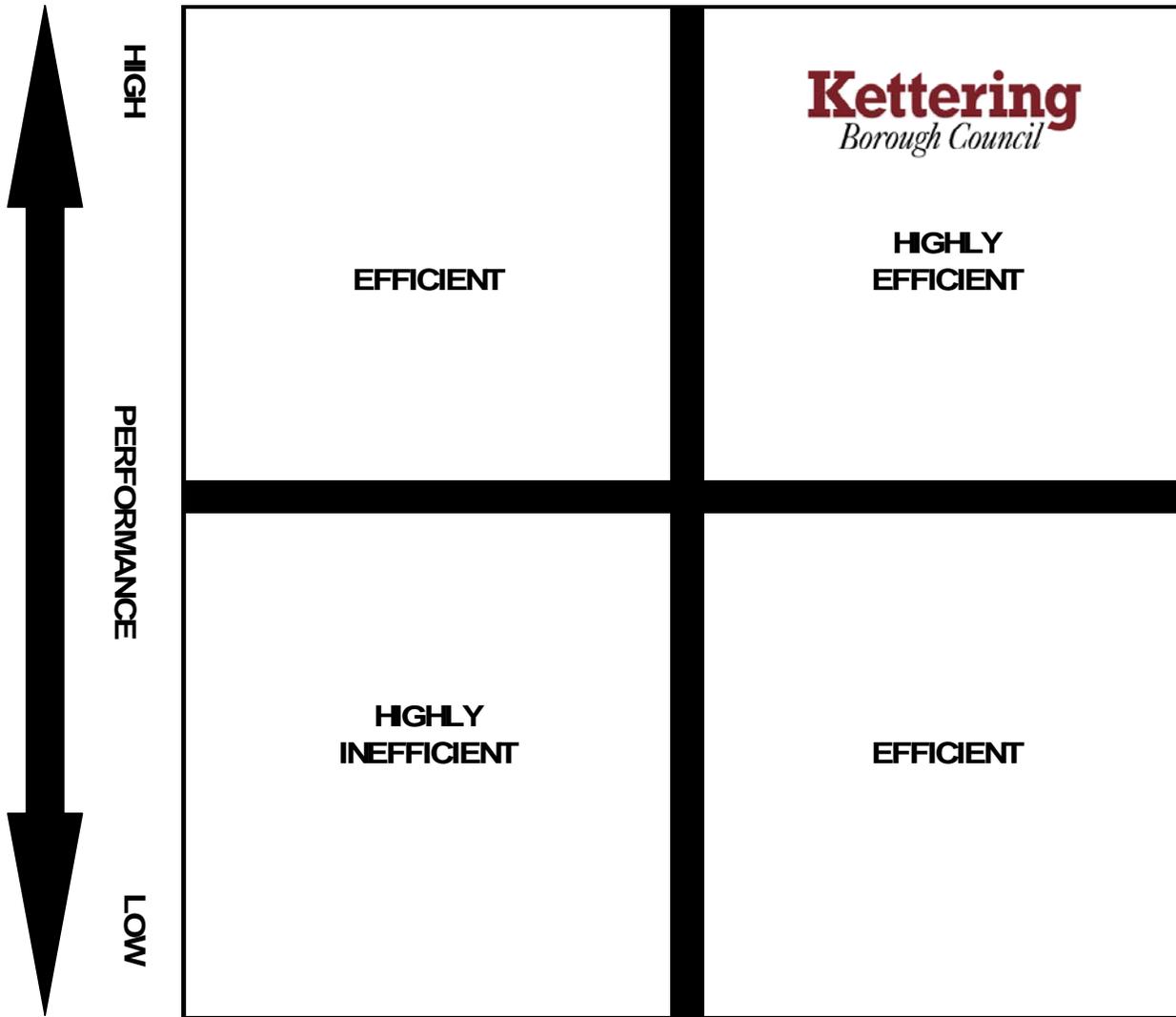


A6 Town Forums

9th February 2011

Context

- ◆ Council Tax is below the national average (around £3 per week), whilst performance remains consistently above average;
- ◆ Service delivery in priority areas continues to improve and is above average;
- ◆ Future financial position is 'difficult but doable' – the main uncertainty being future levels of Central Government Grant;



HIGH AVERAGE COUNCIL TAX LOW

Current Year (2010/11)

- ◆ Housing Revenue Account
- ◆ Capital Programme
- ◆ General Fund

Current Year – General Fund

Efficiency Savings inbuilt into 2010/11 Base Budget – to be realised during the year

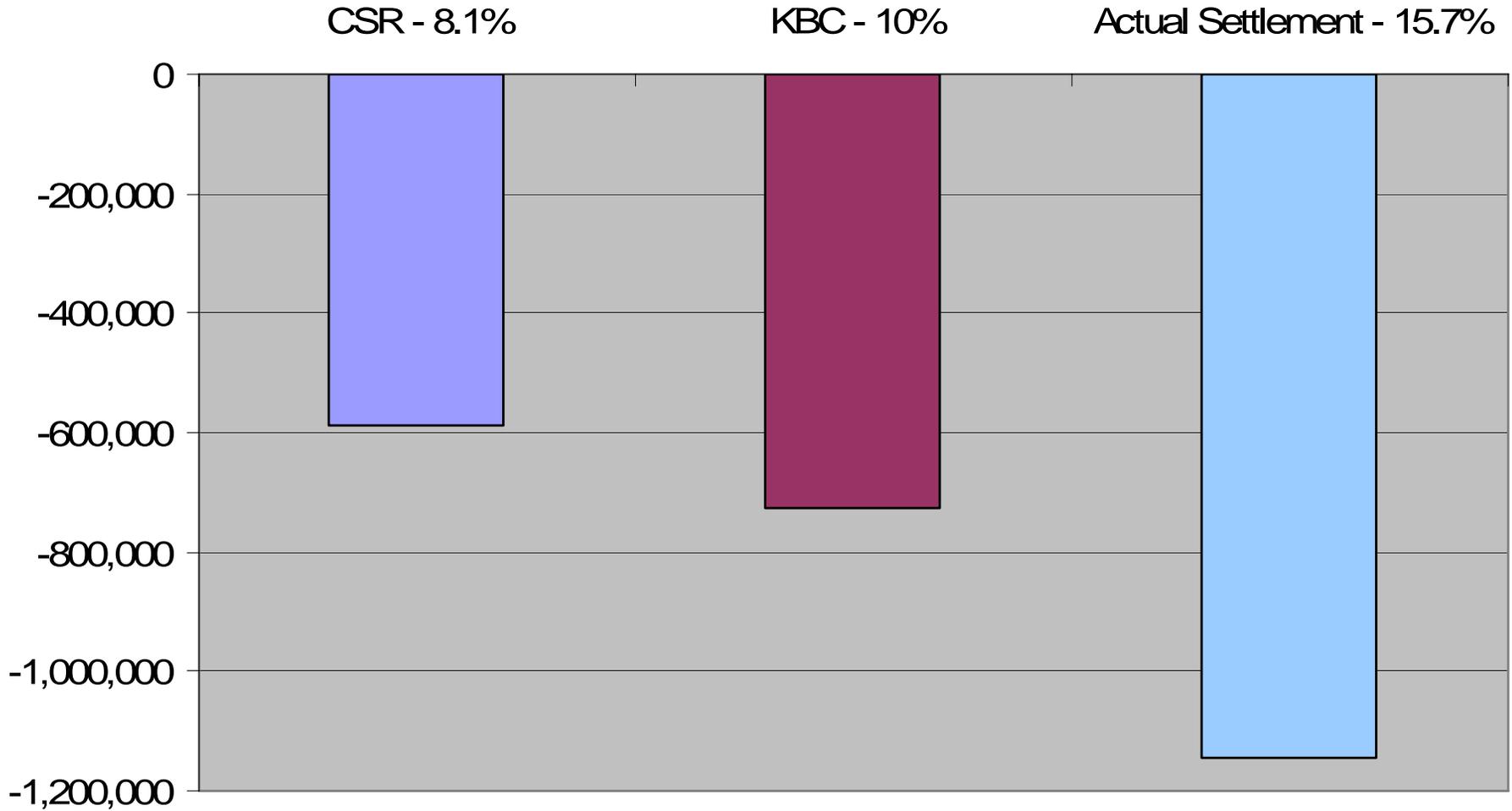
Item	Saving
Waste & Recycling	£100,000
Next Steps	£165,000
Income & Purchasing	£205,000
Minimum Revenue Provision (MRP)	£ 80,000
Total	£550,000

Current Year – General Fund

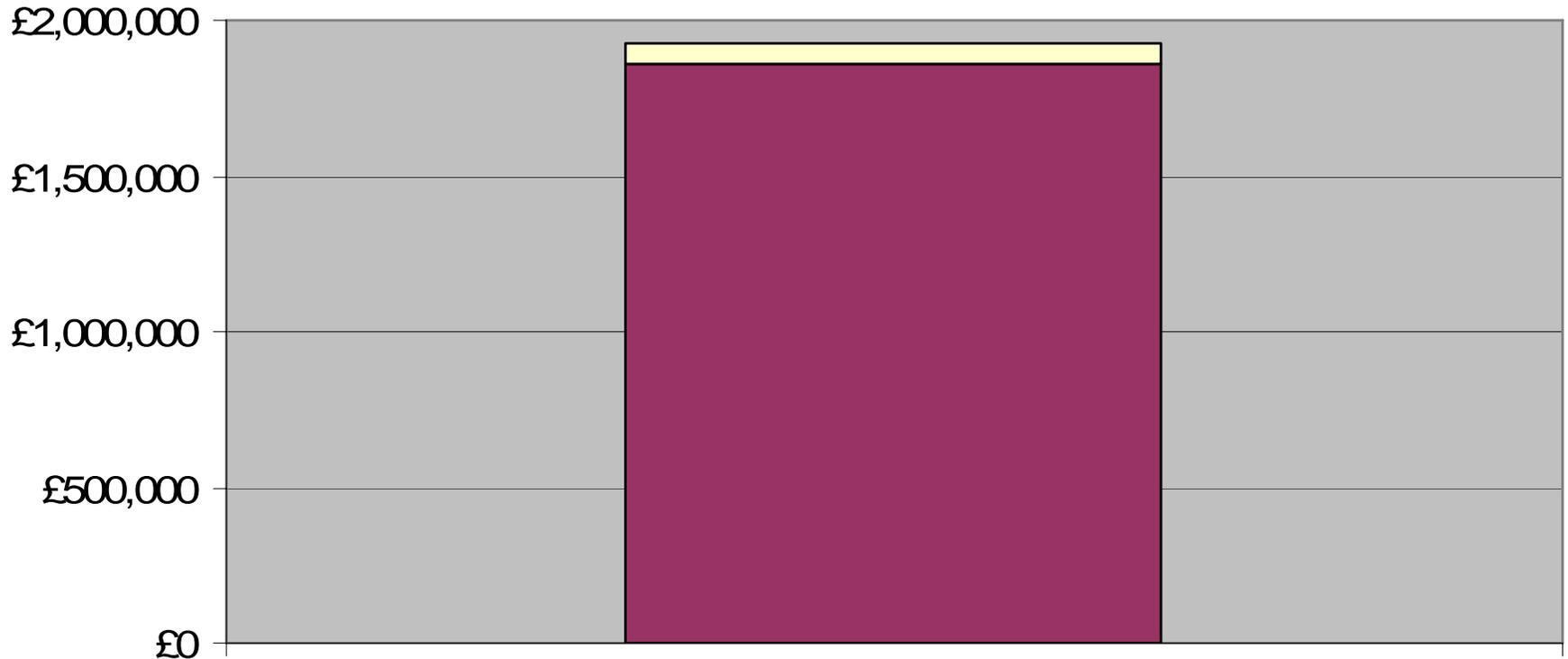
2010/11 additional savings due to removal of HPDG of
£711,000

Item	Saving
Concessionary Travel Grant	£370,000
2010/11 National Pay Award Assumption	£110,000
Additional Waste Collection Savings	£ 75,000
Next Steps & Associated Savings	£105,000
Other Budget Adjustments	£ 51,000
Total	£711,000

Grant Assumptions / Actuals



Budget Gap



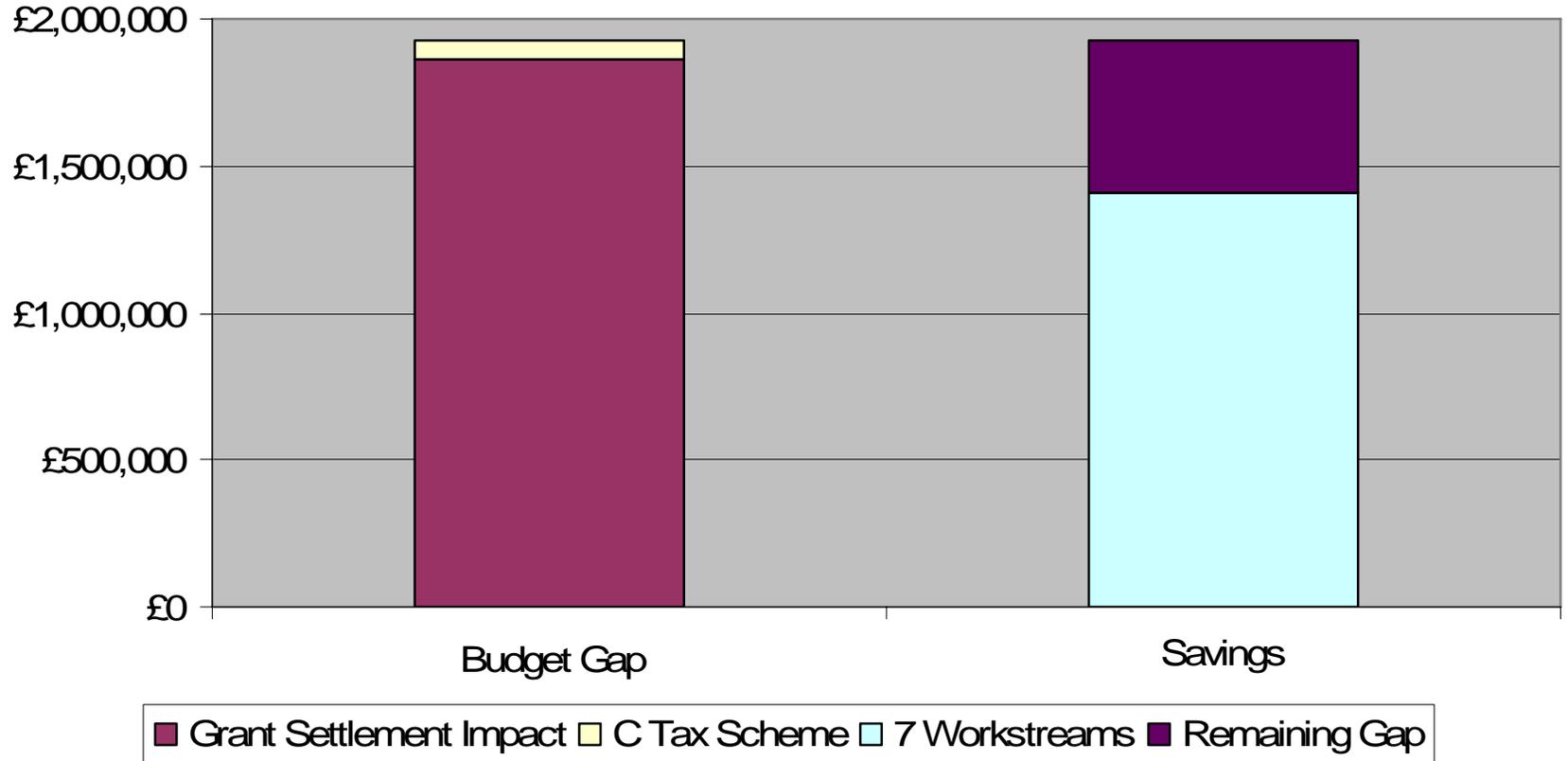
Budget Gap



Budget Delivery Framework

	Staff Suggestion / Service Plan / Innovation	Fees & Charges	Partner ships	Capital Review	Lobb ying	Prioriti sation	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Staffing & Staff Related	(599)		(51)	(8)			(658)
Premises	(22)		(18)	(9)			(49)
Operating Costs	(166)		(70)	(12)	(72)		(320)
Total Expenditure Savings	(787)	0	(139)	(29)	(72)	0	(1,027)
Income	(74)	(207)		(100)			(381)
Total Savings	(861)	(207)	(139)	(129)	(72)	0	(1,408)

Closing the Budget Gap



Closing the Budget Gap

- ◆ Concessionary Travel – Discretionary Element
- ◆ New Homes Bonus
- ◆ Planning Fees
- ◆ Use of Balances
- ◆ Additional Efficiencies
- ◆ Prioritisation

Key Issues Summary

2010/11

- The HRA, Capital and General Fund accounts are on target to come in at an acceptable level.
- Over £1.25m of general fund savings will have been achieved in 2010/11 if that account is brought in on budget.
- Such savings are in addition around £1.9m in the preceding few years.

Key Issues Summary

2011/12

- The need for over £2m of savings against the backcloth of what has already been achieved (see above) is a very tall order.
- The budget delivery framework has identified around £1.4m of savings leaving around £500,000 to find.
- Possible strategies have been identified which although not ideal do hold out the prospect of closing that gap.

Key Issues Summary

◆ **The Medium Term**

2012/13 General Fund (Council Tax)

- The position for 2012/13 requires further savings of over £1m. If any of the strategies for closing the remaining £500,000 2011/12 gap are not ongoing they add to that savings target.

Beyond 2012/13

- Government has signalled its intention to significantly change the funding system. This brings considerable uncertainty and risk to future projections.

Key Issues Summary

- ◆ **The Medium Term**

Other Considerations

Other projections in all years rest on the Executives adherence to the Guiding Principles (para 4.5); the Modelling for Recovery Principles (para 4.7) and the Budget Containment Strategies (para 4.9) as well as maintenance of our best practice approach to generating fees and charges.

The comfort margin in these forecasts has been removed. Year on year savings of these magnitudes have and will continue to take capacity out of the organisation. The priority has been front line delivery and accordingly members may notice a reduction in some areas of internal delivery, as well as our capacity to influence longer term strategic issues.

Key Issues Summary

Many of the changes to be implemented are untested and it is inevitable some transition turbulence may be experienced even with the focus on protecting front line service delivery.

All the council's partners, elected officials and staff should feel proud of reaching this point. However we must maintain this extraordinary effort if we are to achieve our ambitious objectives.