

Subject: Revenue Budget & Council Tax
2009/10

Status: For Publication

Report to: The Cabinet

Date: 18th February 2009

Report of: Head of Financial Services

Portfolio

Holder: Finance and Resources

Key Decision: No – Recommendation to Council

Forward Plan General Exception Special Urgency

1. PURPOSE OF REPORT

- 1.1 The Purpose of the report is to enable Cabinet to recommend to Full Council the Revenue Budget and level of Council Tax for 2009/10.

2. CORPORATE PRIORITIES

- 2.1 The matters discussed in this report impact directly on the following corporate priorities and associated corporate objective.

- Delivering Quality Services to Customers (Customers, Improvement)
- Delivering Regeneration across the Borough (Economy, Housing)
- Keeping Our Borough Clean and Green (Environment)
- Promoting Rossendale as a cracking place to live and visit (Economy)
- Improving health and well being across the Borough (Health, Housing)
- Well Managed Council (Improvement, Community Network)

3. RISK ASSESSMENT IMPLICATIONS

- 3.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:

- As part of the final recommendations to Council Section 25 of the Local Government Act 2003 places a requirement on the Chief Financial Officer of each local authority (in Rossendale this is the Head of Financial Services) to advise councillors during the budget process on “the robustness of the estimates made for the purposes of the budget calculations and the adequacy of the proposed financial reserves”. This provision is designed to ensure that councillors have information which will support responsible financial management over the longer term. This is attached at Appendix 1 and includes an estimate of potential financial risk exposure together with measures to mitigate these risks.

4. BACKGROUND AND OPTIONS

This report is the culmination of the Council’s fourth budget process under the Cabinet system. The report represents the considerations of Cabinet for recommendation to the Full Council.

4.1 POLICY CONTEXT

4.1.1 The Policy Context for the budget sets out the key things the Council is trying to achieve through the use of its financial resources. The policy context is reflected in the corporate priorities set out paragraph 2.1 above and the continuation of the theme of Pride in Rossendale, the key areas of which are:

- Pride in our Environment
- Pride in our Service People
- Pride in Rossendale’s Quality of Life
- A renewed sense of Civic Pride

4.2 FINANCIAL CONTEXT

4.2.1 The financial context for preparation of the budget is set out in the Medium Term Financial Strategy (MTFS) a revision of which appears for consideration elsewhere in the agenda. The key elements of this remain:-

- A planning assumption of Council tax increases of 3% in order over time to bring taxation levels closer to the average
- No use of general reserves to support recurrent expenditure

4.2.2 In addition to this there remains a clear statement from the Department for Communities and Local Government (DCLG) that Council Tax increases should be significantly below 5%.

4.2.3 Events in the wider economy also form part of the financial context within which the Council is coming to set this budget. As set out elsewhere in this report the recession has had a negative effect on a range of budgets ranging from interest receipts to income from land charges. In addition the actions taken by central government to address the impact of the recession and to stabilise the financial

system have had a significant effect on the public finances. While the 2010 Spending Review has not yet been completed all available informed analysis indicates that there will need to be a very significant tightening of public expenditure in order to restore financial balance. Given the importance of the longer term sustainability of any financial decisions taken by the Council this represents an important element of the financial context facing the Council going forward.

4.3 REVENUE SUPPORT GRANT SETTLEMENT

4.3.1 The final Revenue Support Grant (RSG) and Redistributed Business Rates (RBR) Settlement was confirmed on 21st January 2009. There is no change from the previous figures for Rossendale as shown below:-

4.3.2

	09/10 £000	10/11 £000
RSG & RBR	6,239	6,270
Underlying % increase	0.5%	0.5%

4.3.2 As previously reported the 3 year settlement was disappointing, although not untypical for district councils, Rossendale did receive the joint lowest settlement in Lancashire and therefore will require the maintenance of a strong focus on the opportunities for further efficiency savings and alternative sources of income over the remainder of the planning period. Attention now focuses on the next three tier settlement commencing April 2011. We have reflected a pessimistic outlook in the revision of the MTFS, given the outlook for the public finances indicated above. In addition it should be borne in mind that District Councils are again likely to receive poorer future settlements than upper tier councils in order to protect education and social services functions.

4.4 THE COST OF MAINTAINING CURRENT SERVICE LEVELS

4.4.1 The table below summarises the cost of meeting current service levels:

	£000
2008/09 Budget	11,503
Non Recurrent Expenditure	28
2008/09 Baseline	11,530
Pay Award / Job Evaluation / increments	288
Other Inflation	76
Sundry Savings	(914)
Technical / Volume Changes	573
2009/10 Cost of current business	11,553

4.4.2 Overall this represents an increase in net expenditure of 0.4% and would demand a Council Tax increase less than 1% being well inside the Councils' MTFS and DCLG guidelines.

4.4.3 Clearly from the above, though the Council has been faced with a number of cost pressures namely: salaries, inflation, technical and volume changes it has nevertheless managed to identify £914k of efficiencies, amongst other these have been achieved by:

- Bringing ICT back in-house
- Staff reorganisations and restructures
- Refuse and Waste collection efficiencies

4.4.4 These savings represent a very significant over achievement of the targets set by Government for the Council over the spending review period as illustrated in the table below:

	2008/09 £000	2009/10 £000
Government Target	463	941
Savings Achievement	727	1,402
Over /(-) under achievement	264	461

4.4.5 Under new rules on the presentation of efficiency information on the face of the council tax bill the Council will be showing that it has achieved savings equivalent to 4.1% of 2007/08 spend, being £34 Per Band D property in Rossendale.

4.4.6 In order to bring the Budget in line with the Councils MTFS the Cabinet has identified a net £173k of potential additional areas for investment less some

further savings. The savings and investments to be recommended are attached to this report at Appendix 2.

4.4.7 For the avoidance of doubt the current cost of continuing services includes Member Allowances based on the recommendations of the 2008 Independent Remuneration Panel. The substantive change being changes to allowances is the link to the Retail Price Index (RPI) as at September to be implemented the following year. As Members had an increase in October 2008, the RPI rate used to calculate the initial increase in April 2009, under the new scheme, is equivalent to 6 months RPI. A schedule of the current Member allowances together with the proposals for 2009/10 is attached at Appendix 3.

4.4.8 The Council and Lancashire County Council (LCC) continue to support the work of the Local Strategic Partnership by funding raised through council tax generated from second homes. The budget for 2009/08 assumes a contribution of an estimated £40,700 and £8,950 respectively from LCC and Council.

4.5 CONSULTATION

4.5.1 This is the fourth year in which the Council has consulted on options available within the budget. The consultation process has followed the agreed budget consultation guidelines a copy of which accompanied the consultation documentation on the Council's website. This year consultation was dominated by the option proposals in regard to Leisure facilities. Budget presentations and dedicated debate has occurred at: Lancashire Local, the 4 Neighbourhood Forums and 3 specially arranged public engagement events.

4.5.2 The underlying themes surrounding the Leisure options will be reported separately to Members

4.6 SAVING, INVESTING AND TAXATION

4.6.1 Any budget needs to strike a balance between saving, investing and taxation. The 2009/10 Budget Proposals for Consultations detailed the resources available and the areas of cost pressure being faced by the Council. The intention of the budget process is to allow the Council to both continue its improvement journey and to move the level of Council Tax in Rossendale closer to the average.

4.6.2 It is therefore proposed to implement the savings identified by Cabinet (Appendix 2).

4.6.3 It is also proposed to implement all the proposals to invest and improve services across the Borough (Appendix 2).

4.6.4 Without pre-empting any Member decision and as a matter of prudence it is proposed to cap the grant payable in relation to leisure to 2008/09 levels and set aside a contingency of £50k, for amongst other things transitional costs, should this be required in relation to the option proposals debated by Cabinet on 21st January 2009. Final decision regarding options for leisure will be made by Full Council 26th February 2009. Appendix 1 identifies how any further

transition costs will be funded, for approval by Full Council 26th February 2009, should they be necessary.

- 4.6.5 The cost of continuing business, taken together with the new investments and savings proposals produces a budget requirement of £11,727k
- 4.6.6 The level of Council Tax is a consequence of the other elements of the budget, the cost of current service levels, saving and investing. The amount to be funded from Council Tax is therefore £5,488k. In recommending a balance between these we have been conscious of the relatively high level of Rossendale's element of the Council Tax bill, when compared to other districts.
- 4.6.7 The proposals alone give rise of a Council Tax at Band D of £253.40 representing an increase of 2.9%. This should be compared with the September Retail Prices Index of 5.0% which is the basis for the April 2008 increase in pensions and other benefits. This proposal has been achieved without any recourse to reserves to reduce the Council Tax and meets the aspiration set out in the Financial Strategy of bringing Rossendale tax closer to the average. However, it must be remembered that the Rossendale element is only about 16% of the total bill. The total bill is likely to increase by a little over 3% once all precepts from other authorities have been received (This is based on Lancashire County Council's Cabinet recommendation of 2.9%).

COMMENTS FROM STATUTORY OFFICERS:

5. SECTION 151 OFFICER

- 5.1 Financial matters are dealt with above
- 5.2 The Report Under s25 of the Local Government Act 2000, as to the robustness of the budget and adequacy of reserves can be found at Appendix 1

6. MONITORING OFFICER

- 6.1 Unless specifically commented upon within the reports there are no matters arising.

7. HEAD OF PEOPLE AND POLICY (ON BEHALF OF THE HEAD OF PAID SERVICE)

- 7.1 Unless specifically commented upon within the report there are no matters arising.

8. CONCLUSION

- 8.1 That Council Tax increase of 2.9% resulting on a Band D rate of £253.40 produces a balanced and manageable budget for 2009/10

9. RECOMMENDATION(S)

- 9.1 That the Cabinet recommends to Council a net budget requirement for Rossendale Council for 2008/09 of £ 11,728, 000
- 9.2 That the Cabinet recommend to Council that a Council Tax is set based on a 2.9% increase on the current year (2008/09), this equates to a Band D equivalent of £253.40 for 2009/10.
- 9.4 That the Head of Financial Services be instructed to prepare the technical resolutions necessary to give effect to these proposals.
- 9.5 That the Cabinet, in agreeing to recommend these budget proposals to the Council notes the contents of Appendix 1 and recommends to the Council as part of the Medium Term Financial Strategy the proposed options to mitigate risk, in particular, those regarding Leisure and the potential financing of transitional costs and the current deficit within Rossendale Leisure Trust's balance sheet.
- 9.6 That the Cabinet recommend to Council the proposals in paragraph 4.4.7 relating to Member allowances.

10. CONSULTATION CARRIED OUT

- 10.1 See above
- 10.2 As per budget consultation guidelines

11. EQUALITY IMPACT ASSESSMENT

Is an Equality Impact Assessment required Yes / No
Nb – Yes, specifically in relation to Leisure options

Is an Equality Impact Assessment attached Yes / No

12. BIODIVERSITY IMPACT ASSESSMENT

Is a Biodiversity Impact Assessment required Yes / No

Is a Biodiversity Impact Assessment attached Yes / No

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Background Papers	
Document	Place of Inspection
Budget Consultation / Presentation Papers & Working Papers	Website / Finance Office

Rossendale Borough Council Budget 2009/10 Risk Analysis and Report Under s25 of the Local Government Act 2000

This analysis is produced in order to:

- a) Support the conclusions as to the robustness of the budget and adequacy of reserves set out in the Chief Finance Officers report under 25 of the Local Government Act 2000.
- b) Inform members of the financial risks facing the Council for consideration as part of their debates around the setting of the budget and approving the Medium Term Financial Strategy.

Financial risks are clearly of various sorts but can broadly be characterised as follows:

- The chance of overspending against budget
- The chance of underspending against budget
- The chance of an unforeseen event with a major financial impact (for example a flood or similar event)

Clearly such risks might have either a positive or negative effect on the Council's overall financial position and it is the purpose of the financial management process to allow the Council to both identify the risks it faces and the steps required to either mitigate them in the case of negative risks or exploit them in the case of positive risks.

The degree to which the Council is exposed to such risks is influenced by a number of factors:

- The robustness of the budget estimates. In preparing the budget a line by line review of spending and income is carried out by finance staff to ensure that budgets reflect the reality of operations and council policies. This process gives some assurance that underlying budget issues are identified and dealt with.
- The achievability of major variations to spending plans such as growth or savings items. Where major change is undertaken it is always possible that there will be some delays in delivery, for example due to delays in filling posts. These issues are dealt with in the costing of the business case for change which should tend to underestimate the achievement of savings and overestimate new costs thus presenting a prudent estimate for inclusion in the budget.
- External factors such as inflation and the downturn in the property market which have an income on costs and income. These issues and how they can be managed are dealt with in the next section of this report.

Turning to the specific risk areas within the Council's budget for 2009/10 the following specific areas of risks have been identified.

Expenditure/Income Heading	Impact	Likelihood	Comments
Employee Costs			
Pay awards	Medium	Medium	The budget assumes 2.5% for pay awards for 2009/10 (2.45% 08/09) and compares to a Treasury guideline of 2%. Any awards continues to be in the context of what is a very light Local Government finance settlement. Given this there is a risk of service disruption due to strike action. A 1% variance equates to a c.£70k
Job Evaluation	High	Medium/High	The impact of Job evaluation is now being absorbed into the Council's funding requirement on a phased basis. The impact on 09/10 has been an additional cost of £140k of which £100k is funded from the Single Status Reserve. An indicative claim has been received regarding back dated equal pay claims however at this stage it is thought that adequate contingency remains within the Single Status Reserve. Senior management posts are currently going through the Job Evaluation process. There is therefore the risk of some additional cost on completion of this exercise.
Vacancies	Medium	High	Vacancies will inevitably occur during the year generating savings. No savings are assumed within the base budget providing some cushion in relation to pay awards. Savings in previous years have been around £100k. Savings in 08/09 were higher but this was due to the effect of organisational changes.
Pension Contributions	High	Low	Employer contribution rates for the three years commencing 1.4.08 have been frozen at previous levels (18.1%). However, this assumed continued good investment performance and some positive benefit from scheme changes. The impact of the global economic downturn and stock market falls has proved past performance assumptions to be wrong. However, an element of

Expenditure/Income Heading	Impact	Likelihood	Comments
			the stock transfer proceeds was earmarked to mitigate pension risks, this has commenced in 08/09 and will continue in 09/10 and is equivalent to a 6.5% additional contribution. A requirement to provide for 1% additional contributions equates to £55k, although any increase in the main contribution rate will not be payable until after 1.4.11
<i>Running Costs</i>			
Energy and Fuel	Medium	High	Prices in the international fuel and energy markets are currently high but have now peaked. Additional inflationary provision has been made in future forecasts. However, energy contracts have been tendered during 2008 and fixed for 2 years.
Repairs and maintenance	Medium	Medium/High	This area of the budget has consistently overspent in the past and is highly demand driven. While the availability of resources in the capital maintenance programme will reduce demand over time the tipping point has yet to be reached. A variance of 10% equates to £22k.
Insurance	Medium	Medium	The Council's insurance portfolio is currently out to tender. There is optimism that we have gone to the market at the point of optimum advantage for the Council. We have therefore anticipated a small reduction but are hopeful of more. Much of the Council's investment programme is aimed at reducing exposure to insurable risks and this is a factor which will be reflected in the procurement process. A 5% variance which is within the forecast range equates to £18k
<i>Contract Costs</i>			
ICT	Low/Medium	Low	The Council has now brought ICT services back in-house with savings as previously reported to Members and reflected in the 09/10 budget
Leisure	High	Medium/High	Options for leisure are now out to public consultation. The proposed budget includes an additional £50k in order to align with the current options. Should there be a delay in the closure

Expenditure/Income Heading	Impact	Likelihood	Comments
			<p>of swimming pools this would be at a cost of £10k per month and therefore equal to c. £120k over a full year. Also additional savings identified within Head Office cost in the event of facility closures maybe delayed. Finally the Trust continues to suffer from competition and will not be immune to the negative impact of the UK economic climate. There is therefore a risk to Head Office savings of c. £20k, c. £40k from market forces and c. £120k depending upon Members final decisions regarding leisure facilities. Total c £180k pa.</p> <p>Members have previously agreed not to use reserves to support core budget requirements. We should therefore look to use other un-earmarked reserves in the event of all facilities remaining open in order to create a transitional funding pool. Possible options are: Area Based Grant , Health Grants (less committed), though such use is at the cost of either delays in or not delivering other Council priorities. Final decisions regarding current options for leisure need to be made on the basis that a sustainable and affordable solution is found for the future.</p> <p>In addition to the current options being consulted on regarding facilities Rossendale Leisure Trust's balance sheet deficit has increased by £100k during 2008. This figure was highlighted to Members in setting the budget for 2008/09. The Trusts' deficit is now £400k and in order for it to remain a going concern it will require an annual support statement from the Council. It is therefore prudent to commence setting aside funds in order to create, within the Council's balance sheet, an earmarked reserve for the Trust's Balance Sheet Deficit. This reserve can be created over future years from</p> <ul style="list-style-type: none"> • 50% of in year savings within the

Expenditure/Income Heading	Impact	Likelihood	Comments
			<p>Councils own budget for 2008/09 and beyond</p> <ul style="list-style-type: none"> Approximately 5 to 10% top slice of current earmarked reserves (c.£100 /£200k) as at 31st March 2009, with the final amount to be agreed by the Accounts' Committee in approving the Councils' annual financial statement. <p><i>NB – No transfer of cash will follow, the reserve will sit on the Council's balance sheet.</i></p> <p>Should facilities close there will be a need for staff redundancies, although clearly steps will be taken to minimise the numbers affected. Given the current resource deficit within the Trust's Balance sheet, such change cost will realistically fall on the Council. The best estimate of termination costs for one swimming pool and Bacup Leisure Hall is £170k and could be funded from the Council's Change Management Reserve</p>
Revenues Benefits and Customer Contracts	Low	Low	<p>The price of this contract is linked to RPI (Sept 5.0%) and while this index is increasing it is foreseeable. As the contract price is fixed the risk of non-inflationary variations is slight. The contract does contain an incentivisation mechanism which will generate rewards to the contractor. However, this mechanism is capped and reserves to meet roughly three years payments under this mechanism have already been set aside.</p>
Housing Benefits	Very High	Medium/High	<p>Expenditure in this area is just short of £19m and is the largest single item of expenditure in the Council's budget. While this expenditure is fully funded by grant there is an extremely complex system of rules that determine what is and what is not eligible for grant. Given that a 1% variance on this budget amounts to £190k and with a previous</p>

Expenditure/Income Heading	Impact	Likelihood	Comments
			<p>history of variances in this area, significant caution needs to be exercised. With this in mind the Council has established a Budget Volatility Reserve (BVR) to deal with fluctuations in demand led budgets. The BVR is expected to be £280k at 31/03/09, enough to allow for a negative 1.5% variation.</p>
Concessionary Fares	Medium /High	Medium/ High	<p>Pooling arrangement, better understanding of costs following the introduction of electronic NowCards (bus passes) and additional provision within the budget should allow for some stability during 2009/10. The test will come in approximately 2 years time where there are proposals to move Concessionary Travel to the upper tier authorities – this will have significant implications for Rossendale.</p>
Income			
Property Related Fees: Planning Fee, Building Control & Land charges	Medium	Medium/High	<p>Land Charges has seen the largest negative impact from the current property market. As per the 08/09 forecasts income has been reduced by £80k.</p> <p>Building control has also seen a decline in income in recent years and saw its trading account in deficit during 2008. The budget has factored in efficiency savings to bring the trading account to at least break-even.</p> <p>Planning income has not yet seen the negative impact of property market changes experienced by other Council departments. There is risk that incomes may well be adversely impacted upon during 09/10, when in addition to the effects of changes in the rules over what requires planning permission which are likely to be fully reflected in income levels. However, as with all building related income should the Council begin to see any significant decline in this area it will have to consider its cost base in order to mitigate adverse financial impact.</p>

Expenditure/Income Heading	Impact	Likelihood	Comments
			There therefore is some risk in this area of c. £50 to £100k.
Market Rents	Medium	High	Market rents have failed to achieve budget consistently in recent years. This pattern reflects changes in shopping patterns and economic forces which are beyond the Council's control, though in the current climate Markets may be seen as a viable alternative. The Communities Team are currently completing a review of this area; an interim report has already gone to Members. The Budget reflects an above inflationary increase in rents(given the lack of price increases since 2006). While the budget has been adjusted to a more realistic level there still remains a risk in the +/- 10% range equating to £12k
Waste Collection / Recycling income	Medium	Medium / High	Whether it is income gains or cost of disposal the value of Rossendale's recycling has fallen. The budget reflects a c £100 negative impact. Recent evaluations of waste collection rounds and the impact of H & S requirements and new arrangements with LCC may mean some changes and additional cost to our collection methods, though some, though not all, cost may be contained by re-engineering programmes. That said there is some risk in the budget of c.£100k
Capital Financing and Interest	High	High	The recent dramatic fall in interest rates and future forecasts has resulted in £100k being removed from the core income budget when compared to previous years. Interest gains should now be secure for 09/10 following a number of 12 month investments at strong rates before recent rate falls.
Current Economic Outlook	High	High	The Council is not immune to the downturn of an economic fall. There will be more pressure on the Council from its customers to do more and resolve local economic issues. As mentioned above the downturn will impact on: property matters, benefits,

Expenditure/Income Heading	Impact	Likelihood	Comments
			recycling income and interest rates to mention a few. We should also be wary of one fundamental issue, that of Council Tax collection. As of now we have seen no sign of negative impact on collection rates, but as Council Tax is our biggest source of income we need to keep a careful watch on collection rates and value, over the forthcoming months.

In Summary this gives risks in the revenue budget in the range below

	Worst Case £000	Best Case £000	Weighted Average £000
Pay awards	70	0	35
Job Evaluation	0	0	0
Staff Vacancies	0	-100	-50
Pension Contributions	0	0	0
Energy and Fuel	0	0	0
Repairs and Maintenance	22	0	11
Insurance	18	-18	0
ICT Contract	0	0	0
Leisure Contracts	30	0	15
Revenues, Benefits and Customer Contract	0	0	0
Housing Budget Payments	190	-190	0
Concessionary Fares	0	0	0
Planning Fees	100	0	50
Building Control	0	0	0
Market rents	12	0	6
Waste Collection / Recycling	100	0	50
Capital Financing and Interest	36	-36	0
Economic Outlook	100	0	50
Total	678	-344	167

The implication of this range of possible variations is that on a worst case basis the Council needs to maintain reserves of at least £578k to set against the identified risks.

Conclusion and Adequacy of Reserves

Having considered the exposure to risk the following shows how this risk relates to the Council's reserves:

	£000
Maximum Financial Risk Exposure	678
Minimum level of General risk	750
	1,428
Less est General Reserve @ 31.3.09	850
est Budget Volatility Reserve @ 31.3.09	<u>280</u>
Notional shortfall in available reserves	<u>298</u>

However, it is unlikely that all these risks will materialise at once, and if the worst case possible variation is adjusted for likelihood set out in the risk assessment then the following shows the requirement to maintain reserves

	£000
Weighted Financial Risk Exposure	167
Minimum Level of General Reserve	750
	917
Less:	
Est General Reserve at 31.3.09	850
Est Budget Volatility Reserve at 31.3.09	280
Notional surplus in reserves	<u>213</u>

This notional surplus equates to 10% of other forecast earmarked reserve and 1.8% of the likely budget requirement for 2009/10. In this context it would seem reserves are adequate though they only represent on this basis a one year contingency.

It is generally accepted that no budget is without some exposure to risk. However, the position in Rossendale is such that risks have been identified and either provided against or the above considered view taken that the scale of them is manageable. This is reflected in a budget that is both:

- Prudent, that is maintaining a balance between spending commitments and the resources with which to pay for them, and
- Sustainable, that is able to maintain that balance consistently over time.

The degree of risk that remains evident in the budget influences the view which should be taken on the level of reserves which the Council need to maintain, which is the second strand to this statutory advice. The Council's revised financial strategy suggests that Members consider a target range for general reserves of £0.75 to £1.0m. General reserves as at 1st April 2008 were £813k and are expected to be

£850k as at 31st March 2009. The Medium Term Financial Strategy identifies other pressures on the horizon (Concessionary travel, pensions, revenue support grant). This therefore means that general reserves should be maintained at the level of £750k with a view to increasing them over the medium term. This level of general reserves, together with other smaller earmarked reserves, will allow a cushion against the sort of risks which have been identified and those unforeseen incidents which may from time to time arise. The Medium Term Financial Strategy includes a forecast of all reserves over the medium term.

Therefore in conclusion I am able to give positive assurance to Members as to:

- The adequacy of General and earmarked reserves to address the risks against which they are held and
- The robustness of the budget for 2009/10

PJ Seddon
Head of Financial Services
February 2009

Additional Investments, Reduced Spending and Increased Income

	Proposal	Cost / Investments £000	Savings / Income £000
1	Business case development of the Councils Parks and Open Space Strategy. Amongst other things the implications of Green Flag status and other developments within parks and priorities for the use of resources.	33	
2	Increased charges in cemeteries as an interim step in order to bring closer in line with local and national averages		10
3	receipts to Contract Hire. The capital programme is forecast to have a funding gap however the Operations service within the Place Directorate has identified significant efficiency saving with which to fund this investment. Long term the plan is to reduce the reliance on capital receipts for the replacement of the vehicle fleet providing greater sustainability to the vehicle replacement programme.	70	
4	Significant saving has been made from the recent decision to bring ICT services back in-house. The business case presented to Members identified a need to make further investments into the Councils Disaster Recovery arrangements of £60k. In addition it is proposed that £25k per annum be earmarked in order to create an annual ICT refresh provision, which again reduces pressure on capital resources.	25	
5	Rosendale Leisure Trust - without pre-empting any final decision regarding options for leisure recently issued for consultation and to be finalised by Full Council it would be prudent to allocate £50k as additional resources to be used by Members as a transitional budget. This is on the basis that on review of the options, other than doing nothing, £50k would be a prudent provision, pending final decisions by Full Council (see also the risk analysis Appendix 1)	50	
6	Increased Markets' income - as an interim step in the wider assessment of Markets both operations, practice and pricing - proposed increase of 7.5% being 2.5% ahead of the Council's RPI benchmark (Sept 2008)		10
7	Concessionary Travel - RBC along with other Lancashire district have a pooling arrangement in place for the 3 year 2008/11. The Council has previously set up a Budget Volatility Reserve to mitigate the risk of an overspend in this area. However, now that more accurate data is available, it is prudent to take steps to gradually absorb Concessionary costs into the Councils mainstream budget over the next 2 years.	25	
8	Reduced Training Budgets - this is on the basis of current workforce levels and previous investment made in staff training		10
	Total	203	30
	Net	173	

MEMBER ALLOWANCES

Current position (2008/09) and proposals for 2009/10 following recommendations from the independent remuneration panel

	2008/09 Current £	2009/10 Proposal £
BASIC ALLOWANCE	3,300	3,398

ADDITIONAL SPECIAL RESPONSIBILITY ALLOWANCES:

Leader of the Majority or Largest Group	13,200	13,592
Deputy Leader of the Majority or Largest Group	9,900	10,194
Leader of the Minority or Second Largest Group	6,600	6,796
Cabinet Member	6,600	6,796
Chair Policy O & S Committee	3,300	3,398
Chair Performance O & S Scrutiny Committee	3,300	3,398
Chair Audit Scrutiny Committee	3,300	3,398
Chair Standards Committee	3,300	3,398
Chair Development Control Committee	3,300	6,796
Chair Licensing Committee	3,300	3,398