000	237000	14000
Additional income leisure centres		25000	30000	5000
Reduce to 2 issues borough new and cheaper paper and/or smaller size		0		15000
Reduce provision projects delivered by partners		90000	60000	30000
Reduce consultants fees		0		8000
Total additional savings				72000
Extra Expenditure met from Council Tax				
Additional non recurrent expenditure				
Fund for physical improvements neighbourhoods and recreation grounds and lighting		150000	200000	50000
Projects delivered by partners		0	30000	30000
Prevention of homelessness fund		0	70000	70000
Total cost				150000
This cost to be met from balances				
Additional Fees and Charges				
5% increase Hackney Carriages		2243	3343	1000
5% increase land charges		0	9500	9500
4% increase plans and build reg		9395	12595	3200
4% increase casual hire rooms		913	1213	300
			Total	14000