

Report to: Cabinet/Joint Meeting of Overview and Scrutiny and Cabinet

Date: 21st February/25th February 2008

Subject: Revenue Budget for 2007/08 and Medium Term Forecast for 2008/09 to 2010/11

Report of: Director of Finance and IT

Contact officer: David Smith X2232

Purpose / summary: To examine the financial projections for the Council over the next 3 years with specific focus on the budget and Council Tax for 2008/09

Alternative options considered and reason for selecting the one recommended: An increase in Council Tax above the government threshold could lead to a cap being imposed. This would be the alternative option to the budget strategy under consideration.

Recommendation / decision: To recommend to Council the budget framework and council tax as set out in this report. The process and sequence of recommendations is set out in section J.

Key Decision: This report does not involve a key decision.

Risks / Implications:

Financial:	The report sets out the financial framework for the next 3 years.
Staffing:	May be affected by options chosen for both growth and efficiencies
Policy: Equal Opportunities - Has a Diversity Impact Assessment been conducted?	Budget Framework and Gershon Efficiencies A diversity impact assessment is not necessary at this stage, however, equality and diversity implications have been considered when producing this report.
Wards affected:	All

Property Implications– Does the proposal involve a reduction, addition or change to the Council’s asset base or its occupation?

Individual Proposals may impact

If yes have the property implications been agreed with the Corporate Property officer?

The implications if any will be agreed

Does this proposal have significant implications for the Council and the local population?

No.

Does this proposal involve a new policy or procedure or significant changes to an existing policy or procedure?

No.

Has the Director of Legal and Property Services confirmed that the recommendations within this report are lawful and comply with the Council’s Constitution? **Yes***

Has the Director of Finance and IT confirmed that any expenditure referred to within this report is consistent with the Council’s budget? **Yes***

Are any of the recommendations within this report contrary to the Policy Framework of the Council? **Yes***

For Cabinet reports only :

Categorisation of the report:	X		X
Discussion leading to a decision	X	Discussion	
Monitoring		Decision	
Sharing for corporate understanding		Information	

Tracking/Process:

	Consultation	Ward Members	Partners
Panel	Overview & Scrutiny	Cabinet	Council
	25 th February 2008	21 st February 2008	

There are no Background Papers to this Report within the meaning of Section 100D of the Local Government Act 1972.

Proper Officer D J Smith

Date 12th February 2008

Purpose of Report

This report sets the Council's Medium Term Financial Strategy from 2008/09 to 2010/11 and highlights a number of key pressures the Council is likely to face over that period.

Summary of report headings

- A. 2007/08 – issues identified during the budget** – service pressures, uncertainties and risks to the budget strategy which remain unmitigated.
- B. Further budget issues identified since March 2007 and up to and including the 3rd Quarter Revenue and Capital Monitoring reports** – an update on pressures and uncertainties and any other emerging matters for the current year.
- C. Forecast Spend, Council Tax and Balances** – the forecast for the next 3 years to 2010/11 and what this may mean for Council Tax increases and levels of balances.
- D. Council and Partner Priorities for 2008/09 onwards** – how we will link our growth processes and other budget strategies to the Council's service objectives as set out in the corporate plan – including information on partner organisations.
- E. Carry forwards, Growth and Revenue Savings** – the way in which flexibility is used to fund corporate priorities including the recycling of efficiency savings.
- F. Capital Investment Strategy** – we need to ensure that our Capital and Revenue financial plans are joined up in terms of financial consequences but also in terms of delivering the corporate plan.
- G. Risk and Uncertainties - Assessment** – we need to assess the risks to our developing budget strategy over the medium term and mitigate these as far as possible
- H. Council Tax** – sets out the resulting figures for Council Tax and estimated precepts from Police and Fire.
- I. Conclusions**
- J. Recommendations** – sets out recommendations for decision at Council subject to consideration of the views of Overview and Scrutiny.

A. 2007/08 – issues identified during the budget

The Council maintains a risk management policy statement which sets out its approach to the identification, assessment, and management of risk that we face in the delivery of services. Our aim is to link this with the service and policy planning framework as part of an annual cycle. In terms of 2007/08 budget, the key issues identified were:-

- Pressures in Adult Services – in particular residential care home fees, young adults with complex needs or learning difficulties, and the increasing numbers of the frail elderly.
- Children in Need of protection
- Waste Disposal and the need to invest in additional recycling facilities
- Equal Pay and Job Evaluation.
- Getting Wigan Active - Discussions are continuing with the Wigan Leisure and Cultural Trust over the phasing of opening and closing of facilities and the financial consequences.

B. Further budget issues identified since March 2007 and in 3rd Monitoring Revenue and Capital Monitoring Report

The significant items are highlighted briefly below :

Costs of Transition from Childhood to Adulthood.

A potential overspend of £1.5m attributable to the increased costs associated with transition ie clients moving from Children's to Adults Services at the age of 18 has been predicted to the end of the financial year.

Home Care

There has been slippage on the timescale for outsourcing the Home Care service due to the complexity of the contracting package and TUPE issues. The new contract started on January 21st. This delay is expected to reduce the anticipated savings in 2007/08 by £0.300m

Home to School Transport

Whilst an overall underspend is being predicted for the Children and Young People budget by the end of the financial year there is an overspend on Home to School Transport. The success of the Inclusion Programme has increased pressure on this budget as additional journeys are required. Costs of £0.409m above the current budget level are expected to continue into future years.

Looked After Children – Agency Costs

This is part of the Children's budget and is another area where there is a predicted overspend of £0.435m because of extended placements and children being placed into foster care. Whilst funding is being found from other budgets this is an area of future budget risk.

BSF (Building Schools for the Future)

Proposals to fund the costs of a team to deliver the first stage of this project are currently under consideration, and may include earmarking any underspends generated by CYPS in 2007/08, a proportion of balances relating to closed schools and the use of the funds. Any proposals will be subject to the necessary approvals.

Car Parking and Markets Income

After off setting expenditure reductions it is anticipated that a reduction in car parking income will lead to an overall net shortfall against budget of £0.235m by the end of the financial year. There is also reduced markets income largely due to lower than budgeted market toll income at Wigan market arising from vacant units. It is anticipated that this shortfall will be £0.080m by the year end.

Manchester Airport Dividend

Due to its uncertainty the 2007/08 budget prudently contained no provision for a dividend payment from the Manchester Airport Group. However a dividend has been declared resulting in the Council receiving £1.250m during the current financial year.

Yorkshire Purchasing Organisation

There have been some trading difficulties that may impact upon the level of reserves and the dividend policy. The 2007/08 budget anticipates a dividend of £0.354m but it has now been advised that no dividend will be received this year.

Leisure Trust

The Council is undertaking works to the value of £0.436m in 2007/08 associated with the decommissioning of The Way We Were. This expenditure is the liability of the Leisure Trust but because of the exceptional nature of the expenditure and the need to expedite the work the Council is incurring the expenditure in the first instance. The proposal is for the Trust to repay the Council via a variation to its Community Services Fee during 2008/09 and 2009/10

Single Status and Equal Pay

The majority of the equal pay payments have been settled but a number of potential claims remains outstanding. There is a provision retained within the accounts to help fund the potential claims liability however this is a risk, and any payments made in excess of that provision will be carried against balances.

NRF (Neighbourhood Renewal Funding)

Currently there is an underspend against budget but owing to the Council's Excellence status we have flexibility over drawing down NRF funding in the current year. Therefore any underspend at the end of the financial year will be treated as a receipt in advance and carried forward to the following year. This means that if required we will have flexibility to ensure no funding is lost by any potential underspend and will remain in line with the grant terms and conditions.

However the cessation of NRF funding will create budget pressures and lead to potential difficult choices to be made as part of the budget setting process that is currently under consideration for both the Council and partner organisations.

Additional Pay Award Costs

The pay award settlement was 0.475% more than provided for in the base budget and has added £0.580m to costs in 2007/08 and the base budget in future years.

Metrofresh (formerly MCCS)

The Catering side of the operation has been experiencing difficulties in several areas. There has been a drop in school meals numbers, increased food costs due to menu changes required to meet the new nutritional standards and more recently abnormal price increases in staple products. These and other unbudgeted increases are estimated to push the operation into a £0.200m deficit by the year end.

Support Service Review

Potential savings of around £0.700m from vacancies and a recruitment freeze have been identified. Subsequently managerial structures have been determined and the recruitment freeze relaxed. Some new posts have been established as a part of a reinvestment of savings and there may be some potential redundancy related costs to be considered before a final savings figure can be calculated. More work is needed to identify the structural as well as the one off savings and costs to ensure the financial targets required from the SSR can be delivered.

C. Forecast Spend, Council Tax and Balances

Basis of calculation of Forecast

The starting point is the budget requirement for 2007/08. I have excluded from the forecast the incremental changes (pay, inflation and other growth) to schools and central budgets which will be supported by the Dedicated Schools Grant (DSG). This budget will be developed separately alongside the Forecast and then matched to the DSG once known. (Any interaction with the General Fund will be identified as part of this process). From this starting point the budget has been uplifted for estimated inflation (excluding schools) and adjusted for any non-recurring items of expenditure and income in 2007/08. Certain known items of committed growth and variations have also been included. Other pressures are identified in the report and these have been considered as part of the Cabinet scrutiny process. Accordingly proposed growth and reductions have been included in the forecast set out in Appendix 1

Inflationary Uplift

The following assumptions have been made for year-on-year inflation.

	2008/09		2009/10		2010/11		Value of 1% in 08/09
	%age	£000s	%age	£000s	%age	£000s	£000s
Pay	2%	2,766	2%	2,832	2%	2,903	1,383
General Prices	2.5%	7,113	2.5%	7,134	2.5%	7,688	2,512
PTA	3.6%	639	4.0%	760	4.0%	791	178
Leisure Trust	2.7%	447	2.7%	459	2.7%	471	166
LATS	32.6%	1,011	32.6%	1,011	32.6%	1,011	31
Income	3.5%	- 5,839	3.5%	- 6,070	3.5%	- 6,312	- 1,668
Net Inflation		6,137		6,126		6,552	

Pay

The 2008 round of national pay negotiations is underway. The Trade Union Side have submitted a detailed claim as part of the process towards a negotiated settlement. There is uncertainty therefore about any pay award agreements with pressure to contain public spending and inflationary pressures on cost of living (particularly on fuel and energy prices). The Council budget provides for 2% in line with the government stated objectives. A higher settlement figure – for example in line with the Teachers proposals would cost approximately £3 million over the forecast period.

Energy costs

The Council has agreed and set fixed prices for gas and electricity for 2 years from July and November 2006. The price currently being paid for gas and electricity is close to the currently trading prices. As Members will appreciate this area is extremely volatile. It has been agreed to leave budgets on energy at 2007/08 levels. The effect of any prices changes either upwards or downwards will be a part year effect in 2008/09 which will be absorbed before adjusting budgets for 2009/10.

Inflation on Car Park and Market Income

As in previous years' budgets the predictions for car park and market income have fallen short of initial forecasts. Inflation has therefore not been added to these budgets at this stage and provision has been made in the forecast to reflect this structural loss in the income base

Inflation on Landfill Tax

Included in the forecast are large inflationary rises for increases in the rate of Landfill Tax from £24/ tonne in 2007/08 by £8 / tonne in each of the years of the forecast. This adds some £1m each year.

Other Growth

The forecast on pay includes the effect of increments and employer's superannuation contributions. As the Actuary is currently finalising the GM Pension Fund's 2007 actuarial valuation, Tameside have provided a firm but provisional indication of the probable employer contribution rates for the next 3 years. The rates notified being 13.9% for 2008/09, 14.8% for 2009/10 and 15.6% for 2010/11. These provisional rates are subject to change but the financial impact of the provisional rates have been included in the forecast. The financial impact takes no account of what the Job Evaluation Exercise may conclude on pay structures.

Waste Disposal Strategy

As outlined above, provision for the increase in Landfill Tax on current waste volumes has been included in the forecast as part of the inflation forecast. The volume of waste has proved difficult to predict and is dependent on our future waste management strategy. Our investment in recycling biodegradable waste (and those made by other Councils) has led to a considerable reduction in the cost of Landfill Allowance Trading permits in the short term.

As such it is no longer an effective economic incentive for Councils to recycle as the cost of permits is well below the cost of recycling albeit there are of course environmental benefits from recycling. Currently it is projected that the Council will have a surplus of allowances by the end of 2008/09. However in order to comply with the requirements of the EU Landfill Directive by 2010, the Government has imposed a significant reduction in the permitted landfill allowance for each Council in 2009/10 and a consequent toughening of the LATS trading regime, and as such it is projected that the Council will have a shortfall of over 30,000 tonnes by the end of that financial year. The latest indicative trading price for 2009/10 allowances is £30 a tonne which would result in a financial commitment of £1 million being required.

Formula Grant

For 2008/09, 2009/10 and 2010/11 the figures are as announced by the Minister of State for Local Government. The settlements for 2009/10 and 2010/11 remain provisional. This three year announcement forms part of a government strategy to help all Councils make firmer financial plans for the next three years.

The increase in formula grant on a like for like basis for 2008/09 has been calculated to be 5.3% which is a much higher increase than the national average and this benefit is a direct result of the successful Wigan/SIGOMA arguments to end the unfair double damping system. The outcome being a grant settlement that was much better than our original forecast. However the Government has retained some damping arrangements to ensure all groups of authorities will receive a minimum grant increase. The data for Wigan indicates this mechanism has cost Wigan Council £8.008m in 2008/09.

The other important point is that the Government has continued to hold reserve powers to limit the expenditure of local authorities in 2008/09 as protecting council tax payers from excessive increases remains a priority for the Government and Ministers have given clear signals about their expectations for next year for low single figures rises. The Minister for Local Government John Healey has made it clear that the Government expects the average Council Tax to be substantially below 5% to reduce unacceptable increases in budgets and precepts and some extracts from his comments are included below :

“The Government expects the average council tax increase in England to be substantially below 5% in 2008/09. I made it clear to the House that we will not hesitate to use our capping powers as necessary to protect council taxpayers from excessive increases. This applies to all authorities...”

No decisions have been taken on capping principles for 2008/09. It would, however, be unwise for any authority to assume that capping principles set in previous years will be repeated. We intend to take decisions on principles after authorities have set their budgets, but we are prepared to announce the principles in advance if the circumstances suggest this is necessary.”

Council Tax base

The new tax base has been included in the forecast for 2008/09. For future years no increase is assumed because of the impact of increased tax base on formula grant distribution.

As I have reminded Members previously an increase in the number of houses does not automatically mean that we get a Council Tax benefit because there is a consequent reduction in the Relative Resource Amount element within the Formula Grant.

The Council share of the surpluses anticipated on the Collection Fund are not a material item but the assumptions made are in line with the approach taken in previous years and of necessity reflect a prudent approach.

Dedicated Schools Grant

Schools related expenditure in 2008/09 is funded through a separate Dedicated Schools Grant (DSG). The details of the Schools Budget 2008/11 are set out in Appendix 5 of this report.

Fees and Charges

There is an annual requirement to review fees and charges and this process has been completed by departments in line with current best practice. Details of the review and the recommendations are set out in Appendix 2. The review covers baseline budgets of £22m and the recommendations are expected to generate additional income of £0.3m if approved. The budget for 2008/09 assumes this additional income. The above proposals form part of the budget framework which will be presented by Cabinet to Council on 5th March subject to the views of the Joint Meeting with Overview and Scrutiny on 25th February 2008.

For future years a more demanding framework is emerging following the recently published Audit Commission report/survey 'Positively Charged'. This report contains recommendations on how charges should be clearly aligned with a Council's strategic and financial objectives and what factors to consider when charges are reviewed. The intention is to adopt this approach for the next budget cycle. A brief overview of this is provided in Appendix 2.

Reserves

Appendix 1 sets out the forecast for spending, council tax and balances for 2008/9 to 2010/11. The Local Government Act 2003 placed new duties on local authorities that reinforce sound financial management. When an authority is deciding on its annual budget and council tax level it will have to take into account a report from its Chief Financial Officer on the robustness of the budget and the adequacy of the authority's reserves. The Government has a back up power to impose a minimum level of reserves on an authority that was making inadequate provision. Authorities will be under a duty to monitor their budgets during the year, and consider what action to take if a deterioration is identified.

As Members will know the Government and Audit Commission (in the Use of Resources Assessment) rightly place great emphasis upon the level of balances. Whilst they may have given indicative guidance in the past at about 5% they will not take an absolute position. It remains therefore a matter of professional judgement on which I am required to formally advise you. It can be argued that excessive balances are an opportunity cost to the taxpayer – either more spending on services could have taken place or Council Tax increases could have been less (or a combination of both).

On the other hand balances earn interest and provide an internal funding source for the capital programme instead of more expensive external borrowing. Balances which are too low put the organisation at risk if unexpected financial demands appear and in extreme conditions may require spending to be frozen. Section 114 reports to be issued and productive energies diverted from service delivery to retrenchment and service cuts.

The Council has worked on a 5% level of balances as its target for many years and has in that time contained many “ups & downs” of financial problems – both internally and externally driven. We have a good record of bringing in expenditure (in aggregate) below budget and have used the flexibility of balances to enhance services, deal with the “emergency” situations and provide valuable additional funding to the capital programme when necessary.

In conclusion my judgement remains the same as in previous years – that over the medium term the Council should aim for a level of balances which equates to about 5% of our net, “at risk”, expenditure budget. As in the past we should be prepared to use balances to smooth any tax increases over the medium term.

Assessment of the potential effect of risk areas on the Council’s overall reserves position.

An assessment of the risks identified both during the current year and as part of the future years budget process will be carried out to model the sensitivity of our projected reserves position. This will be done following consideration of this report and decisions taken by Cabinet. It is important to carry out this sensitivity analysis to help ensure the sufficiency of balances in the medium term.

The table below is an updated position from the budget monitoring report and analyses the projected out turn of balances to March 2008.

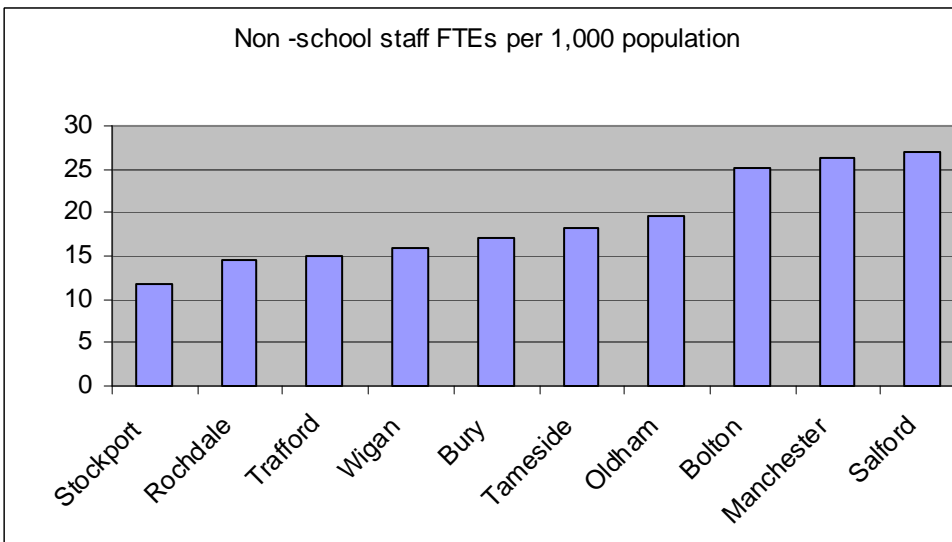
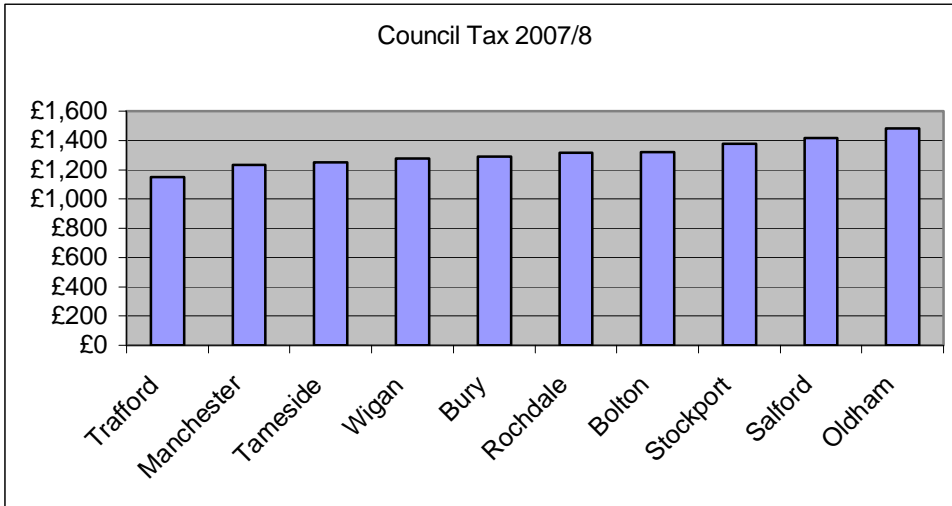
		£'m
Balances 1 st April 2007		21.489
Use of balances in 2007/8 Estimate		-0.267
Commitments	Rolling programmes	-2.206
	Terrier Computerisation	-0.081
	c/fwd Bids approved *	-1.626
Predicted Outturn Position for 2007/08		+5.062
Predicted balances 31 st March 2008		<u>22.371</u>

There are expected to be a number of commitments against this balances figure arising from the predicted underspend of £5.062m. The Members have an agreed policy (specifically minuted) to automatically carry forward certain underspends (e.g. Brighter Borough) to the following year.

Equally there are a number of underspend areas where a potential reinvestment of any savings in 2007/08 into front line services has been identified (e.g. Support Services Review and Benefits). A provisional assessment of £2.5m has been made of these potential carry forwards but this is subject to change as better and final information emerges as part of the closure of accounts in 2007/08.

Comparative Information

During the budget process Cabinet Members have received detailed information on the comparative performance of our services parts of which will be included in the Budget Booklet. Set out below for comparison purposes are bar charts showing Wigan's relative position compared with the other GM Authorities :-



D. Council Priorities for 2008/9 onwards

The Council's priorities for improvement are set out in the Corporate Plan and are linked to high level objectives. The Council's vision is stated as follows :

'Building the future together – A place where people matter and you can afford to live'.

The vision has been agreed and shared with all partners and is set out in the Borough's Community Plan 2005/10. This plan sets out how the Council will contribute to achieving this Vision for the people of Wigan. The vision is supported by a range of objectives and key internal drivers.

Having set the Council's priority themes the next step is to make sure we focus our financial resources on these themes. The Corporate Plan is currently being reviewed and at this stage a number of service pressures have been identified and these have been considered as part of the budget challenge and scrutiny process.

The three high level objectives are shown below :

- **Helping people reach their full potential** – including a good start in life for every child and young person, care and protection when life is difficult , healthier and happier lifestyles.
- **Building Strong Communities** - including a place where people respect and value their different backgrounds and get on well together, enriching people's lives through leisure, sporting and cultural activities,
- **Places people want to live in** - including a strong modern economy offering a good standard of living for everyone, people living in decent, affordable homes of their choice, living in a place where you feel safe, improving local facilities, the infrastructure and environment

The Council's strategic objectives are the drivers behind the various strategies which have been developed in order to create the conditions necessary to deliver the Corporate Plan. The major strategies which feed into the medium term financial planning process are as follows :-

- People Strategy
- The Corporate IT Strategy
- The Capital Strategy (discussed in section F below).
- The Office Accommodation Strategy
- Organisational Structure Strategy – including the Support Services Review
- Getting Wigan Active Strategy
- Housing Strategy
- Transport Strategy
- Waste Strategy
- Customer Relationship Management Strategy
- National Pay and Workforce Strategy

All these strategies inform the budget challenge and financial planning spending review process which feeds into the medium term financial plan (see Appendix 4).

As in previous years members of the Citizen's Panel were asked to comment on their priorities for the forthcoming budget and a summary of the results is attached as Appendix 3 to this report. Three questions were asked of the Panel and the summary includes comparisons with responses in earlier years.

The Council's MTFP takes accounts of Partner plans. The Council works in partnership with the Wigan Leisure and Culture Trust, Wigan and Leigh Housing, The Primary Care Trust, The Passenger Transport Authority and various 3rd sector bodies such as the Citizens Advice Bureau. Regular contact is maintained between the Council and these organisations to ensure a joined up approach to service delivery and financial plans are shared to ensure translation of policy into budgets. In financial terms the plans of the Partners are linked with the Council's MTFP.

Internally the Council has set itself a demanding series of key targets and these include strong community leadership, high standards of corporate governance and excellent service performance. As part of meeting this target the Support Services Review is being conducted to secure both improvement and efficiency in the way the Council supports front line service delivery. Any savings identified in the review will be available to be recycled towards the Council's strategic objectives.

The main overall assessment of our performance comes from the Comprehensive Performance Assessment (CPA). The CPA has operated every year since 2002 and Wigan Council has achieved an excellent rating for four years running. As part of the CPA framework the Audit Commission undertake an annual assessment of the Council's Use of Resources to determine how well the Council manages and utilises its financial resources. The Audit Commission following the 2007 review confirmed that the Council had retained an overall score of 4 (i.e the highest level) and was also assessed as 'performing strongly' under Use of Resources.

Progress to date against Wigan Council's Gershon Efficiency Targets

Members of the Council, officers and external readers of the Budget Book will be aware that all councils are required to achieve annual efficiency savings under the Gershon requirement. These savings are equivalent to 2.5% of the Council's baseline net expenditure in the baseline year 2004/05, as part of the Spending Review (SR04) period 2004/05 through to the end of 2007/08. At least 50% of these savings must be '**cashable**' – capable of being released to improve local services or, if Councils decide, to reduce Council Tax.

The Council's achievement in respect of reported total efficiency savings, covering the financial years 2004/05, 2005/06 and 2006/07, is summarised in the table below, along with the projected further efficiency savings planned for 2007/08.

Panel	Cumulative Efficiencies Required to 31/03/2007 £m	Total Efficiencies Achieved to 31/03/2007 £m	... Of which 'Cashable' £m	Total Planned Efficiencies for 2007/08 * £m
Adult Services	4.427	3.097	2.194	0.771
Children & Young People	1.412	0.528	0.089	0.551
Community Protection	0.133	9.101	9.101	3.310
Environment	1.818	3.266	2.937	0.850
Performance	0.485	1.048	1.026	0.213
Regeneration	0.832	0.577	0.327	0.215
Passenger Transport Levy	1.192	0.430	0.430	0.136
Miscellaneous	0.173	2.125	1.983	0
Revenue Total	10.472	20.172	18.087	6.046
Capital Expenditure	4.179	0	0	0
Total	14.651	20.172	18.087	6.046

* Note Total Planned Efficiencies for 2007/08 as per Gershon Mid-Year Estimate for 2007/08

The above analysis shows the Council has exceeded its efficiency target to the end of 2006/07. The overall requirement on the Council is to achieve £21.9765million of efficiency savings to the end of 2007/08; up to the end of 2006/07 total estimated efficiencies were equivalent to £20.172million, of which £18.087million (90%) were cashable savings, £5.5million greater than the cumulative target (£14.651million).

Current indications are that estimated efficiency savings of around £6.046million will be achievable in 2007/08, bringing the total efficiencies to the end of the current SR04 period to £26.218million, approximately £4.2million greater than the target to the end of 2007/08. It is anticipated that approximately £23.8million (91%) will be cashable efficiency savings.

Recent changes announced by the Government under Comprehensive Spending Review (CSR07) indicate that local government will be expected to seek 3% per annum annual efficiency gains from 2008/09 to 2010/11. All these efficiency gains must be 'cash-releasing', capable of freeing resources to be spent elsewhere on other Council priorities.

E. Carry forwards, Growth and Revenue Savings

Carry forwards from 2007/08

This mechanism provides an opportunity as part of a flexible budget strategy whereby savings can be recycled into corporate priorities subsequent to the scrutiny and approval process. However traditionally other than where there are previously approved carry forward arrangements any bids are conventionally not considered and submitted for approval until the year end position has been determined.

Growth

A growth process has been developed to include details of performance and costs as part of a challenge process to assist in aligning strategic objectives, performance and resources. Cabinet Members, Directors, the Chief Executive and the Leader met to discuss service performance, service pressures, the scope for savings and the scope for service improvement if additional resources were allocated. The growth process links performance with spend. Departments were asked to plan on the basis of a 0.25% growth accommodating service pressures within this budget envelope.

Following the scrutiny and challenge process the details of the proposals are set out in Appendix 4. Council will be asked to incorporate these proposals in the budget and policy framework following the Joint Meeting with Cabinet and Overview and Scrutiny on 25th February 2008.

Revenue Savings

Clearly any additional growth to the budget would need to be offset by compensating expenditure reductions to keep the Council Tax calculation constant. The reductions process takes into account any impact on performance. Departments have been asked to plan on the basis of a 1% reduction and 2% reduction and set out the impact of such reductions on service delivery. The reductions process provides an opportunity for Council priorities to be revisited and the allocation of budgets to services to be challenged in line with best practice and the expectations within the Use of Resources process.

Following the scrutiny and challenge process the details of the proposals are set out in Appendix 4. Council will be asked to incorporate these proposals in the budget and policy framework following the Joint Meeting with Cabinet and Overview and Scrutiny on 25th February 2008.

Budget Challenge and Partner Organisations

The budget challenge process has taken account of both external factors such as the Gershon Agenda as well as proposed responses to the budget pressures of Council departments and Partners. For instance the Council is working closely with the Leisure Trust on a number of Strategic projects including Leigh Sports Village, the Joint Service Centre, the Parks and Open Spaces Strategy and other initiatives identified under Getting Wigan Active. The overall impact of these projects both on the Council's Capital and Revenue resource position as well as the Leisure Trust is under close and continuous review and is taken account of in the Medium Term Plan.

F. Capital Investment Strategy

The Council's updated Capital Investment Strategy will be reported to Cabinet on 21st February. At this time Cabinet will also be asked to approve Capital Projects for 2008/09 following the Capital Appraisal process. This process which is synchronised with the revenue budget process to ensure revenue and capital plans are coordinated, takes Capital Projects through a formal system of appraisal before spending may proceed.

As already indicated, the medium term plan contains the revenue consequences of all new programmed major investments that have already been approved for inclusion in the Council's Capital Investment programme (e.g. Leigh Sports Village, Wigan Pier Quarter, major highways schemes and the schools building programme.) In addition the forecast is refined to reflect the changing costs of all previous borrowings, provision for debt repayment and fall out of debt where appropriate. This approach ensures that the revenue forecast and the Capital Investment Strategy are linked and that both continue to reflect the financial consequences of service priorities as stated in the Corporate Plan. This helps to ensure that an affordable capital programme designed to deliver the Council's strategic priorities has been agreed and the current and future funding of this is built into revenue planning.

G. Risks and Uncertainties - Assessment

These forecasts are a snapshot of the expected budget position over the next three years. They will, by their nature, change and will need to be updated on a regular basis. There are certain changes that will occur but at present it has not been possible to quantify them. The list below indicates these current areas of uncertainty.

Overspends in 2007/08 – The budget monitoring process has already identified a number of budget pressures. Some of these are structural budget pressures in service delivery areas which need a longer term strategy to identify funding. This has been considered as part of the budget challenge and scrutiny arrangements.

Manchester Airport – It has been assumed that no dividend will be received during the currency of this forecast (2008-2011). There are sound prudent reasons underpinned by accounting codes of practice which advise against taking into account dividends which have not been realised particularly if these are material (I.e. equivalent to 1.25% in Council Tax). There is also economic uncertainty associated with the air industry and so the prudent approach is to continue the previous practice of not anticipating these dividends in our financial plans.

Insurance Claims – it is assumed that the current Insurance Provision will be sufficient to meet any liability claims arising. However the nature of the area is such that uncertainty is present. In previous years for example the Insurance Fund has been used successfully to meet the costs of unexpected events such as the fire at Broomfield Tip.

Employer's Superannuation – The rates notified by Tameside (13.9% : 14.8% : 15.6% over the 3 years) are provisional and Tameside have advised that these may require revisiting in the light of proposed legislative changes to the LGPS.

Equal Pay - Whilst substantial payments have already been made there remains the possibility of individual litigation and grievances.

Local Authority Business Growth Incentive Scheme (LABGI) - The Council received £0.316m under the LABGI scheme in 2006/07. A further £0.431m has been received in 2007/08. Requests have been made for the Council to spend the "reward on business in the borough" - to promote future investment, creation of new jobs and to help new business. In that context it would seem appropriate and prudent to consider the application of any LABGI funding to the Capital Programme. However there are currently on going legal challenges and therefore uncertainty still surrounds the retention of the income received to date and any likely receipts from the scheme in the future. There is potential for funding to be clawed back.

YPO Dividend - Due to trading difficulties, there will be no dividend paid in 2008 in respect of the 2007 financial year. Additionally any decision in respect of dividends payable in 2009 has been deferred until such time as the 2008 results are known. Therefore no dividends have been anticipated in our financial plans.

Office Accommodation – Major redevelopments in Wigan Town Centre, including the Joint Service Centre PFI project (and its wider effects across the Borough as part of the Customer transformation strategy) and large private sector office and residential new builds potentially affecting the Council's estate, will all significantly impact upon the Council's office accommodation strategy.

A review of Office Accommodation requirements which is currently underway will take into account these developments, potential capital receipts, home and mobile working as well as the effects of the Support Services review. There remain many uncertainties

Capital Receipts – As contained within the Council's Capital Strategy the Capital Programme is financially dependant upon the realisation of capital receipts. There is a risk that not meeting targets for capital receipts will directly impact upon the Council's reserves position. The current "credit crunch" and continuing macro-economic uncertainties are expected to impact on both demand for and the value of land for development and sales of Council Houses under the right to buy scheme. The Council's Affordable Housing strategy may also impact upon the availability of capital receipts for the general capital programme.

Capital Programme Major Projects - A number of major capital projects are based upon complex funding packages of grants and capital receipts. The Council is currently engaged in projects at Leigh Sports Village, the redevelopment of the Wigan Pier quarter, the creation of a replacement high school at Abraham Guest and planning a major highway scheme from the J25 on the M6 to Westwood.

In addition the Council is also procuring a Joint Service Centre under the PFI. The nature and complexity of these projects will create uncertainty in spite of all measures to manage them effectively. As stated above the link between the capital programme and the revenue budget means that uncertainties in this area may affect balances.

Neighbourhood Renewal Fund (NRF) – The NRF programme funding concludes in 2007/08 and this presents the Council with some risk in terms of the NRF exit strategy. Pressures which are likely to arise as funding is withdrawn continue to be assessed as part of the budget challenge process and in the context of other non-mainstream funding which the Council may access in 2008/09 and future years.

Building Schools for the Future (BSF) – Wigan Council is engaged in a joint procurement project with Salford City Council to attract government financial assistance via both PFI and conventional funding mechanisms to replace or renovate the Borough's high schools. It will be necessary to fund the procurement team and consultancy costs. Funding has been identified but such a large scale, long term project carries uncertainty.

Pay and Grading Review - The Council continues to review the position of the pay and grading review. The long term aim remains to ensure that there is no additional cost to services or the taxpayer. In the short term there is likely to be a funding requirement for any transitional arrangements and it is suggested that this risk is best held against balances. The potential cost of a 1% uplift in the relevant pay bill base is £1.4m and some Councils have identified uplifts in the range of 5% and so this is a potentially very significant risk to manage.

At our consultation meeting Trade Union representatives expressed concern at the absence of a clear provision in the budget for the cost of the pay and grading review. They also felt that the 2% provision for pay was a risk for the Council given the prevailing rate of inflation and the 6% claim submitted by the staff side.

Public Law and Family Fees - There are proposals under consultation to substantially increase these fees the proposition being the fees fully recover the cost of providing a court system for these cases. As the consultation doesn't end until March it is difficult to say what if any impact these charges will have on the budgets and so it is suggested that the risk is held against balances.

Costs of Transition from Childhood to Adulthood - These costs have been identified as a structural issue and identified in the budget challenge process. This is a complex area and a broader piece of work may be necessary as part of the wider strategy around Adult service provision to fully understand the position regarding the build up of costs and how these shift during transition. As an element of uncertainty exists this means a risk to be held against balances.

Demographic change – estimates of falling schools rolls are factored into the construction of the schools budget to be met by DSG. The forecast trend in the elderly population indicates an increasing number of individuals in the 85+ category and these pressures would need to be considered in any growth bid for Adult Services elderly clients. The latest forecast is shown below.

WIGAN

Office of National Statistics Forecast

Age Group	2007	2008	2009
65+	27,300	28,300	29,300
75 – 84	14,900	15,000	15,200
85+	4,900	5,000	5,000
Totals	47,100	48,300	49,500

H. Council Tax

The Collection Fund 2008/09

The table below summarises the estimates of expenditure chargeable to the Collection Fund for 2008/09.

	<u>Expenditure at budget</u> £m
Wigan Council requirement (net of Parish Precepts)	108.636
Police Authority requirement (estimated)	11.960
Fire & Rescue Authority requirement (estimated)	4.757
Totals	125.353
Tax base - No. of properties at D Band equivalent	95,753
Council Tax - D Band	£1,309.12

The Wigan Council requirement is net of the school based expenditure identified at Appendix 5 as this is funded by a specific grant known as Dedicated Schools Grant.

Precepts

The Fire & Rescue Authority precept has been set at £4,757,009 equivalent to a Council Tax of £49.68 at D band, an increase of 3.5%.

The Police Authority precept has been set at £11,959,550 equivalent to a Council Tax of £124.90 at D Band, an increase of 7.50%.

Tax base

I have calculated the D Band equivalent tax base at 95,753. The calculation contains a provision for 1% losses on collection arising from bad debts, appeals against valuation etc.

Average Council Tax (including precept increases)

The average Council Tax chargeable would be about £943, an overall increase of 2.7% on the 2007/08 figure. 85% of properties in the Borough are in Band C or below and will therefore pay £1,164 or less. For most residents this will equate to an average increase of about £0.56 per week.

In summary the components of the rise are:-

Band D

	Year on Year	2007/08	2008/09	£ Increase	% of total
Wigan	2.00%	£1,112.30	£1,134.54	£22.24	1.74%
Police	7.50%	£116.19	£124.90	£8.71	0.68%
Fire	3.50%	£48.00	£49.68	£1.68	0.13%
TOTAL	3.63%	£1,276.49	£1,309.12	£32.63	2.56%

Wigan's rise contributes 1.74% to the total increase. The Wigan element of the increase in Council Tax at 2.0% is well below the average of 5% indicated by the Secretary of State for average increases. We are therefore unlikely to be capped.

Consultation with representatives of Non Domestic Ratepayers

A meeting with representatives of the Chamber of Commerce is scheduled for the 26th February. Any comments from the Chamber will be circulated to Council on 5th March 2008

The Chamber of Commerce, representing Business ratepayers, is required to consider a report on the budget and the Council's spending plans in accordance with Section 65 (2) of the Local Government Finance Act 1992.

I Conclusions

Cabinet indicated previously that you wished to plan on the basis of four different scenarios – growth of 0.25% (£0.5m), standstill and revenue savings of 1% (£1.7m) and 2% (£3.4m). This was provisionally allocated as follows:-

	Growth 0.25%	Savings 1%	Savings 2%
	£	£	£
Children and Young People's Services	114,590	-393,739	-787,478
Adult Services	158,536	-544,736	-1,089,471
Finance and IT	8,520	-29,275	-58,550
Environmental Services	128,952	-443,088	-886,177
Chief Executive	5,614	-19,289	-38,579
Leisure Client	51,831	-178,095	-356,189
Legal and Property Services	31,957	-109,808	-219,616
Total	500,000	-1,718,030	-3,436,060

At the same time reductions had also been identified as part of the Support Services Review with a target of £1m being set for the first year of implementation. A further £2.5m was identified as a target for the second year. There is an intention for the savings to be recycled into front line services.

As outlined there have been two rounds of budget challenge and scrutiny meetings with Cabinet Members and Chief Officers and the Leader. The detailed outcome of all the deliberations and the process is set out in Appendix 4. A summary of the allocations across the services is shown below.

	2008/09 Savings £000's	2008/09 Growth £000's	2009/10 Savings £000's	2009/10 Growth £000's	2010/11 Savings £000's	2010/11 Growth £000's
Children & Y P Services	-295	300	-280	100	-250	100
Adult Services	-235	975	-244	800	-76	0
Environmental Services	-788	1,358	-278	499	-155	367
Leisure Trust	-133	62	-65	45	-70	45
Chief Executive	-53	100	0	0	0	0
Finance and IT	-246	400	-100	50	-100	0
Legal and Property Services	0	460	-60	32	-80	0
BSS and SSR Review	-1,316	1,000	-1,250	625	-1,250	625
Total	-3,066	4,655	-2,277	2,151	-1,981	1,137

The detailed timetable remaining is as follows :

21 st February 2008	Cabinet propose Council Tax and Budget
25 th February 2008	Joint meeting of Overview and Scrutiny and Cabinet to consider Council Tax and Budget
5 th March 2008	Budget Council

J. Recommendations

For Cabinet on 21st February 2008

To refer the following recommendations to the Joint Meeting of Overview and Scrutiny and Cabinet on the 25th February 2008:-

1. That the Budget framework and Medium Term Financial Forecast as set out in Appendix 1 to this report be approved, incorporating the income and fees proposals set out in Appendix 2, and growth and savings proposals set out in Appendix 4.
2. Notes the results of the Citizen's Panel and Internet budget surveys as set out in Appendix 3.
3. An indicative Schools Budget of £182,506,960 for 2008/09 (Appendix 5).
4. A rise in Band D Council Tax of % for the Wigan element of the charge as set out in section H and requests the Director of Finance and IT to use this as the basis for the formal resolution to Council.

For Overview and Scrutiny on the 25th February 2008

To offer any comment on the Cabinet's proposals.

For Cabinet on the 25th February 2008

To make recommendations to Council having heard the comments of Overview and Scrutiny Committee.

...

Medium Term Financial Plan 2008/09 to 2010/11 :

ESTIMATE

2.00%

ESTI

Adults	Assistive Technology ending	322				
Adults	Access and Systems Capacity - moving to formula grants	3,538				
Adults	Delayed Discharges - moving to formula grants	642				
CYPS	Childrens Services Grant - moving to formula grants	1,054				
CYPS	Fall out of YOT Grant - Hindley Prison	0				
Environment	DEFRA Grant for Waste (WPEG)	323				
CYPS	YOT Funding Grants & NRF	0				
			6,724		50	50
GROWTH/ SAVINGS ATTRIBUTED TO CAPITAL INVESTMENT						
Overall	Net change in capital financing charges	-1,200		-1,000		-900
			-1,200		-1,000	-900
OTHER GROWTH AND SAVINGS						
Overall	Salary Increments	992		972		991
Overall	Increase in rate of employers superannuation - LGPS	918		846		694
Adult Services	Home Care externalisation	-288				
Adult Services	POPP grant Related Spend	-795				

ESTIMATE
2008/09

£'000

ESTIMATE
2009/10

£'000

ESTIMATE
2010/11

£'000

£'000

Adult Services	Assistive Technology Grant Related Spend	-322				
Adult Services	Retendered Contracts	205				
Adult Services	LIFT projects Ince & Frog Lane	234	0			
AGMA	AGMA variations	63				
Community Protection	Contribution to Direct Access Hostel		0			
Community Protection	Homelessness increased contribution to HRA	50				
Community Protection	Contribution to HRA		50		50	
Environment	Coroners	31				
Environment	Car Parking income - reductions	301				
Environment	Stray Dogs (switch from Police)	21				
Environment	Fridge / freezer removal budget	-272				
Audit & Governance	Municipal Elections (none in 2009)		-150		150	
Audit & Governance	Joint Service Centre - fees	-300	-200			
Audit & Governance	Markets Income Downturn	90				
Audit & Governance	Elections postal voting	17				
Audit & Governance	YPO Dividend	354				
		ESTIMATE 2008/09	ESTIMATE 2009/10	ESTIMATE 2010/11		
		£'000	£'000	£'000	£'000	£'000

Audit & Governance	Audit Fees	17	33	29		
Standards	Standards Board investigative costs transfer	14				
Regeneration	Leisure Trust CSF increase	198				
Regeneration	Leisure Trust Adjustment for TWWW and Heritage Store	-253	70	183		
Regeneration	Leisure Trust CSF virement to JSC procurement	-270	-30			
Regeneration	JSC Procurement	270	30			
			1,275	1,621		2,097
PROPOSED NEW GROWTH						
Overall	Provision for growth in future years	4,655	2,151	1,137		
			4,655	2,151		1,137
VARIATIONS TO BUDGETS			5,930	3,772		3,234
Environment	Waste Disposal - landfill Tax volume reduction	-73	-111	-150		
	Fall out of deferred purchase	-5	-5	-5		
	Direct Revenue Funding of Capital Programme deficit	1,247	786	2,200		
			1,306	670		2,045
		ESTIMATE	ESTIMATE	ESTIMATE		
		2008/09	2009/10	2010/11		
		£'000	£'000	£'000	£'000	£'000

TRANSFERS TO / FROM BALANCES AND RESERVES

Balances to support Direct Revenue Funding of Capital	-1247	-786	-2,200
Accrued Interest provision	-228		
Balances to support revenue		-128	-706
	<u>-1,475</u>	<u>-914</u>	<u>-2,906</u>

Efficiency Savings -3,066 -2,277 -1,981

BUDGET REQUIREMENT 233,250 239,927 246,150

YEAR ON YEAR INCREASE IN BUDGET REQUIREMENT 15,316 6,677 6,223

% increase 7.0% 2.9% 2.6%

GRANT INCOME

Previous year's base for RSG and NNDR 112,393 124,489 129,031

Add :-

Adjustments to the base 5,791 -83 -32
Revised base funding 118,184 124,406 128,999

Add :-
Uplift 6,305 4,625 4,082

Total revised RSG and NNDR 124,489 129,031 133,081

**ESTIMATE
2008/09**

**ESTIMATE
2009/10**

**ESTIMATE
2010/11**

£'000

£'000

£'000

£'000

£'000

£'000

COLLECTION FUND SURPLUS	-125	-90	-45
COUNCIL TAX REQUIREMENT	108,636	110,806	113,024
Year on year increase	3,344	2,170	2,217
% increase	2.00%	2.00%	2.00%
Estimated tax base	95,753	95,753	95,753
Council Tax	£1,134.55	£1,157.21	£1,180.37

Ready reckoner

Amount Required for 2.0% increase	716	2,757	-1,271
1% council tax rise - raises £1 million on the budget - gives a percentage rise of	1,065,068	1,086,363	1,108,063
£1 million on the budget - gives a percentage rise of	1.03	1.03	1.03
£1 million on the budget - amount per Band D	£10.44	£10.44	£10.44

Revenue Balances position	2008//09	2009/10	2010/11
	£'000	£'000	£'000
Anticipated starting point	22,371	18,624	16,710
Less anticipated c'fwd bids	-2,500		
Proposed usage (capital programme)	-1,247	-786	-2,200
Use for revenue		-128	-706
Provision for LATS penalties		-1,000	-1,500
Position at end of year	<u>18,624</u>	<u>16,710</u>	<u>12,304</u>

**ESTIMATE
2008/09**

**ESTIMATE
2009/10**

**ESTIMATE
2010/11**

	£'000	£'000	£'000	£'000	£'000	£'000
Bellwin threshold (emergency support)		466		480		492
Balances above Bellwin threshold	(A)	18,249		16,321		11,903
Expenditure (Budget requirement less addition to balances)						
Less :-		234,634		240,841		249,056
PTA Levy		18,895		19,651		20,437
Leisure Trust Funding		16,902		17,358		17,827
Underlying operating costs	(B)	198,837		203,832		210,792
Balances as a % of underlying operating costs	(A) / (B)	9.18%		8.01%		5.65%
Minimum balances		9,942		10,192		10,540
Above (-) or below (+) minimum		-8,307		-6,129		-1,363

Strategic Overview of Fees and Charges

Current Practice

The review covers baseline budgets of £22m and the recommendations are expected to generate additional income of £0.3m if approved. The review does consider relevant issues and there are plans and expected outcomes. For example the recommendation for car parking fees does take into account reduced usage. Elsewhere Members are advised that our charges have been compared to a sample of neighbouring Local Authorities, and this has influenced our decision not to recommend an increase in order to retain price competitiveness.

However there is an improvement Agenda to consider and a more comprehensive exercise will be required in future. This will seek specific linkage to the Council's strategic and financial objectives, an impact statement on patterns of service use, and better communication of any increase in charges.

Future Practice

Realistically any improvements will take time to achieve. The Audit Commission have just produced a survey entitled 'Positively Charged' together with a suite of tools to help councils improve their approach to charging and these are available on their website at www.audit-commission.gov.uk.

This highlights how charging can bring benefits to local communities by (1) encouraging people to use services, though concessions; (2) ration services, where overuse is deemed undesirable; or (3) pursue local objectives, by determining which users should pay for which services, and if services should be subsidised by taxpayers. The recommendations were :-

- Undertake regular reviews of their approaches to charging, both within service areas and across the whole council.
- Engage service users and taxpayers more in decisions about whether and at what level to charge for services.
- Collect and use information on service usage and the take-up of concessions, and examine the impact of charges on individual households, to assess whether their equality and diversity objectives have been achieved.

In light of the fact that from 2009, the Audit Commission's Use of Resources assessments will take account of how Councils and other public bodies are using charges, next year it would be beneficial to give this area greater scrutiny, by introducing a more structured approach and taking advantage of the Audit Commission tools being made available to us.

Locally Determined Fees and Charges - Summary of Proposals from Departments

1. School Meals – Metro Fresh – the recommendation produces extra income of £130k and this has been anticipated in the forecast otherwise the DSO would be in deficit.
2. Adult Services Fees and Charges – the increase in line with the North West average raises £98k. This is in line with budget assumptions.
3. Environmental Services - Community Protection – fees generally uplifted by the 3.5% assumption, the impact of any exceptions is negligible.
4. Environmental Services - Planning and Regeneration – if approved the increases would generate a small amount of extra income in line with the budget assumptions.

5. Environmental Services - Engineering Services – these generally assume a 3.5% uplift but the extra income in the budget would be increased by £7k if the proposals are approved and has been anticipated in the forecast.
6. Housing General Fund - Bickershaw Lane Caravan Site – the recommendations would generate a small amount of extra income in line with budget assumptions.
7. Housing Revenue Account – Provision of service charge references, if introduced would meet the cost of the service provided.
8. Children and Young Peoples Services – Outdoor Education and Arts Services, the proposals generate £48k in line with the amounts assumed in the budget.
9. Adult Services - Standard Residential and Day Charges – increases are in line with assumptions in the budget and the impact of any exceptions is negligible.
10. Finance and IT – Internet use – the proposals are in line with our approach of linking the charge to the Telewest surf-unlimited tariff, and will result in no increase from 1st April 2008.
11. Chief Executive – Catering – the proposals are for a 5% increase in food prices and a 3% increase in bar prices and will generate an additional £9.5k and has been anticipated in the forecast.
12. Legal and Property - Market Tolls and Charges – base budget £2.361m and no increase is recommended in line with assumptions in budgets.
13. Chief Executives – Registrars (Approval of Marriage & Premises) no increase is proposed in order to maintain price competitiveness with neighbouring authorities, and has been anticipated in the forecast.
14. Legal and Property - Local Land Charges Fees – base budget £0.600m, the proposals will generate additional income of £21k in line with budget assumptions.

01. Adult Services – School Meals

Background

1. All local income must be reviewed on an annual basis, in accordance with the Council's budget principles and subsequently any proposed price increases require approval of Elected Members.
2. The School Meals price needs to be increased in order to cover the effect of inflationary rises of the April 2008 pay review and significant rises in food costs.
3. The transformation of food in schools to help reduce the year on year rise in childhood obesity continues. In addition to the September 2006 interim food based standards for school lunches, regulations setting minimum standards for

food outside of lunch came into effect in September 2007 for primary and secondary schools.

4. The Government's nutrient based standards for school lunches will become law in September 2008 for primary schools and will help to reduce the intakes of fat, sugar and salt. Combined with the September 2006 and September 2007 food based standards, this will ensure that children receive a nutritionally balanced school lunch.
5. Primary and High school menus have been developed to reflect the legislative changes required resulting in additional food costs. Whilst there is a recognition on flexibility of tariffs within high schools, MetroFresh policy is to offer meal deals based on the free school meal price and lower to encourage take up of a balanced meal package.
6. MetroFresh are already working towards the September 2008 nutrient based standards for primary schools in conjunction with and support from the PHSE&C team Food Policy Co-ordinator and a dietician from Ashton Leigh & Wigan PCT.
7. The new menus that have been developed to cater for the food based and nutrient based regulations coupled with spiralling global and local food costs and availability has cost implications; taking the additional cost of meeting both standards to approximately another 11 pence per meal.
8. In 2007/08, 1,799,777 meals were served in Primary and Special School area, which would indicate that the full year effect of these additional costs is approximately £198,000 per annum.
9. A Schedule of meals prices over the last few years is detailed below for Information.

January 2004	£1.50
August 2004	£1.55
August 2005	£1.60
August 2006	£1.70
August 2007	£1.80

PROPOSALS:

1. MetroFresh continue to work in a fully commercial environment having to achieve income levels to meet their full operating costs, including pay awards and other price increases.
2. Previous experience of meal uptake numbers has shown that gradual increase of 5p per meal was considered fair and has not had detrimental effect on the number of pupils purchasing a meal, whereas 10p a meal increases have affected the number of pupils purchasing a meal.
3. The government have provided the School Lunch Grant which replaces Standard Fund A & B, to assist in covering the increase in direct costs due to the healthy eating agenda. Consultation is taking place with School Forums regarding the

majority of these funds being passed to MetroFresh which incurs these direct costs. Provided this grant is made available to MetroFresh a price increase of 5 pence from £1.80 to £1.85 is proposed. However if these Forums do not agree, the additional costs associated with these changes and improving quality cannot be absorbed, and a price increase of 10p per meal rather than 5p per meal is proposed to assist in absorbing these significant increased costs. This increase would raise extra income of approx. £130k and has been anticipated in drafting the budget, otherwise the DSO would have been in deficit.

ALTERNATIVE OPTIONS CONSIDERED AND REASON FOR THE RECOMMENDED OPTION: - None.

CONCLUSIONS:

Members are requested to approve the increase in the price of a school meal from £1.80 to £1.85 per meal with effect from 1st August 2008 subject to MetroFresh being passed the majority of the School Lunch grant.

However in the event of this grant not being passed over to MetroFresh, Members are requested to approve the increase in the price of a school meal from £1.80 to £1.90 per meal with effect from 1st August 2008.

02. Department of Adult Services

Proposed Adult Services Fees & Charges 2008-09

Home Care charges

During 2004-05 an Audit Commission Review of home care and day care charges was undertaken across a number of North West and Merseyside councils. It was identified that Wigan's level of charges were significantly below the average of authorities surveyed. In response to this Council approved that the level of charges for home care and day care be brought up to the average level of charges from the survey group over a three period. The increase in charges implemented in 2005-06, 2006-07, and 2007-08 made good progress in bridging the gap.

The Department is undertaking a major change in the delivery of Homecare, and it is expected that by the end of January all service delivery will be provided by External companies, and that the in-house service will have ceased. There has been a transitional period, since Autumn, and expected to continue beyond the end of January, when there will be some small level of disturbance to services, as the old provision ceases, and the new providers get "up to speed". Whilst the Department is making all effort to minimise any impact on service delivery, it is felt that it would be advisable to limit charge increase to the level of inflation only. Accordingly, it is recommended that the standard Homecare charge is increased from £9.00 per equivalent hour to £9.32.

It is also proposed that that the charge to "full cost payers" - service users with capital in excess of £50,000 - will increase from £12.20 per equivalent hour to £12.64.

In the past, the level of charge for Homecare has been informed by the number of minutes of service provided. This was the practice because the majority of services were provided by the in-house service and the information was readily available. The practice, however, with external providers has been different, in that the level of service has been measured in 15 minute blocks – quarter hour, half hour, three quarters of an hour, one hour, etcetera. Given that when the externalisation of the service is complete, all services will be provided in blocks of one quarter hour, and that the Department wishes to move towards outcome based measures, rather than input-based, it is proposed that Homecare will be charged in terms of 'units' that will reflect the amount of service needed to achieve a required outcome. One unit will be equivalent to one quarter hour and four units will equate to one hour.

The charge for one unit will be (£9.32 divided by 4) £2.33, or (£12.64 divided by 4) £3.16. All assessed charges will be in multiples of the standard 'unit', and will be based on the commissioned package.

Aborted Calls

Under new contracts tendered for the provision of Homecare services, the costs of aborted calls (those where a service user fails to notify the provider or the Council that a service is not required at least 24 hours before the service is due to commence – other than in emergency situations) are passed on to the Council. It is proposed that in such situations a charge is made to the service user, in order to establish a disincentive against the failure to notify, and that the charge will be £2.33 per aborted call, or £3.16 for "full cost payers".

Outreach Services

Outreach services are typically provided by Providers of Domiciliary Care or Supported Accommodation, and comprise a substantial number of hours of intensive, one-to-one support, provided over 2-3 weeks, to enable a service user to develop skills in particular areas, or to develop a greater degree of independence.

In the past such services can have been classified as 'sessions' and will have attracted a charge based on the Day Services charges.

This approach however, does not recognise that Outreach services are provided by Providers on a 1 to 1 basis and are therefore much more closely aligned with Domiciliary care (homecare) than with sessional day care (where services are provided on a 'many to one' basis).

In order to accurately reflect the intensity, and cost to the Council, of Outreach services, it is proposed that the Charges for Homecare are extended to include charges for Outreach services.

Day Care charges

Day Care charges were also included in the Audit Commission survey referred to above. Charges for Day Care have been increased above inflation over the past three years, and last year, in recognition of the cost differentials within different day care settings, two different rates of day care charge were introduced to cover (a) Elderly, EMI, Physical Disabilities and Mental Health, and (b) Learning Disabilities.

Charges were set last year at £10.20 per session for Elderly, EMI, Physical Disabilities and Mental Health services; and £12.20 per session for Learning Disability Day services.

It is proposed to increase Day care attendance charges, in line with budget guidance on income inflation, from £10.20 to £10.55 for all services other than Learning Disability, and from £12.20 to £12.60 for Learning Disability services.

Admission Fee for Day Centre Activities

A new charge was set last year for Service users in receipt of Direct Payments, Individualised Budgets and Independent Living Funds, who attend day centres accompanied by their personal assistant to engage in activities.

The charge introduced was an admission fee of £2.50 per attendance – this was broadly in line with admission fees charged for some other council services - payable only by the service user not the personal assistant.

It is proposed to increase the admission charge from £2.50 to £2.60, in line with budget income inflation guidance.

Taper

It is proposed that the taper on net disposable income, which applies to service users who pay an assessed contribution and typically have lower levels of income and capital resources below £21,500, remains at 58%.

Meals Charges

In 2004, as part of the recommendations in a report on 'Fair Access to Care and Low Level Needs', Cabinet approved that the subsidy on meals charges be removed over a three year period. This was effected in 2004-05, 2005-06 and 2006-07. It is proposed to increase the charge for meals in 2008-09 from £2.70 to £2.80, which is in line with budget income inflation guidance.

Careline Equipment

Whilst the Careline Service was replaced in 2007-08, Service users with 'old' equipment continued to receive a charge based on the previous Careline Service charge and it is proposed that this is increased from £2.00 to £2.10 per week, in line with budget income inflation guidance.

During the course of 2008-09 Service users who have not had the opportunity to convert to the more up-to-date equipment now provided under Assistive Technology (see below), will have equipment replaced. This is partly because the 'old' equipment will, during the course of the year, become obsolete, due to the 'digitalisation' of telephone exchanges, and will need to be replaced. Whilst the charges for the more modern 'Assistive technology' equipment are greater than Careline, due to greater operational costs, members are reminded that all service users are assessed under the Fairer Charging policy, and will only contribute to the costs of services provided according to their ability to pay.

Assistive Technology

Cabinet approved the introduction of two new charges at the end of May last year. The charges were for two elements of Service provided under the banner of Assistive Technology – comprising of equipment to support service user independence at home, such as non intrusive sensor/monitoring equipment that is linked to a monitoring centre via telephone, and an optional mobile warden response service.

When charges were set, it was noted that the Preventative Technology Grant, that has funded the cost of the equipment, will come to an end in 2007-2008, and that charges would be reviewed in the light of this, and the experience over 12 months.

A bid to the PCT for funding to support Assistive Technology for a further 12 months has been successful, and it is expected that this additional period will allow further development and expansion of the service.

It is proposed to increase related charges by the inflation factor required within budget guidance, so that the charge for Monitoring and Maintenance of equipment will increase from £2.90 to £3.00, and the charge for the Mobile Response Service will increase from £1.45 to £1.50. Both charges will apply only after the first 6 weeks of operation.

Summary of Proposals

The table below summarises the proposed new charges for 2008-09:

<u>Service</u>	<u>Current Charge</u>	<u>Proposed Charge</u>
Day and Domiciliary Care Services		
Home Care --to include Outreach Services	£9.00 per hour for service users with capital less than £50,000. £12.20 per hour where capital is in excess of £50,000.	£2.33 per Unit (equivalent to one quarter hour) £9.32 per 4 units (equivalent to 1 hour) for service users with capital less than £50,000. £3.16 per Unit (equivalent to one quarter hour) £12.64 per 4 units (equivalent to 1 hour) where capital is in excess of £50,000.
Aborted Calls	n/a	£2.33 per aborted call, for service users with capital less than £50,000.
	n/a	£3.16 per aborted call, where capital is in excess of £50,000.
Day Care Attendance	£10.20 per day or part day – Elderly, EMI, Physical Disabilities, and Mental Health. £12.20 per day or part day – Learning Disabilities	£10.55 per day or part day – Elderly, EMI, Physical Disabilities, and Mental Health. £12.60 per day or part day – Learning Disabilities
Day Service Admission Fee – New charge for service users in receipt direct payments, individualised budgets and ILF	£2.50 per attendance	£2.60 per attendance
Fairer Charging Policy taper for assessed contribution charge payers	58%	58%

Meals Supply of meals to service users, homes, day centres (adults) and luncheon clubs	£2.70 per meal	£2.80 per meal
Care Line Charge to be phased out during 2008-09	£2.00 per week rental	£2.10 per week rental
Assistive Technology Charges to apply only after an initial 6-week period		
Monitoring and Maintenance of Equipment	£2.90 per week	£3.00 per week
Mobile Response Service	£1.45 per week	£1.50 per week

Financial Implications of proposed changes

The proposed changes to charges set out above will achieve the targeted increase in income as required by the Budget process, set at 3.5%, and the increase in income is therefore restricted to inflationary increases.

Director of Adult Services
15th January 2008

03. Environmental Services Department - Community Protection

Background:

Members will be aware that the Director of Finance and Information Technology has submitted a detailed report to Cabinet outlining the Principles and Timetables for the 2008/09 Revenue Budget. This report outlines the range of fees and charges that come under the remit of the former Community Protection Department and recommends revised charges for 2008/09.

Proposals:

As per the attached schedule it is proposed to raise the fees and charges by 3.5% in accordance with figures recommended by the Director of Finance and Information Technology, except for the following :

1. Motor Salvage Operations

As part of a local agreement the rates are reviewed every three years. A rate of £110 has been set for the three year period 2008/09 to 2010/11.

2. Sex Establishment Renewal

Given that the major work in this area is in connection with new applications, it is felt that an increase for renewing the licence could not be justified, particularly as it could precipitate a legal challenge of the fee.

Conclusions:

Members are requested to approve the revised set of fees and charges for 2008/09 as shown on the attached schedule.

Fees and charges have generally been increased in line with the inflation figures set by the Director of Finance and Information Technology, and to reflect changes in legislation and additional taxes.

The adjustments highlighted above will not have a material impact on the inflation anticipated in the budget files.

Fees and charges for Environmental Services (former Community Protection) 2008/09

	2007/08 Charge (exc VAT)	Vat element	2007/08 Charge (inc VAT)	2008/09 Proposed Charged (exc VAT)	Vat element	2008/09 Proposed Charge (inc VAT)
	£	£	£	£	£	£
Licences						
Animal Boarding Establishments 1963	136.00	NIL	136.00	141.00	NIL	141.00
Breeding of Dogs Act 1973	87.00	NIL	87.00	90.00	NIL	90.00
Dangerous Wild Animals Act 1976:						
New licence (plus any vet fees)	205.00	NIL	205.00	212.00	NIL	212.00
Renewal of licence (plus any vets fees)	87.00	NIL	87.00	90.00	NIL	90.00
Pet animals act 1951	87.00	NIL	87.00	90.00	NIL	90.00
Rag flock and other filling materials act 1951	87.00	NIL	87.00	90.00	NIL	90.00
Riding establishments act 1964/1970	136.00	NIL	136.00	141.00	NIL	141.00
Acupuncturists, Tattooists, Ear Piercers and Electrolysis						
Premises	164.00	NIL	164.00	170.00	NIL	170.00
New assistants	84.00	NIL	84.00	87.00	NIL	87.00
Game Dealers Licences	31.00	NIL	31.00	32.00	NIL	32.00
Motor Salvage Operations (1)	100.00	NIL	100.00	110.00	NIL	110.00
Food Export Certificates						
Single Issue	93.00	NIL	93.00	96.00	NIL	96.00
Multiple Issue	Contract	NIL	Contract	Contract	NIL	Contract
Food Safety Act 1990						
Registrations	No charge	NIL	No charge	No Charge	NIL	No Charge
Copies of details from register:						
Full print out	785.00	NIL	785.00	813.00	NIL	813.00
Specific Business Category	84.00	NIL	84.00	87.00	NIL	87.00
Copy of individual registration	22.00	NIL	22.00	23.00	NIL	23.00
Certification etc of unfit/unsound food						
Certification only	25.53	4.47	30.00	26.38	4.62	31.00
Visit, inspection, certification and proper disposal:-						
For certification:	25.53	4.47	30.00	26.38	4.62	31.00
Plus Hrly Rate:	25.53	4.47	30.00	26.38	4.62	31.00
Food Hygiene and Health Education Courses						
Basic Food Hygiene Courses	55.00	NIL	55.00	57.00	NIL	57.00
Basic Health and Safety Course	55.00	NIL	55.00	57.00	NIL	57.00
CIEH Option courses						
Module A - Foundation Module	25.00	NIL	25.00	26.00	NIL	26.00
Module J - Refresher Module	20.00	NIL	20.00	21.00	NIL	21.00
Module G - HACCP Module	20.00	NIL	20.00	21.00	NIL	21.00
Module B - Cleaning and Disinfection	15.00	NIL	15.00	16.00	NIL	16.00
Module C - Food Pests	15.00	NIL	15.00	16.00	NIL	16.00
Module D - Premises and Equipment	15.00	NIL	15.00	16.00	NIL	16.00
Module E - Food Safety Legislation	15.00	NIL	15.00	16.00	NIL	16.00
Food Safety Risk Assessment Course	32.00	NIL	32.00	33.00	NIL	33.00
"Special Deals"						
Basic Food and Hygiene and HACCP Module	64.00	NIL	64.00	66.00	NIL	66.00
Basic Food Hygiene and Food Safety Risk Assessment Course	77.00	NIL	77.00	80.00	NIL	80.00
Contracts and courses outside normal working hours	Negotiated charge	NIL	Negotiated charge	Negotiated charge	NIL	Negotiated charge
Other courses	Negotiated charge	NIL	Negotiated charge	Negotiated charge	NIL	Negotiated charge
Asbestos						
Analysis and sampling (per visit)	115.74	20.26	136.00	119.15	20.85	140.00
Sampling for other departments - Charge per sample	31.00	NIL	31.00	32.00	NIL	32.00
Drain surveys using camera						
Hourly Rate	55.32	9.68	65.00	57.02	9.98	67.00
Provision of information, including that relating to the Environmental Information Regulations 1992						

General provision to individuals	13.62	2.38	16.00	14.47	2.53	17.00
General confirmation only (e.g. to solicitors)	35.74	6.26	42.00	36.60	6.40	43.00
Detailed search and/or sampling required or information relating to Landfill Gas Sites	103.83	18.17	122.00	107.24	18.76	126.00

Provision of information specifically held under the Environmental Protection Act 1990

Local pollution interests, i.e. residents and occupiers and commercial interests

Computer copy of registration listing for public	15.32	2.68	18.00	16.17	2.83	19.00
Computer copy of register listing for commercial interests	40.85	7.15	48.00	42.55	7.45	50.00
Copies of details from public register:						
Charge per 10 sheets	11.91	2.09	14.00	12.77	2.23	15.00
Advice to BL&P re: land disposals etc (Hourly Rate)	34.00	NIL	34.00	35.00	NIL	35.00

Pest Control Charges

Domestic Premises (privately owned premises) :

Public Health Pests (including cockroaches, fleas, bed bugs, pharaoh ants and rats)	Free	NIL	Free	Free	NIL	Free
Non public on public health pests (Mice, Wasps and Garden Ants inside dwelling)	34.04	5.96	40.00	35.32	6.18	41.50

Commercial Premises:

Commercial contract charges						
One off treatments - Charge per hour	49.36	8.64	58.00	51.06	8.94	60.00
Council owned premises other than council dwellings - charge per hour (with a minimum of 1 hours charge)	48.00	NIL	48.00	50.00	NIL	50.00
Internal Contracts						

Hourly rate for the calculation of officers' time

This increase takes into account the increments awarded to officer in April each year and also the annual pay award. There is also a small element towards the cost and maintenance of equipment	35.74	6.26	42.00	37.02	6.48	43.50
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Miscellaneous charges for provision of photocopies of documents (per 10 sheets)

	11.91	2.09	14.00	12.77	2.23	15.00
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Work in Default Charges

Where contractor costs are below £150	71.00	NIL	71.00	74.00	NIL	74.00
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Registered Contractors Charges

New contractors applying to go on list	50.00	8.75	58.75	51.75	9.05	60.80
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Careline

Service now part of Adult Services Department

Private Sector Housing

Housing Act Notices & Orders	309.00	NIL	309.00	320.00	NIL	320.00
Provision of information to landlords, solicitors etc	35.74	6.26	42.00	36.60	6.40	43.00
Houses in Multiple Occupation (HMO Licences)						
-Accredited Landlords (per occupant)	16.00	NIL	16.00	16.00	NIL	17.00
-Non-Accredited Landlords (per occupant)	21.00	NIL	21.00	22.00	NIL	22.00

Proposed Licensing Fees 08/09

Licence	2007/08	2008/09
Street Trading Consents		
Occasional consent	£27.00 plus £10 per day to a max of £67.00	£28.00 plus £10.00 per day to a max of £69.00
New applications - static trading consents (for 12 months from date of issue)	424	439
New applications - mobile trading consents (for 12 months from date of issue)	530	549
Renewals of existing static trading consents (for 12 months from date of issue)	383	397
Renewals of existing mobile trading consents (for 12 months from date of issue)	489	506
Variation of existing consent to trade	79	82
Private Hire Operator		
School/Social Services contract only	64	66
Private Hire Operators Licence for each premises at which bookings are accepted.	165	171
Hackney Carriages		
Vehicle (12 month licence) (fee reduced by £75.00 for wheelchair adapted vehicle, £20 if the vehicle is propelled by Liquid Petroleum Gas) Only one fee reduction will be given.	265	274
Vehicle (6 month licence) (fee reduced by £37.50 for wheelchair adapted vehicle)	162	168
Private Hire		
Vehicle (12 month licence) (fee reduced by £75.00 for wheelchair adapted vehicle, £20 if the vehicle is propelled by Liquid Petroleum Gas) Only one fee reduction will be given.	235	242
Vehicle (6 month licence) (fee reduced by £37.50 for wheelchair adapted vehicle)	131	136
Hackney Carriage and Private Hire		
Driver - new application	76	79
Driver - renewal	35	36
As 2 nd Licence (New)	27	28
As 2 nd Licence (Renewal)	20	21
Knowledge Test (2nd and any subsequent re-test)	20	21
Vehicle retest	28	29
Vehicle - non arrival for arranged test	41	42
Replacement vehicle plate	21	22
Full test / Non arrival for arranged test	45	47
Single taxi meter test	17	18
Replacement driver's badge	12	13
Sex establishment		
New Application	4,833	5002
Renewal (2)	3,183	3183
Small Bus Permit	53	55
Requests for information		
Routine	28	29
Detailed (plus Officer's time including VAT)	28	29
Use of Rooms for Civil Marriages		
(Three year registration)	599	620

04. Environmental Services Department – Planning & Regeneration

Background:

This report outlines the range of fees and charges that come under the remit of the former Planning and Regeneration Department and recommends revised charges for 2008/09.

Proposals:

Generally charges have been raised by 3.5% in accordance with figures recommended by the Director of Finance and Information Technology.

Service/Function	2007/08	2008/09
Provision of information and advice	£47 per hour + VAT	£49 per hour + VAT
Scaffolding/Hoarding Permits:		
Designated inner areas	£56.00	£58.00
Other areas	£25.75	£27.00
Provision of weekly Planning Lists	£154 per annum	£159
Block Plans	10p per sheet	A4 1:1250 £20.00 per set of 6 copies (OS/Stanford costs £14.00) A4 1:1200 £34.00 per set of 6 copies (OS/Stanford costs £14.00)
Photocopying of Decision Notices	10p per sheet	No change
General Photocopying	10p per sheet	No Change
Other non-standard photocopying	10p per sheet	No Change
Retrospective confirmation of need for Planning/Building Regulations consent	£50	No Change
Contribution by developer in connection with proposals for hot food establishments	Range of contributions from £200 to £2800 depending on size and location of the development	No Change

For photocopying requests not exceeding £1 in total a charge is not levied, due to the costs of processing the charge.

Currently there is no charge made by the Building Control section for search requests on houses for sale / re-mortgage and the subsequent supply of any building regulation number and description of work. The number of enquiries has been increasing in recent months with 47 enquiries being received in a single week. The enquiries predominantly come from private search companies and solicitors. The extent of the work will vary from property to property. It is proposed to introduce the charge in order to recover the costs of providing the service. The proposed charge is very much in line with neighbouring authorities in Greater Manchester. It is anticipated that once a charge is introduced the number of requests will significantly reduce. In view of the uncertainties attached to the activity levels as a result of this charge the budget has not anticipated any additional income.

Conclusions:

Members are requested to approve the revised set of fees and charges for 2008/09 as shown on the schedule above to be effective from the 1st April 2008.

05. Environmental Services Department – Engineering Services

Background:

Members will be aware that the Director of Finance and Information Technology has submitted a detailed report to Cabinet outlining the Principles and Timetables for the 2008/09 Revenue Budget. In this report it is recommended that locally determined income should rise by 3.5%.

This report outlines the range of fees and charges that come under the remit of the former Engineering Service Department and recommends revised charges for 2008/09.

Proposals:

The attached schedule contains an extensive list of chargeable items. Generally charges have been raised by 3.5% in accordance with figures recommended by the Director of Finance and Information Technology.

Members are asked to keep the charge at £10 per collection for Bulky Domestic Items. This will reduce the anticipated inflation in the budget files by £5,075. The expected income from this service is estimated to be £135,000 in 2008/09.

Some fees for example, Roads and Street Works Act (RASWA) are set by legislation whilst others, for example, accident damage are recovered at contract and actual cost rates, therefore revision is not required.

Alternative options considered and reason for the recommended option:

The charge for the collection of bulky domestic items could be increased by the recommended 3.5%, however it is felt that this would have a further adverse impact on the demand for the service.

Car Parking Charges & Fines

Members are recommended to accept the proposal that there should be no inflationary increase in car parking charges and fines from 1st April 2008. This is the situation reflected in the draft 2008/09 budget and is based on:

- a. The projected shortfall in income levels of £235k in 2007/08 as a result of reduced usage.
- b. The continuing uncertainty over the impact that the Grand Arcade shopping centre car parks will have on the Council run facilities in Wigan. Until the situation becomes clearer it is not felt appropriate to consider increasing charges.

The zero percent increase on car parking charges is in line with the assumptions in the 2008/09 Revenue Budget and so does not represent a further reduction in income.

With regard to the cost of a resident permit, given that this has not been increased since 1997, it is now felt appropriate to raise this to £15 from £10, this will increase the anticipated inflation in the budget by £12,500.

Conclusions:

Members are requested to approve the revised set of fees and charges for 2008/09 as shown on the attached schedule.

Fees and charges have generally been increased in line with the inflation figures set by the Director of Finance and Information Technology, and to reflect changes in legislation and additional taxes.

If the recommendations are approved there will be an increase in the anticipated inflation in the budget on local income of £7,425.

DEPARTMENT OF ENGINEERING SERVICES

FEES AND CHARGES 2008/09

SECTION / DESCRIPTION

Cleansing	Qty	2007/08	2008/09
Black Plastic Sacks	250	£23.10	£23.90
	200	£18.55	£19.20
	150	£13.90	£14.40
	100	£9.60	£9.95
	50	£4.80	£4.95
	40	£3.80	£3.95
	30	£2.90	£3.00
	20	£1.95	£2.00
	15	£1.55	£1.60
	10	£1.15	£1.20
	5	£0.65	£0.70
Collection of Bulky Items		£10.00	£10.00
Sale of Wheelie Bins (inc delivery)		£34.60	£35.80
Sale of Euro Bins (inc delivery)		£258.85	£267.90

Trade Refuse Bins	Qty	2007/08	2008/09
Bulk Bin Hire	Per Annum	£50 + VAT	£52 + VAT
Bulk Bin Empty	Per Week	£20 + VAT	£21 + VAT
Wheeled Bin	Per Week	£10 + VAT	£11 + VAT

Refuse Service – Internal Departments	Qty	2007/08	2008/09
Bulk Bin Hire (per annum)		£45.90	£47.50
Bulk Bin (per week)		£13.80	£14.30
Wheeled Bins (per week)		£4.80	£4.95
Refuse Sacks (per 100 sacks)		£169.75	£175.70

General Highways	Qty	2007/08	2008/09
Section 38 Highways Approval, supervision & adoption of Highways		6% of estimate	No Change
Section 104 Sewers Approval, supervision & adoption of Sewers		2.5% of estimate	Work now done by UU
Section 278 Agreements Supervision on site		Cost	No Change
Footpath Works, Adopted Footways & PROW			
Temporary Diversion		£1,100.00	£1,200.00
Permanent Diversion		£1,300.00	No Change
* Made up of Advertising and legal fee recharges and Admin fee. May be renegotiated if advertising or legal fees excessive.			

Road Safety	Qty	2007/08	2008/09
Seat Hire			
1st Stage Seat Hire (Meggy Saturn Seat) 8 months hire or up to 22lbs (10kg)		£6.00 plus £10.00 refundable deposit	No Change
1st Stage Seat Hire (Fairmont Seat) Up to 2 months hire More than 2 months		£6.00 £10.00 plus £10.00 refundable deposit	No Change
2 nd Stage Seat Hire		£6.00 (plus £10.00 refundable deposit)	No Change
School Crossing Patrol Extra Cover			
Additional school cover outside of normal times		£10.00 per hour	No Change
Additional requirement created by Contractors		£11.00 per hour	No Change
School Crossing Patrols		£10.00 per patrol	No Change

Transport	Qty	2007/08	2008/09
MOT Test Class IV		£45.00	£47.00
MOT Test Class VII		£47.00	£49.00
Vehicle Inspection Fee (Car Loans)		£40.00 + VAT	£42.00 + VAT

Administration Section	Qty	2007/08	2008/09
Central Hire			
Additional Quotes		£25.75	£5.50 per quote
Annual Admin Fee		£103.00	£107.00
Monthly Admin Fee		£11.00	£12.00
Leasing Arrangement Fee		£25.75	£27.00
Admin & Finance			
Personnel Information			
Admin charge Plus per page Plus postage		£24.50 10p	£25.50 10p

Street Lighting	Qty	2007/08	2008/09
Section 38 Road Design Fees			
Basic Fee		£140.70	£145.00
Column Fee		£12.35	£13.00
Maximum Fee		£406.00	£420.00
Accident Damage Street Lighting			
Contract rate plus sub contractor costs and Admin @		5% or £25.75 min charge	5% or 26.65 min charge
Site Inspection		£23.70	£24.50

Traffic and Transportation	Qty	2007/08	2008/09
Provision of H Bar Markings		£40.00	£42.00
Highways Ownership Queries		£41.00	£43.00
Accident Data Requests		£75.00	£80.00
Direction signage eligibility		£85.00	£88.00
Removal of A boards		£50.00	£53.00
Removal of fly posters		£15.00	£16.00
Skip Permits		£15.00	£16.00

Highways	Qty	2007/08	2008/09
RASWA – Admin Fee		£77.00	£80.00
Vehicle Crossings			
Standard Ramp Construction (per m)		£44.80	£46.40
Excavation and construction beyond ramp area (per sq m)		£31.40	£32.50
Reconstruct bitmac beyond ramp area (per sq m)		£16.50	£17.00
Relay flags beyond ramp area (per sq m)		£11.85	£12.30
Provision of edging kerbs (per m)		£8.25	£8.60
Resiting street furniture, removal of street trees and other related work		Actual Cost	Actual Cost
Administration / Supervision Charge		£24.70	£25.60
Administration / Cancellation Fee		£24.70	£25.60
Accident Damage			
Highways Contract rate plus Admin Charge		5% or £25.75 min charge	5% or £26.70 min charge

Street Works	Qty	2007/08	2008/09
Street Works Licence			
Admin		£175.00	£181.00
Capitalised Fee		£182.00	£188.50
(For Classified Roads)		£365.00	£378.00
Inspection Fees – per 200 metres or part of		£90.00	£93.00
Minimum Charge Therefore		£450.00	£466.00
Road Opening Permission			
Admin		£90.00	£93.00
Inspection Fees – per 200 metres or part of		£90.00	£93.00
Temporary Traffic Regulation Orders Including Road Closures			
Temporary Orders		£330.00	£342.00
Temporary 21 Day Notice – Emergency		£182.00	£188.50
Temporary 5 Day Notice – (Cranes etc.)		£150.00	£155.00
Preparation of diversion and signing schedule		£200.00	£210.00

Parking – Controlled Parking Zone	Qty	2007/08	2008/09
Residents Permit		£10.00	£15.00
Visitor Permit		£2.00	£2.00
Daily Visitor Permits (book of 20)		£5.00	£5.00
Business Permits			
1 st		£10.00	£15.00
2 nd		£25.00	£50.00
3 rd and additional		£100.00	£150.00
Half Day visitor (book of 20)		£20.00	£25.00

06. Housing General Fund

Bickershaw Lane Caravan Site Charges 2008/09

Background:

Wigan & Leigh Housing took over responsibility for the Council's caravan site off Bickershaw Lane on 1 August, 2005.

The site contains 16 plots, one occupied by the warden, and residents pay a plot charge together with separate water and electricity charges

Proposals:

In line with the increase in dwelling and garage rents it is proposed to uplift the rental charge for each plot by 4.8%. This will equate to a weekly increase of £2.24, from £46.68 in 2007/08 to £48.92 in 2008/09 for a single plot and a weekly increase of £2.70 from £56.23 in 2007/08 to £58.93 for a double plot in 2008/09.

It is proposed to uplift the water and electricity charges by the standard inflation uplift for income of 3.5% in line with the 2008/09 Wigan Council Budget Manual. It must be remembered that electricity charges were increased by 34% in 2007/08 and that the recent announcement of an increase in electricity charges was on the back of previous reductions.

Conclusions:

Members are requested to approve the revised set of fees and charges for 2008/09 as detailed above.

If the recommendation to increase the rental charge for each plot by 4.8% is approved the inflationary increase of £1,793 will be added to the budget files.

If the recommendations to increase the water charge and the electricity charge by 3.5% are approved the inflationary increase of £324 will be in line with the assumption in the budget files.

07. Housing Revenue Account

Provision of Service Charge References

Background

Further to a flat being purchased under the Right to Buy Scheme, any subsequent sale or re-mortgage of the property would usually generate a request for information from the leaseholder or the solicitor for either the vendor or prospective purchaser. It is estimated that the number of requests per year can range from 20 to 30. Currently no charge is made for the provision of this service to recover the staff time taken up.

Proposals:

It is now proposed that a charge be introduced to reflect the employee time taken to provide the requisite information. The amount of time needed to deal with all aspects of a potential enquiry has been evaluated, in order to recover the full employee costs a charge of £60 would be required.

Comparative information has been sourced from the Housing Best Practice Leaseholder Services Group. Out of 5 respondents, 3 organisations charged for the service and this ranged from £40 to £65.

It is therefore proposed to instigate a charge of £60 for each request for the provision of service charge references. This charge is not subject to VAT.

Alternative options considered and reason for the recommended option

An alternative option is to continue providing this service for free, however given the ongoing financial pressures impacting on the Council's Housing Revenue Account it is now felt to be appropriate to introduce a charge that will at least recover the costs of providing the service.

Conclusions:

Members are requested to approve the introduction of a £60 charge for the provision of service charge references.

	2007/08 Charge (exc VAT)	Vat element	2007/08 Charge (inc VAT)	2008/09 Proposed Charged (exc VAT)	Vat element	2008/09 Proposed Charge (inc VAT)
	£	£	£	£	£	£
Provision of Tenant Rent / Mortgage Reference	38.98	0.00	38.98	40.34	0.00	40.34
Provision of Service Charge Reference	This is a proposed new charge for 2008/09 see below for further details.			60.00	0.00	60.00

08. Children and Young People's Services

Outdoor Education and Arts Services

1. Proposed Increases

- 1.1 In order to meet the increased costs associated with pay awards and general price inflation, the Arts Services and Outdoor Education propose to increase their fees in 2008/09 as follows:-
 - Visual and Performing Arts and Drumcroon proposed to increase their fees by 4.1% with effect from 1st September 2008.
 - The Outdoor Education Centres propose to increase their fees by 4.1% with effect from 1st September 2008.
- 1.2 Members are requested to approve the uplift in fees for the 2008/09 financial and academic years, which is reflected in the base budget.

09. CYPS & Adult Services

Standard Residential and Day Charges

Introduction

1. This report sets out the residential and day charges for 2008/09. These aim to recover the full cost of providing accommodation as required by Part III of the National Assistance Act 1948 in the case of adult services, and former Association of Metropolitan Authorities guidelines in the case of children services.

Background

2. The cost of running the establishments on which the charges are based are at 2008/09 estimated out-turn prices and include a capital charge based on depreciation and notional interest together with an allowance of 10% for support costs.
3. At the Social Services Committee on 29th March 1995 members agreed that the occupancy rates used in the calculation of these charges should be based on an average taken over the previous five years. The charges in the attached appendix have been calculated on that basis with the exception of Fourways and the Hostels for Adults with Learning Disabilities, which have been increased by inflation. This approach was agreed by Panel in 2001. The charges for the day nurseries have also been increased by inflation for the day care service which is continuing to be provided in two of the Early Years and Family Resource Centres. Income for these services is thus in line with the budget forecast.

Residential and Day Charges

4. The attached appendix details the current standard charges for 2007/08 together with the 2008/09 charges.
5. In general the changes from the 2007/08 charges are a result of inflation and minor fluctuation in occupancy rates. Explanation for other or more significant changes are:
 - a) Children's Homes, Hunter Lodge, Training & Development Centres and Day Centres for EMI all reflect increased occupancy.
 - b) Brookfield reflects a reduction in net costs.
6. Usage of the facilities referred to in 5. by other authorities is small and the impact on the budget is negligible.

Conclusion

7. Members are asked to approve the 2008/09 rates for implementation with effect from 1st April 2008.

Type of Accommodation	Unit	Current Standard Charge 2007/08	Proposed Standard Charge 2008/09
		£	£
Children's Homes	Week	1,861.44	1,846.74
Heathside, Home for E.M.I.	Week	581.40	607.46
Fourways, Home for Younger Persons with Physical Disability:			
(i) Residential	Week	480.07	494.47
(ii) Short Term Care	Week	480.07	494.47
(iii) Day Care	Day	116.44	119.93
(iv) ABI	Week	633.35	652.35
Hunter Lodge Day Care for Younger Persons with Physical Disability	Day	47.65	43.53
Homes for Children with Learning Disability	Week	2,740.92	2,823.15
Homes for Adults with Learning Disability	Week	485.20	499.76
Brookfield, Home for Adults with Mental Health Problems	Week	494.33	375.55
Day Nurseries	Day	57.04	57.04
Day Centres for the Elderly and Physical Disability	Day	32.21	30.89
Day Centres for the Elderly Mentally Infirm	Day	56.98	54.82
Training Development Centres	Day	72.30	69.17

10. Finance and IT Department

Charging for Use of Council IT Facilities

1. Background

In April 2004 the Council introduced a charge for personal use of the internet. The charge is based on 50% of the commercial rate set by Virgin media for its "surf unlimited" service. Currently this is £7.50 per month for those above Scale 3 SCP 18 and £3.50 for those below this grade. Currently 320 staff and members make personal use of the internet with 85 at the lower rate.

2. Proposals for 2008/09

The charges currently reflect the latest Virgin media rate. It is not therefore proposed to increase the current charges for 2008/09. It is anticipated that around £20,000 will be raised from these charges during 2008/09.

11. New Town Hall Catering Price Increases from 1st April 2008

In response to competition from new external commercial food outlets, changes in food tastes and the reduction in the number of staff based in buildings close to the New Town Hall, Metro Fresh have recently overhauled their provision and developed a new range of menu options. External price bench marking using competitor menu information suggests that a 5% increase for the coming year to be appropriate and would leave the New Town Hall catering operation price and food content competitive with local alternative suppliers. This increase also takes into account the expected increases in the costs of food supplied by Metro Fresh due to the food price inflation which has been widely reported. A similar exercise on drinks suggests that a 3% increase in prices from 1st April 2008 would be appropriate.

Proposal

Members are asked to approve the increases set out above which are expected to generate an additional £8,000 from food sales and £1,500 from drinks sales.

12. Local Income – Markets Tolls & Charges

Members are recommended to accept the proposal that there should be no inflationary increase in the markets tolls and charges from 1st April 2007. This is the situation reflected in the draft 2008/09 budget and is based on the difficulty in achieving the budgeted levels of income during the current year due to the high levels of vacant units. This situation is expected to continue into 2008/09 and markets income totalling £90,000 has therefore been removed from the draft 2008/09 budget. Increasing the charges and tolls from 1st April 2008 would be likely to worsen the difficulties experienced letting units and is not therefore recommended to Members, however the situation will be kept under review during 2008/09.

13. Review of Charges – Marriage Act (Approved Premises) Regulations 1995 and the Civil Partnerships Act 2004

The above legislation requires Local Authorities to approve suitable premises for marriages and civil partnerships. A number of suitable venues have been licensed throughout the Borough. In addition, the regulations enable Local Authorities to set fees for the attendance of a Superintendent Registrar and a Registrar of Marriages at a wedding ceremony and also the attendance at a Civil Partnership ceremony.

At their meeting on 8th February 2007, Cabinet approved an increase of approximately 9% on the approved premises fees and 7% for staff attending at approved premises. These increases generated an estimated £5,000 additional income.

A comparative exercise with charges levied by a sample of neighbouring Local Authorities has recently been undertaken and the results of this have confirmed that Wigan's current fees are in line with those being charged by neighbouring Councils. In view of the above inflation increases introduced in April 2007 and the need to retain price competitiveness with neighbouring authorities, no price increase is recommended to be applied from April 2008.

14. Local Land Charges Fees

Predicting accurately the likely volume of searches over the next financial year continues to be difficult as this is affected by the housing market, changes in the property search market itself and proposals under consideration by DCLG following reports by the Office of Fair Trading. It is likely that there will be changes to the rules governing the release of information to personal search agents and further adjustments in the housing search market following the full introduction of the Home Information Packs. Whilst at this stage it seems prudent to seek an inflation increase to the Enquiries of District Councils part of the search and for a further report to be submitted if the proposed changes render further consideration of these issues necessary.

The proposed 3.5% inflationary increase is estimated to generate an additional £21,000 and is in line with the assumptions built into the budget.

Appendix 3 – Results of the Citizen's Panel BMG Report – November 2007

Introduction

This is the third year that the Citizen's Panel has been canvassed on their opinions. Section two relating to the Council's budget considers the public view on how they feel the money which comes from council tax, should be used.

The following three questions were again asked this year:-

- How do you think the Council could become more efficient?
- If you were a leader of Wigan Council for a day, looking at the following list, what would be your top three priorities? Please ✓ three boxes only.
 - A good start in life for every child and young person
 - Healthier and happier lifestyles
 - Care and protection when life is difficult
 - Aiming for high achievement with the education, training and skills people need to meet their potential and gain jobs
 - A strong, modern economy offering a good standard of living for everyone
 - People living in decent affordable homes of their choice
 - Living in a place where you feel safe
 - Improving local facilities, the infrastructure and the environment
 - A place where people respect and value their different backgrounds and get on well together
 - Enriching people's lives through leisure, sporting and cultural opportunities
- We would like to find out which service areas you think possible budget/ funding cuts could be made if some cuts had to be made. Below are the 10 aims of the Council. For each one listed, we would like you to decide whether you are:-
 1. Willing to see a reduction in these areas level of service
 2. Want to see services maintained at the same level for these areas
 3. Willing to consider some improvement in these services areas, even if it increases Council Tax charges.Please ✓ one box for each row

In total 806 respondents opinions have been collected, compared to 850 last year. The information used has been selectively extracted from data tables in advance of the eventual consolidated publication of the wider report, and can be found on the attached link:- <http://boston/cexec/consultation/panel-2007/index.htm#November>.

This year we have been able to introduce comparative data with the previous year for the first two questions, and provide a three year comparison for the third question.

In addition we have been able to build on the information we provided last year on the Township view of the different priorities in respect of improvement in services, by identifying the relative changes in opinions over the two years, and how they are currently ranked by each of the townships.

The First Question:-

This was the second year that this question had been used, in which the panel were asked “**How do you think the Council could become more efficient?**”

A range of approximately different responses were recorded, and the top five were:-

- Better recycling facilities 6%
- Better maintenance of roads 5%
- Don't waste money 4%
- Ask residents opinions 3%
- More facilities for children 3%

This compares to last years responses when the top five responses were:-

- More recycling: 5%
- Don't Know: 4%
- More activities for youths: 3%
- Increased policing: 3%
- Less bureaucracy / red tape: 2%

The Second Question:-

Again this was the second year that this question had been used, in which the panel were asked “**If you were a leader of Wigan Council for a day, looking at the following list, what would be your top priority? Please ✓ three boxes only**”.

The information from the data tables has been collated and ranked by the % number of respondents who placed the individual priority within their top three.

Priority	Nov 07	Nov 07	Nov 06	Nov 06
	%	Rank	%	Rank
Living in a place where you feel safe	59	1	52	1
A strong, modern economy offering a good standard of living for everyone	45	2	44	2
A good start in life for every child and young person	32	3	37	3
Aiming for high achievement with the education, training and skills people need to meet their potential and gain jobs	31	4	29	4
People living in decent affordable homes of their choice	26	=5	26	5
Improving local facilities, the infrastructure and the environment	26	=5	22	6
Care and protection when life is difficult	26	=5	21	7
Healthier and happier lifestyles	17	8	17	9
A place where people respect and value their different backgrounds and get on well together	16	9	18	8
Enriching people's lives through leisure, sporting and cultural opportunities	8	10	9	10
Not provided	2		5	

For the second year running over half of the responses gave ‘Living in a place where you feel safe’ as their top priority.

The Third Question:-

The question was used again this year, in which the panel were asked “**We would like to find out which service areas you think possible budget/ funding cuts could be made if some cuts had to be made. Below are the 10 aims of the Council. For each one listed, we would like you to decide whether you are:-**

- 1. Willing to see a reduction in these areas level of service**
- 2. Want to see services maintained at the same level for these areas**
- 3. Willing to consider some improvement in these services areas, even if it increases Council Tax charges. Please ✓one box for each row**

The same ten aims identified in question two are used again here.

1. Reduction to service areas

Looking at where the panel feel monetary amounts should be reduced, the strongest responses are as follows:-

- Approximately one in three felt that funding should be reduced for creating a place where people respect and value their different backgrounds and get on well together;
- One in five think that less money should be spent on (1) creating happier and healthier lifestyles, and (2) enriching people’s lives through leisure, sporting and cultural opportunities.

2. Maintain services at the same level

Areas where the panel would like to maintain the current level of service would be as follows:-

- A good start in life for every child and young person (63%) up 6%;
- Aiming for high achievement with the education, training and skills people need to meet their potential and gain jobs (53%) up 4%
- People living in decent affordable homes of their choice (50%) up 4%
- Improving local facilities, the infrastructure and the environment (49%) up 15%.

3. Improvement to services areas

Of all ten of the Council’s aims the one that the panel are most keen to improve, even if it increases Council Tax charges would be to: -

- Live in an places where they feel safe (66%) a decrease of 4% over last year
- A strong, modern economy offering a good standard of living for everyone (57%) up 4%.
- Care and protection when life is difficult e.g. support for older people and those with a disability (53%) down 3%.

An analysis of the responses to question 3 is shown below:-

<p>We would like to find out about which service areas you think possible budget/funding cuts could be made if some cuts had to be made... (All panel members) – Nov 06 results shown in () brackets & Nov 05 in []</p>			
	Reduce	Maintain	Improve
Helping people reach their full potential			
A good start in life for every child and young person e.g. preschool, nurseries and healthy children	5% (2%) [4%]	63% (57%) [52%]	27% (33%) [36%]
Aiming for high achievement with the education, training and skills people need to meet their potential and gain jobs e.g. education, people staying on at school, well paid jobs	4% (2%) [4%]	53% (49%) [47%]	37% (40%) [42%]
Care and protection when life is difficult e.g. support for older people and for those with a disability	2% (1%) [1%]	42% (36%) [38%]	53% (56%) [55%]
Healthier and happier lifestyles e.g. more people being physically active, healthy eating and stopping smoking	22% (13%) [13%]	42% (43%) [41%]	27% (34%) [38%]
Places people want to live			
A strong, modern economy offering a good standard of living for everyone e.g. attracting businesses to the area, improving transport and more employment	2% (4%) [3%]	38% (37%) [40%]	57% (53%) [50%]
People living in decent affordable homes of their choice e.g. improving council and other rented housing	13% (13%) [13%]	50% (46%) [50%]	31% (32%) [29%]
Living in a place where you feel safe e.g. reducing crime and anti-social behaviour so that you feel safe	1% (1%) [1%]	30% (23%) [22%]	66% (70%) [72%]
Improving local facilities, the infrastructure and the environment e.g. better roads and transport, cleaner streets and environment	3% (2%) [1%]	49% (34%) [35%]	45% (60%) [58%]
Building strong communities			
A place where people respect and value their different backgrounds and get on well together e.g. welcoming people from different backgrounds	32% (23%) [17%]	41% (42%) [46%]	17% (24%) [26%]
Enriching people's lives through leisure, sporting and cultural opportunities e.g. having access to a wide range of sports and facilities	20% (13%) [11%]	50% (53%) [49%]	23% (23%) [32%]

The information provided in the data tables to question three allows us to analyse the responses in several different ways, that are statistically robust. Looking at the data allows us to highlight that there are some significant differences across Township areas, and in particular where they would like to see an improvement in services.

Nov 2007 Results %	A	B	C	D	E	F	G	H	I	J	Total
A good start in life for every child and young person	31	41	23	37	31	33	14	31	22	23	27
Aiming for high achievement with the education, training and skills people need to meet their potential and gain jobs	47	24	36	40	37	41	28	39	42	36	37
Care and protection when life is difficult	45	60	52	65	48	55	46	45	67	55	53
Healthier and happier lifestyles	27	16	25	36	28	26	21	26	42	24	27
A strong, modern economy offering a good standard of living for everyone	54	46	66	56	46	64	54	59	64	58	57
People living in decent affordable homes of their choice	34	59	29	36	32	25	19	23	26	38	31
Living in a place where you feel safe	84	47	55	80	70	59	63	68	57	67	66
Improving local facilities, the infrastructure and the environment	56	34	51	45	44	46	39	40	45	49	45
A place where people respect and value their different backgrounds and get on well together	21	19	15	21	20	21	9	15	19	14	17
Enriching people's lives through leisure, sporting and cultural opportunities	23	40	27	17	25	17	24	17	28	15	23

KEY

A = Ashton in Makerfield

B = Atherton

C = Golborne & Lowton

D = Hindley, Abram, Platt Bridge & Bickershaw

E = Leigh

F = Orrell, Billinge & Winstanley

G = Shevington, Standish & Aspull

H = Tyldesley & Astley

I = Wigan North

J = Wigan South

Highest, Lowest and Average figures shown in bold

Last years data has been provided below for comparison purposes:-

Nov 2006 Results %	A	B	C	D	E	F	G	H	I	J	Total
A good start in life for every child and young person	18	48	22	36	33	42	24	43	39	38	33
Aiming for high achievement with the education, training and skills people need to meet their potential and gain jobs	47	56	40	42	40	50	28	39	43	33	40
Care and protection when life is difficult	66	51	53	64	54	56	52	45	61	56	56
Healthier and happier lifestyles	40	39	26	34	26	45	38	34	41	19	34
A strong, modern economy offering a good standard of living for everyone	45	68	60	65	49	52	43	52	56	51	53
People living in decent affordable homes of their choice	29	49	22	42	29	41	25	35	32	28	32
Living in a place where you feel safe	76	78	66	83	68	71	65	59	66	69	70
Improving local facilities, the infrastructure and the environment	80	62	57	59	51	64	57	60	59	56	60
A place where people respect and value their different backgrounds and get on well together	15	46	26	33	24	26	11	15	30	22	24
Enriching people's lives through leisure, sporting and cultural opportunities	14	33	26	27	21	30	21	20	32	15	23

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Highest, Lowest and Average figures shown in bold

There are some stark relative changes emerging between the two years for particular Townships areas, of where they would like to see an improvement in services, and details are provided below.

Relative Changes in % Nov 2007 - Nov 2006	A	B	C	D	E	F	G	H	I	J	Total
A good start in life for every child and young person	13	-7	1	1	-2	-9	-10	-12	-17	-15	-6
Aiming for high achievement with the education, training and skills people need to meet their potential and gain jobs		-32	-4	-2	-3	-9			-1	3	-3
Care and protection when life is difficult	-21	9	-1	1	-6	-1	-6		6	-1	-3
Healthier and happier lifestyles	-13	-23	-1	2	2	-19	-17	-8	1	5	-7
A strong, modern economy offering a good standard of living for everyone	9	-22	6	-9	-3	12	11	7	8	7	4
People living in decent affordable homes of their choice	5	10	7	-6	3	-16	-6	-12	-6	10	-1
Living in a place where you feel safe	8	-31	-11	-3	2	-12	-2	9	-9	-2	-4
Improving local facilities, the infrastructure and the environment	-24	-28	-6	-14	-7	-18	-18	-20	-14	-7	-15
A place where people respect and value their different backgrounds and get on well together	6	-27	-11	-12	-4	-5	-2		-11	-8	-7
Enriching people's lives through leisure, sporting and cultural opportunities	9	7	1	-10	4	-13	3	-3	-4		

KEY

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Changes in excess of 15% are highlighted

Nov 2007 Results - Ranking	A	B	C	D	E	F	G	H	I	J	Total
A good start in life for every child and young person	7	5	9	6	7	6	9	6	9	8	7
Aiming for high achievement with the education, training and skills people need to meet their potential and gain jobs	4	8	5	5	5	5	5	5	5	6	5
Care and protection when life is difficult	5	1	3	2	2	3	3	3	1	3	3
Healthier and happier lifestyles	8	10	8	7	8	7	7	7	5	7	7
A strong, modern economy offering a good standard of living for everyone	3	4	1	3	3	1	2	2	2	2	2
People living in decent affordable homes of their choice	6	2	6	7	6	8	8	8	8	5	6
Living in a place where you feel safe	1	3	2	1	1	2	1	1	3	1	1
Improving local facilities, the infrastructure and the environment	2	7	4	4	4	4	4	4	4	4	4
A place where people respect and value their different backgrounds and get on well together	10	9	10	9	10	9	10	10	10	10	10
Enriching people's lives through leisure, sporting and cultural opportunities	9	6	7	10	9	10	6	9	7	9	9
<p>KEY</p> <p>A = Ashton in Makerfield B = Atherton C = Golborne & Lowton D = Hindley, Abram, Platt Bridge & Bickershaw E = Leigh</p> <p>F = Orrell, Billinge & Winstanley G = Shevington, Standish & Aspull H = Tyldesley & Astley I = Wigan North J = Wigan South</p> <p>Highest, Lowest and Average figures shown in bold</p>											

A review of each of the Townships highest three priorities indicates that:-

- Six out of ten Townships gave 'Living in a place where you feel safe' the highest priority, and it featured in the top three of all Townships.
- Ashton ranked 'Improving local facilities, the infrastructure and the environment' higher than the other nine Townships.
- Atherton prioritised 'People Living in decent affordable homes of their own choice' higher than the remaining Townships.

Budget Challenge 2008/9 – 2010/11 – savings, growth and budget pressures

Attached is an overall summary of the proposed savings, growth and budget pressures discussed in our two rounds of challenge meetings. Our planning process indicated scenarios of growth, standstill and reduction – with additional Savings identified for reinvestment in the Support Services Review. Departments also indicate some additional pressures from the current year's budget. We need to set out these savings in the context of the challenging targets for efficiency savings. Local authorities as a whole are required to achieve 9.9% or £4.9 billion of savings by 2010/11. Although there are no specific targets for individual authorities in this CSR efficiency savings will be one of the new performance indicators and in the debate on Council Tax levels Ministers have been keen to emphasise the scope for savings in cost.

In putting forward proposals for growth and savings we have sought to achieve a balanced position over the next three years. We have also set a new target for Council Tax of 2% per annum which can in part be met from our reserves. For 2009/10 and 2010/11 we will need to keep this under review in the light of service pressures, but our aim will be to keep council tax increases within retail price inflation. To achieve this we need to continue to transform our services in the knowledge that we face some big challenges over the coming years. It is clear that in terms of service provision others are innovating at a faster pace, whilst at the same time passing part of their efficiency gains back to taxpayers.

Neighbourhood Renewal Funding will end in 2007/8. It is clear however that Working Neighbourhoods Funding will represent a shift in priorities and is not a direct replacement. We need to gear up for this change and working with partners on the Local Strategic Partnership, ensure we manage the transition and make the best use of the new funding available. The Director of Environmental Services has been asked to report back on this issue.

As regards each of the departments:-

Children and Young People's Services

The pressures in the area of safeguarding children and the recent review of work in this area are acknowledged. Resources have therefore been set aside for this priority, especially in the light of the recent CPA judgement where this area of work slipped from a 3 to a 2. Home to School Transport has also been raised as an existing pressure and a plan is being developed to address this. Some temporary funding has therefore been provided to assist in the short term and it is assumed that the need for this will reduce over the three year forecast period. Other savings proposed have been phased to allow scope to address short term budget pressures. We need to return to the provision for our contribution to Building Schools for the Future once the shape of our vision is clear. Provision for the initial costs of BSF will be met from reserves and underspends in the current year as indicated in the main report.

Adults

Demographic changes, Care Home Fees and Learning difficulties were raised as the key pressures. Implementation of the improvement plan put forward as part of last year's budget has gathered pace. The Comprehensive Spending Review has signalled that there will be a major review of the funding of care for the elderly. In the short term, the Government is proposing a £3.5 m injection of additional ring-fenced resources to assist with transforming social care over the period up to 2010-11. Promoting the personalisation of services through individual service user control of budgets is a key part of this agenda, as is strong joint working with the NHS, particularly the PCT.

In the interim to recognise the pressure on the service, provision is suggested for additional resources for Learning Disabilities and for residential care for the Elderly Mentally Infirm. Savings proposed are spread over the three year period and have been scaled back with the understanding that if more savings are delivered than expected this is to be recycled into service provision and a move to the personalisation agenda. As with services for Children safeguarding of old people's well being is key and additional resources have been allocated in response, we would wish to explore joint working with Children and Young Peoples Services and independent providers.

Environmental Services

The key issues highlighted were waste disposal, the fall out of Neighbourhood Renewal Funding, and issues around crime and grime. A more generous overall financial settlement together with the savings generated from the review of waste collection has enabled us to endorse the reinvestment of the savings in continuing some of the NRF projects and to invest in the dry recyclables pilot. Provision has been made for further investment in waste recycling and neighbourhood based initiatives including a specific increase in Wigan in Bloom and other initiatives in response to public priorities as evidenced through the Citizens Panel. Savings proposed in Highways and Works have been scaled back to ensure our road infrastructure remains in good repair. Although in later years we have assumed that more modest procurement savings can be achieved.

We are working on a long term strategy for waste. In the interim a provision needs to be made in reserves to cover potential Landfill Allowance Trading Scheme penalties – the market has been volatile and difficult to predict - £1 million has been set aside for 2009/10 and £1.5 million in 2010/11. To improve recycling a £1.1 million provision (net of savings in Landfill Tax) has been set aside subject to a successful pilot to roll out dry recyclables over the next three years. A further £100,000 has been provided for a further phase of green bin roll out. These initiatives should take us up to the end of the existing waste disposal contract in 2012.

Wigan Leisure and Cultural Trust

Our strategy for fees and charges for cemeteries has been to bring them in line with our neighbouring authorities and this policy should continue. The next phase of the review of the Tourist Information Centre, procurement savings and the proposals for the Stables Centre at Haigh are all supported. We acknowledge the importance of the Library Service to the public and the need to raise standards – particularly given our vulnerability on the whole of the CPA Leisure and Culture block – partial reinvestment and a phasing of the next stage of the review is therefore provided for. Provision for the Jazz Festival and the renewal of the popular People's Network of library based PCs has been made.

The DCLG are currently running a number of pilot projects for community ownership of public buildings. The Council has in the past explored this route and should do so again in the context of the Leisure Venues and the proposed savings have been profiled to accommodate such a review. This should also encompass the potential for other local assets to be transferred to the community within the context of the Getting Wigan Active Strategy and the Library Review.

Business Support Services and Chief Executives Services

For Chief Executives, Finance and IT, Legal and Property Services, and the Business Support element of Adults, CYPS and Environment Services we propose to take the savings. The External Auditors have highlighted to us the additional work required by both the Council and themselves under International Financial Reporting Standards and new Government reporting requirements. This may require resources in the future.

For the further level of Support Service Review savings a matching reinvestment is shown in 2008/9 which also need to accommodate transition costs and any invest to save propositions. Current proposals for that reinvestment include strengthening work on equalities and diversity, organisation development, reputation management, scrutiny and general support to members, a new payroll and personnel system, and customer service management. In 2009/10 and 2010/11 there is a presumption that at least half the additional savings will help fund medium term forecast priorities such as recycling and adult social care.

Investment in ICT and increase in property maintenance is allocated here – although the benefits will be spread across the whole community. Workforce development and training will be needed to improve flexibility and assist with change management. As well as a review of the potential for asset transfer to local communities we need to make provision for the outcome of our review of office accommodation and in the interim increase the repairs and maintenance budget.

Looking ahead

Cabinet will have a further opportunity in the coming months to explore the above issues and how will we take forward challenges such as affordable housing, the local development framework, Building Schools for the Future, Transforming Social Care and our Pay and Grading strategy.

We need to continue the momentum of transformational change as we head for more turbulent economic times.

Summary Analysis of Financial Planning Spending Review 2008/09

Service	Service Area	2008/9 Savings £000's	2008/9 Growth £000's	2009/10 Savings £000's	2009/10 Growth £000's	2010/11 Savings £000's	2010/11 Growth £000's	Comments	
Children and Young Peoples Services	Improved Commissioning	-25	-	-25		-25		Original savings spread	
	Departmental Efficiencies	-50		-50		-50		Original savings spread	
	Advertising income	-25		-25				Original savings spread	
	Use of grant income								
	- Childrens Fund	-25		-25		-25		Original savings spread	
	- Connexions	-25		-25		-25		Original savings spread	
	- Sure Start	-25	-	-25		-25		Original savings spread	
	Accommodation savings	-35							
	School Improvement	-25		-25		-50		Original savings spread	
	Youth Offending Team	-5		-5				Original savings spread	
	Personal Social and Health Education	-5							
	Extended Learning	-5		-10				Original savings spread	
	Pupil Support Services	0						£50k proposal not taken	
	Arts Advisory Service	-5		-10				Efficiency / income target - not service	
	Outdoor Education	-5		-10				Efficiency / income target - not service	
	Planning Performance and Quality Assurance	-10		-10					
	Education Business Partnership	-5		-5					
	Car allowances	-15							
	Advocacy	-5		-5					
	Home to School Transport			150	-25		-50		
	Children in need of protection			150		100		100	Increased allocation in response to existing pressures
	Sub Total CYPs		-295	300	-280	100	-250	100	

Service	Service Area	2008/9 Savings £000's	2008/9 Growth £000's	2009/10 Savings £000's	2009/10 Growth £000's	2010/11 Savings £000's	2010/11 Growth £000's	Comments
Adult Services								
	Supporting People	0						Pro-rata illustrative saving of £140k not taken
	Learning difficulties	-70		-72				Review Day Centres
	Mental Health Services	-20		-20				Review of Day Centres
	Older People	-100		-100		-71		Review Day Centres
	Physical Disabilities	-40		-47				Review Fourways
	Residential Care - Elderly Mentally Infirm		280					
	Transition costs / Demographic pressures		600		800		0	
	Safeguarding		95					
	Strategy and Support	-5		-5		-5		Majority of cost in SSR services
	Sub Total Adults (exc Supporting People)	-235	975	-244	800	-76	0	
Environment								
	Highways and Works Budget	0		-125		-125		Seek efficiencies
	Waste Collection Best Value Review Savings	-691		-132				
	Loss of Neighbourhood Renewal Funding		321					
	Dry Recyclables Pilot		132		132			
	Waste Management Strategy		110					
	Joint Service Centre Project Manager		68					
	AGMA Joint Waste		60					
	Staff Salaries	-80		-10		-30		
	Equipment Budgets	-17		-11				
	Landfill Allowance Trading Scheme				0			Provision of £1 million in balances / volatile
	Further green waste round		100					

Service	Service Area	2008/9 Savings £000's	2008/9 Growth £000's	2009/10 Savings £000's	2009/10 Growth £000's	2010/11 Savings £000's	2010/11 Growth £000's	Comments
	Further dry recyclables		367		367		367	Phased to encompass 135,000 households
	Environmental Initiatives		50					
	Neighbourhoods		150					Further investment
		-788	1,358	-278	499	-155	367	
Wigan Leisure & Culture Trust								
	Increase cemeteries income	-50						Bring charges in line with neighbours
	Complete Tourist Information Centre Review	-26						
	Procurement and supply chain	-45						
	Office Accommodation at Stables Centre	-12						
	Re-engineer the Library Service	0		-20		-25		
	Jazz festival contribution		20					Inclusive of CYPS contribution
	Peoples Network		42					Support - encourage access
	Review of Allotments (Joint with Legal and Property)				45		45	Provision for improved management
	Review of Leisure Venues	0		-45		-45		
		-133	62	-65	45	-70	45	
Chief Executives (inc BSS costs)								
	Salary savings							Included in Support Services Review
	Coops Building - accommodation savings	-29						
	Workforce development strategy		100					Provision for change programme
	Print Services Review	-24						
		-53	100	0	0	0	0	

Service	Service Area	2008/9 Savings £000's	2008/9 Growth £000's	2009/10 Savings £000's	2009/10 Growth £000's	2010/11 Savings £000's	2010/11 Growth £000's	Comments
Finance & IT (inc BSS costs)	Finance staffing	-99						
	Rationalisation of ICT helpdesks	-27						
	Deletion of Audit Manager post	-24						
	Payroll	-22						
	CIPFA Trainees	-15						
	International Financial Reporting Standards				50			
	ICT - improved communications technology / mobile		400	-100		-100		Separate from SSR bids
	Court cost income and business efficiency savings	-59						
		-246	400	-100	50	-100	0	
	Legal & Property Services (inc BSS costs)	Staff Salaries						
Review of Energy Management Unit			60	-20		-40		Extra 3 posts requested - self funding
Commercial lawyer / Facilities Management			0					Consider as part of Support Services
Review of property maintenance and repairs			400	-40		-40		Also consider office accommodation
Safety checks of community centres			0		32			
		0	460	-60	32	-80	0	

Service	Service Area	2008/9 Savings £000's	2008/9 Growth £000's	2009/10 Savings £000's	2009/10 Growth £000's	2010/11 Savings £000's	2010/11 Growth £000's	Comments
CYPS - Business Support Services	Salary savings	-150						
Adults - Business Support Services	IT / Secretarial Support / Information & publicity	-91						
Environment - Business Support	IT communications	-33						
	Finance	-72						
	HR	-15						
Support Services Review	Legal Services	-166						Per final report
	Creditors and Debtors	-135						Part included in cash flow figures
	Recruit to Pay	-335						Per final report - will require new investment in IT
	ICT	-133						Per final report
	Other financial processes	-130						Part included in cash flow figures
	Mail	-56						Per final report
	Further anticipated savings			-1,250		-1,250		
	Provision for reinvestment / redundancy / pension costs		1,000		625		625	Part re-invested in above growth
		-1,316	1,000	-1,250	625	-1,250	625	
	Total Spending Review	-3,066	4,655	-2,277	2,151	-1,981	1,137	
	Balance between growth and savings		1,589		-126		-844	

Schools Budget 2008-11

1. Introduction

1.1 2008 - 2011 is the first complete three year budget period for schools.

1.2 The School Funding Settlement 2008 - 2011 was announced on 12th November 2007 with three headlines:

- Education spending per pupil up to record levels
- Investment boost in literacy and numeracy
- Funding targeted at the most disadvantaged pupils

1.3 The Local Authority average, per pupil, revenue funding increase will be 4.6% in 2008/09, 3.7% in 2009/10 and 4.3% in 2010/11. All Authorities will receive the same basic increase in their Dedicated Schools Grant (DSG) guaranteed funding level, topped up with their specific allocations for Ministerial priorities. This is the 'spend plus' methodology.

Table 1 - Wigan LA Estimated DSG Increases

	2008/09	2009/10	2010/11
Minimum Funding Guarantee (MFG)	2.1%	2.1%	2.1%
Headroom	<u>1.0%</u>	<u>0.8%</u>	<u>0.8%</u>
Basic increase	3.1%	2.9%	2.9%
Ministerial priorities	<u>1.2%</u>	<u>0.7%</u>	<u>1.3%</u>
	<u>4.3%</u>	<u>3.6%</u>	<u>4.2%</u>

1.4 The government's priorities for schools for this delegated budget period relate to personalised learning, in particular:

- early intervention strategies to prevent pupils falling behind
- targeted support for specific groups such as:
 - ethnic minorities
 - white working class children
 - children in care
 - children with SEN
- ensuring the school workforce has the right skills to address the needs of children

Additional funding has been provided via the DSG in respect of the above priorities: £330M in 2008/09, £535M in 2009/10, rising to £912M in 2010/11.

Wigan's allocation of this new money is:

£2.158M in 2008/09

£3.448M in 2009/10

£5.815M in 2010/11

1.5 Other government priorities are:

- progression - all children meet their potential
- help for those falling behind in numeracy and literacy
- extend the entitlement to free nursery education
- extended schools

These programmes will be addressed through the Standards Fund.

- 1.6 New money totalling £40M has been targeted to Authorities that serve more affluent areas but have schools in pockets of deprivation, in order to reduce the attainment gap. Wigan has not received an allocation of this targeted funding. However, all Authorities must continue their work to properly reflect deprivation funded through DSG via their local funding formulae.
- 1.7 Ministers have made clear their intentions to return school funding to a formulaic basis for the multi-year budget period 2011 - 2014. The 2008 - 2011 period has been funded using the 'spend plus' methodology. In preparation for this, by 2010, a sum of £59.3M will be allocated to those LAs that spent below their School's Formula Spending Share.
- 1.8 The per pupil MFG will be set at 2.1% for each of the three years within this budget period. This includes an assumed 1% efficiency gain for the next three years.
- 1.9 The Schools Standards Grant (SSG) and School Standards Grant (SSG (P)) will be increased in line with the 2.1% MFG.
- 1.10 Each Local Authority's allocation of the School Development Grant will be increased by the MFG of 2.1%. Schools are guaranteed the same cash allocation per pupil, year on year. This will allow some updating of the distribution of this grant.
- 1.11 The Learning and Skills Council (LSC) will be announcing increases in funding for schools with sixth forms and its new funding methodology. The Local Authority will therefore exclude sixth form funding when applying the MFG to schools with sixth form provision. Details of the LSC funding for 2008-09 will be announced at the end of February 2008.
- 1.12 The introduction of diplomas will be funded through a specific formula grant, yet to be announced. This grant will augment the practical learning options funding allocated to schools from the DSG.
- 1.13 Finally, new mechanisms are being developed to help schools make best use of their resources to improve outcomes for pupils. The aim is to provide schools with access to a range of support, tailored to their individual circumstances, exemplifies good practice and provides opportunities for peer review and support.

2. Schools' Delegated Budget Share 2008 - 2011

- 2.1 The DSG per pupil funding for every school is guaranteed to increase by at least 2.1% per year, unless Schools Forum have agreed to an exception to MFG. Schools Forum can exempt up to 50% of schools from MFG.
- 2.2 Exceptions to MFG may be approved in circumstances where, for example:
- there is a true formula change that, if protected under MFG, would produce anomalous funding levels
 - Schools Forum have agreed to a re-prioritisation of funding which moves some funding between schools.
- 2.3 If there are no exceptions to MFG agreed by Schools Forum, then the financial impact of any formula changes must be met from the 1% headroom included within the total DSG funding.
- 2.4 Detailed below is Wigan Council's estimated DSG for the 2008 - 2011 multi-year budget period.

Table 2 - Estimated Dedicated Schools Grant

	2008/09	2009/10	2010/11
Estimated Pupil Numbers	46,227.7	45,558.5	45,314.5
	£	£	£
Baseline Funding per pupil	3,784.33	3,948.00	4,091.00
Amount percentage increase	<u>163.67</u>	<u>143.00</u>	<u>171.00</u>
Total pupil funding	<u>3,948.00</u>	<u>4,091.00</u>	<u>4,262.00</u>
Estimated DSG	<u>182,506,960</u>	<u>186,379,824</u>	<u>193,130,399</u>

- 2.5 The DSG is a ring fenced grant that must meet the costs of all school and pupil related expenditure as detailed within the Financing of Maintained Schools Regulations. As the increases in funding announced for schools are higher than those for the Local Authority, all relevant costs will be managed within the estimated DSG.
- 2.6 The Local Authority has identified a number of priorities for the next multi-year budget period that require changes to the local budget share formulae. Many of these priorities mirror national objectives and, as with the national formula, they do not represent significant structural formula changes.
- 2.7 The Building Schools of the Future (BSF) and Primary Capital Strategy will have a major impact on the shape and pattern of education provision across the borough. The impact of these changes will start during the 2011 - 2014 multi-year budget period, as will the new national education funding formula. The Local Authority and its Schools Forum will need to review the budget share formulae by 2011, to ensure that it meets the needs of the new school estate and curriculum models.

3. Proposed Changes to Budget Share Formulae

3.1 Deprivation Funding

3.1.1 The Department for Children, Schools and Families (DCSF) is monitoring the allocation of funding in respect of deprivation across all Local Authorities. Over the summer, returns were submitted to DCSF identifying sums allocated for this purpose, compared to the actual sum distributed by the DSG.

Wigan's return highlighted the following:

- A target of 10.43% of DSG, totalling £18.5M, for allocation to schools as deprivation on funding in 2007/08.
- Actual sum delegated on this basis was £11M, or 59%.
- Wigan has a shortfall of £7.5M to target via the approved deprivation factors.

3.1.2 The Local Authority must ensure that further funding is allocated via eligible and accurate deprivation factors to help schools improve the attainment levels of all pupils. The amount of deprivation funding included within Wigan's DSG, per pupil funding, is 10.5%, which equates to the following amounts:

2008/09	£18.9M
2009/10	£19.5M
2010/11	£20.2M

3.1.3 Funding for children in care is included within the deprivation calculation but, more importantly, their safety, health and attainment is included within the priorities of the Children and Young People's Plan.

The current funding formula allocates a sum of £519 per pupil for each child in care.

Schools Forum has agreed to increase this sum to £1,500 per pupil to support their additional needs. Along with the increase in funding, a new system will be put in place to monitor progression.

3.1.4 The Local Authority has been pioneering the use of ACORN data to identify levels of deprivation within individual schools and it is now proposed that this work be introduced into the social deprivation funding factor.

The current social factor distributed a sum of £1.4M in 2007/08 on the basis of free school meals eligibility to mainstream schools. The proposal is to increase this sum by up to £2M - £2.5M in 2008/09, using the new money for Ministerial priorities and any unallocated headroom by applying ACORN data weightings to distribute the funding across all schools. This sum will increase in 2009/10 and 2010/11 as the amount of funding increases, see paragraph 1.4.

The advantages of ACORN data in relation to meeting the personalised learning agenda at school level are:

- the data is up to date and refreshed on an annual basis
- ACORN is based at postcode level, providing therefore a very high degree of precision in measuring deprivation in terms of where people live
- ACORN has five categories containing: 17 groups and 57 types, allowing detailed considerations to be made of social structures
- the combination of the use of postcodes along with a large number of types allows an accurate, fine measure of social circumstances, especially when averaged over school populations
- the 57 types have been slightly re-ordered by the Fischer Family Trust to provide a one-to-one correspondence between social deprivation and educational performance
- educational spending can be closely aligned with social circumstances and the consequential impact on educational performance can be measured accurately

Schools Forum has agreed to use ACORN data to distribute the new money available for schools over the 2008 - 2011 multi-year budget period.

- 3.1.5 The money in respect of the school meals service, that is the cost of free meals and direct costs, was delegated to schools as part of Fair Funding. (This funding is classed as deprivation funding). At this time, formula factors were created to separately identify the two aforementioned elements, in order that schools could identify the new money; also, since that time, the charges for schools buying into the Council's school meals service has equalled the value of the sum delegated.

This method of delegation and re-charging is no longer satisfactory as it does not reflect the changes in service delivery and the increased flexibility now required by some schools. It is therefore proposed that the separate school meals factors be removed from the funding formulae and that the money be included within other existing formulae, that have identical or similar criteria.

The proposal is to transfer the free school meals funding (£1.9M in 2007/08) to the existing social factor, which is already distributed on the basis of free school meals and to transfer the direct costs (£0.4M in 2007/08) to the basic lump sum factor. In making these transfers, the amount of funding per sector has been protected, therefore, there will be no shift of funds between the primary, secondary and special sectors.

This methodology has the effect of limiting the impact of change at an individual school level, for example, the range of variances are:

	£			£
Primary schools	- 2,700	to		+ 5,000
Secondary schools	- 5,700	to		+ 3,492
Special schools	- 3,800	to		+ 8,900 *

* Note Highlea and Kingshill have been excluded from the above range due to the opening of the new secondary EBSD school in September 2008.

This proposed change will encourage schools to procure their school meals service on the basis of need, quality and value for money, as opposed to the amount of funding delegated.

These proposals will have no impact upon the LA's deprivation funding return to DCSF.

Schools Forum has agreed to remove the separate formula factors in respect of the school meals service, by including this funding within other similar factors.

3.2 Pupils with English as an Additional Language (EAL)

3.2.1 There has been a growth in the number of pupils with EAL in recent years and in the main, the children are from families of economic migrants residing within the borough. The changing profile of families and children across the borough is putting a strain on resources within schools and on the central services supporting the pupils.

3.2.2 A new formula factor was introduced several years ago, based upon the number of children in Wigan schools at that time. A banding system was introduced that allocated funds to schools, as follows:

Pupils with EAL	£
5 - 9	1,875
10 - 14	3,750
15 +	5,625

The above formula is no longer distributing funds to schools in a manner that allows them to meet the needs of non-English speaking arrivals.

3.2.3 The DCSF has excluded the funding for children with EAL from the deprivation calculations, as their needs are relatively short term. The majority of pupils make good progress in acquiring language skills and are therefore able to access the mainstream curriculum. This issue has been taken into consideration in the Local Authority's proposals in respect of a revised EAL factor.

The LA is recommending that only pupils with EAL who have arrived in the current and previous academic year should receive additional funding. Pupils with EAL will always be recorded as such in the Schools Census, even though they may be accessing the curriculum appropriately. Without a time parameter, the funding would be targeted to all EAL pupils, irrespective of their progress and time in school.

3.2.4 However, it is recognised that schools with pupils with EAL, over a certain number, will have specific issues, cultural and pastoral, to deal with, and a new lump sum element is proposed to address this.

3.2.5 The proposal for a revised EAL formula is detailed below:

- A continuation of a banding system

Numbers of new pupils with EAL as at the two previous Autumn School Census	£
5 – 9	2,000
10 – 14	4,000
15-19	6,000
20-24	8,000
25+	10,000

(The above funding is sufficient to employ an additional Teaching Assistant for one to five days per week).

- A lump sum element where a school has a population of pupils with EAL in excess of the following numbers:

	Lump Sum
Primary, nursery and special schools with 10 or more pupils	£ 5,000
Secondary schools with 20 or more pupils	£10,000

3.2.6 As the arrival of pupils with EAL is ad hoc, many schools are faced with mid-year admissions and the LA therefore intend to issue funding for these children via the proposed formula. A school may, therefore, receive additional funding if the numbers of pupils with EAL moves into the next band or triggers the lump sum element.

3.2.7 As this funding will be very fluid as new arrivals move into areas and schools across the borough, it will be exempted from the MFG, by naming the pupils to whom the funding relates.

Schools Forum has agreed to extend the banding system for newly arrived, named pupils with EAL.

Schools Forum has agreed to the introduction of a lump sum element for primary, nursery and special schools with named pupils with EAL in excess of 10, or secondary schools with named pupils with EAL in excess of 20.

3.3 Early Years Funding Reforms

3.3.1 During the 2008 - 2011 multi-year budget period, there will be a number of early years funding reforms:

- A review of Private, Voluntary, Independent (PVI) provider costs in the area which will inform budget setting processes for 2008 - 2011.
- Consistent pupil counting between the maintained and PVI sectors from 2009 - 2010.
- By 2010 - 2011 a single local formula must be introduced for funding early years provision in the maintained and PVI sectors.
- Schools Forum membership will be broadened to include membership from the PVI sector.

3.3.2 The purpose of these reforms is to ensure that early years education is funded fairly and consistently across the different sectors. This does not necessarily mean that all settings will be funded at the same rate, as each sector will have different key cost drivers, such as staffing ratios and fixed costs. However, all funding will be calculated taking the same factors into consideration. The aim is to have sustainable early education across the borough.

3.3.3 The work has begun to analyse costs within the PVI sector. This work will inform the LA's work in the development of a single formula for early years provision by 2010 - 2011.

3.3.4 It is too early to have established the funding impact of the above reforms but it is important that schools with nursery provision are aware of the future changes. An early years sub group of the Schools Forum will be created to work through the detail of proposals and their impact. All schools will be kept up to date with the progress of this work over the next 12 - 18 months.

3.4 Nursery Age Weighted Pupil Unit Funding

3.4.1 New legislation is coming into force on 1st September 2008 relating to staffing ratios and staffing qualifications in maintained nurseries. From this date, the ratio of staff to children is increased to 2:26 and there will be a legal requirement to have a qualified teacher and a Level 3 Teaching Assistant.

3.4.2 To comply with the new legislation, the LA is proposing that the admission number of all 60 place nursery classes is reduced to 52 from 1st September 2008 and, therefore, the LA also needs to review its AWPU funding from that date. The current AWPU was designed to support a 2:30 staffing ratio, therefore, an uplift of 15% is required to support a 2:26 staffing ratio.

3.4.3 The LA therefore proposes to increase the AWPU weighting from 156 to 180 to reflect the increased staffing ratio for nursery schools and classes. The estimated cost of this change is £350K in a full year and this will be met from the 1% headroom within the DSG.

3.4.4 At present, the local budget share formulae includes only one weighting of 156 for the Foundation Stage. Therefore, with effect from 1st September 2008, there will be two AWPU weightings applicable to the Foundation Stage:

Nursery weighting	180
Reception weighting	156

3.4.5 To allow for the part year effect in year 1, that is 2008/09, the following phasing will be applied:

	AWPU weighting 2008/09	AWPU weighting 2009/10	AWPU weighting 2010/11
Nursery	170	180	180
Reception	156	156	156

Schools Forum has agreed to introduce a new AWPU weighting to reflect the required staffing ration of 2:26 from 1st September 2008.

3.5 Actual/Average Salary Factor

3.5.1 The primary sector has within its budget share formulae an actual/average salary factor. The purpose of this factor is to allow schools to appoint staff based upon their ability and the needs of the school, as opposed to affordability. As staffing complements change year on year, this can be a volatile factor, that often requires Schools Forum to agree to a number of exceptions to MFG to make it work.

3.5.2 The DCSF has stated that it will require Local Authorities with such a factor, to remove it from their formulae from April 2011. The rationale behind this requirement is a statement that this factor is preventing some schools from implementing workforce reforms.

3.5.3 This formula has not created problems of this nature within Wigan, but the LA will have to comply.

3.5.4 The actual/average factor is a self-balancing factor within the primary sector that has a range of adjustments from +/- £20 - £25K. To remove this factor, it has been agreed that the changes are phased in, over the three year period, to avoid financial turbulence. Schools Forum will be asked to use their powers to exempt up to 50% of schools from the MFG to ensure that this process does not need significant sums of headroom funding to make it work.

Schools Forum has agreed to phase out the actual/average formula factor over the 2008 - 2011 multi-year budget period, in preparation for the April 2011 requirement.

3.6 Rationalisation of minor formula factors in respect of Council Service Level Agreements (SLAs)

- 3.6.1 As a result of the Fair Funding Regulations, the funding for a number of centrally provided services was delegated to schools. As with the cost of free school meals, the majority of the services were delegated using a separate formula factor that allowed schools to separately identify the amount of money relating to each service. The recharges for each of these services to individual schools are equal to the sums delegated and are based upon simple formulae, such as pupil numbers or lump sums.
- 3.6.2 It is the LA's intention to remove as many of these small factors as possible by transferring these into other similar factors within the formulae. Schools will continue to have the costs of these services identified separately within the SLA documentation, but they will make their decisions regarding the purchase of these services from the Council, or other suppliers, based upon quality and value for money, rather than considering them as cash neutral transactions.
- 3.6.3 This rationalisation of formulae reflects the maturity of schools when procuring support services and removes the direct relationship between delegation and cost, thereby promoting flexibility in the system to develop more bespoke and tailored services at an appropriate cost.
- 3.6.4 The following formula factors are under consideration:

	Current Formulae	
	Lump Sum	Pupil Numbers
Energy Management	3	
Health and Safety	3	
Legal Services	3	
Financial Services	3	3
ICT	3	3
Payroll	3	3
Personnel	3	3

- 3.6.5 The factors that are currently allocated as a flat rate, per school, will be transferred to the basic lump sum value of every school and will be cash neutral.

The factors that are currently allocated on the basis of pupil numbers will be included in the AWPU value, per sector, for the mainstream schools, and will be added into the planned place values for special schools. This methodology will ensure that the funding is maintained within the relevant sector and that any variances will be minor.

Schools Forum has agreed to remove the minor formula factors as detailed in section 3.6.

3.7 Special Schools and Resourced Schools Planned Places

- 3.7.1 Recently there has been a number of reviews affecting special schools, the complex needs review, the secondary EBSD review and the ongoing expansion of Landgate school. Each of these reviews will have an ongoing financial impact during the 2008 - 2011 budget period.

- 3.7.2 Three new complex needs schools opened in September 2006 and since that date, the LA has continued to review its requirements in respect of future demand for places within special schools for pupils for complex needs. As a result of this work the LA has determined the number of planned places that it wishes to purchase from the three schools for pupils with complex needs for the next three financial years. In addition, a new planned place band has been developed in respect of children with complex needs.
- 3.7.3 The new secondary EBSD school will open on 1st September 2008 and Kingshill and Highlea schools will close. The provision within the new school will be radically different and will include the management of a new Holistic Family Support Service. A new secondary EBSD planned place band will be introduced to support the new delivery model. However, it should be noted that the new EBSD provision within the LA, including schools, Pupil Referral Units and the Holistic Family Support Service, will cost, in total, the same as the current provision. The enhanced service levels have been funded by the removal of the residential provision at Highlea, which met the needs of a few pupils, during term time only.
- 3.7.4 Landgate School will continue to expand over the next few years, removing the need for the LA to place pupils with severe communication and interaction difficulties, in expensive, out of borough, independent school placements. A new planned place band has been created to meet the needs of these pupils, who will be frequently categorised on the severe end of the Autistic spectrum.

The cost of the expansion of Landgate will, in part, be met by the reduction in demand for places in the three complex needs schools. The balance will be met from within the total DSG, as the option of in-house provision is very cost effective. It is estimated that the DSG will benefit by approximately £3.5M as a result of this expansion, over a six year period.

- 3.7.5 There is a continuing review of resourced provision within the borough. New resourced units within the primary sector have already opened in the West (Westfield Community Primary School) and Central (Platt Bridge Community School) areas and the next stage will be to create provision in a third school in the East of the borough.

The LA is also looking to create a resourced provision in the secondary sector to provide longer term placements for students with ASD/Aspergers able to access a mainstream curriculum with support.

The two new resourced schools described above will be funded from the potential closure of the primary provision currently based at Hindley Green and Meadowbank units. These closures are the subject of formal consultations due to end in December 2007.

In addition the band weighting for the primary EBSD schools is to be increased to allow the development of a family liaison service as part of its early intervention strategies.

Schools Forum has agreed the following band weightings for 2008-11

Severe communication and interaction difficulties	Band AD	256
Complex learning difficulties	Band CN	159
Secondary EBSD	Band DS	254
Primary EBSD	Band DP	202

3.8 Outreach provision for pupils with SEN in mainstream schools

3.8.1 The current outreach provision is provided by specialist staff based within the special schools. The LA currently commissions support for the numbers of pupils detailed below:

	Pupils
Hope School	20
Montrose	10
Oakfield	10
New Greenhall	10
Landgate	<u>10</u>
Total	<u>60</u>

The above provision is deemed to be core provision and is funded by allocating resources to the above schools.

3.8.2 In addition to the above provision, the LA has a sum of £160K held in contingency to support additional pupils needing outreach provision. The LA propose that this funding should be retained centrally within the Schools Budget and utilised to purchase additional support as and when required.

The reason for proposing the central retention of this funding is to ensure flexibility and the ability to target funding direct to needs, without the potential of eroding the funds through the application of the MFG.

A system for referral, monitoring and evaluation of support will be developed in respect of the core outreach provision and the £160K available to provide support for a further forty pupils.

Schools Forum has agreed to the central management of the Outreach Budget subject to a system for referral, monitoring and evaluation being introduced.

4. Setting the Schools Budget and the Central Expenditure Limit for 2008-09

For the purpose of setting the Council Budget the Schools Budget must be agreed. Paragraph 2.4 of this report is the indicative Schools Budget for 2008-09 based upon the numbers of pupils identified via the Schools, Alternative Provision and Early Years census information January 2008.

The Council are recommended to set a Schools Budget equal in value to the amount of Dedicated Schools Grant estimated to be received in 2008-09. That sum is £182,506,960 based upon 46,227.7 pupils at £3,948 per pupil.

The pupil numbers used above are best estimates. Changes in pupil numbers are very sensitive. For example, a 0.001% error, equivalent to 50 pupils out of 46,000, would result in an under/over statement of the Schools Budget by £197,400. The DCSF will inform the Council of its actual DSG allocation in May 2008. Any under or over provision will be contained within overall DSG allocations.

The Central Expenditure Limit is the amount of DSG that is not delegated to individual schools, but managed centrally. To ensure that the maximum amount of grant is delegated to schools the Financing of Schools Regulations require that the increase in central expenditure must be no greater than the increase in the Individual Schools Budget. However, with the approval of Schools Forum this limit can be breached.

Schools Forum will meet on 20 February to agree the Central Expenditure Limit for 2008-09. At this point of the budget preparation process it is expected that the limit will be breached for a number of valid reasons :

- The creation of the Holistic Family Support Service attached to the new secondary EBSD school. The management of this service will be devolved to the school, but the funding will remain central.
- The creation of two new Pupil Referral Units as part of the overall review of EBSD provision.
- Central retention of the £160,000 of the Outreach Budget, as already agreed by Schools Forum .
- A request for additional resource for the centrally managed team that support newly arrived, non-English speaking children who are admitted to Wigan schools.
- A potential request for additional funding to support pupils who are accessing alternative education provision.
- Temporary retention of funds from the closing resourced units attached to two primary schools. This funding will be used to develop new resourced provision in the primary and secondary sectors as agreed by Cabinet as part of the review of special provision in the borough.
- Central expenditure of DSG carry forward from 2006-07. A recommendation will be put the Schools Forum that this funding be used to purchase and install forensic software in schools.

5. Recommendation

- 5.1 Council are recommended to set an indicative Schools Budget for 2008-09, which is equal in value to the estimated DSG of £182,506,960.