



Report to: Cabinet / Overview and Scrutiny
Date: 23rd August 2007 / 10th September 2007
Subject: Medium Term Financial Plan 2008-2011
Report of: Director of Finance & IT
Contact officer: David Smith 2232

Purpose/summary: To examine the financial projections for the Council over the next 3 years with specific focus on the budget and Council Tax prospects for 2008/9

Alternative options considered and reason for selecting the one recommended: A substantial increase in Council Tax could lead to a cap being imposed. This would be the alternative option to requiring savings to be exemplified

Recommendation/decision: To note the forecast, the potential costs surrounding the risk areas identified, and consider the process for considering growth and reductions. Give guidance on the level of savings to be exemplified.

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

Implications:

Financial: The report sets the scene for the next 3 years. The key resources from Formula grant, Dedicated Schools Grant and specific grants are forecasts at this stage, but form the basis for the consideration of budget options and strategies to be considered over the coming months.

Staffing: May be affected by options chosen for both growth and efficiencies.

Policy: Budget Framework and Gershon efficiency
Equal Opportunities - Has a Diversity Impact Assessment been conducted? N/A

Wards affected: All
 Special Interest Members – N/A
 Which have been consulted

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? **No**

* delete which applicable

For Cabinet reports only :

Categorisation of the report:	x
Discussion leading to a decision	x
Monitoring	
Sharing for corporate understanding	

	x
Discussion	
Decision	
Information	

Tracking/Process:

	Consultation	Ward Members	Partners
	SMT 14 th August 2007		
Panel	Overview & Scrutiny	Cabinet	Council
	10 th September 2007	23rd August 2007	

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 9th August 2007

Financial Outlook 2008/9 – 2010/11

This report sets the Council's Medium Term Financial Strategy for 2008/9 – 2009/10 and highlights a number of key pressures the Council is likely to face over that period.

Summary of report headings

- A. 2006/07 final accounts** – confirms changes to year end balances

- B. 2007/08 – issues identified during the budget** – service pressures, uncertainties and risks to the budget strategy which remain unmitigated.

- C. Further budget issues identified since March 2007 and in 1st Monitoring report** – an update on the pressures and uncertainties and any other emerging matters for the current year

- D. 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.

- E. Council Priorities for 2008/9 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

- F. Carry forwards, Growth and Revenue Savings** – the way in which flexibility is used to fund corporate priorities including the recycling of efficiency savings

- G. 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.

- H. Risk Assessment** – we need to assess the risks to our developing budget strategy over the medium term and mitigate these as far as possible

- I. Conclusions and Recommendations** – seeks guidance from the Cabinet on the budget strategy process and the level of savings to be exemplified.

A. 2006/7 – final accounts

The final accounts were approved by the special meeting of Audit Committee on 28th June 2007. Balances at 31st March 2006 were £21.328m and £21.489m at 31st March 2007. Agreed carry forwards of Brighter Borough Funding, the IT investment fund, Terrier Computerisation and proposed budget support in 2007/8 reduce the available figure to £18.934 million. In addition Chief Officers have proposed to carry forward part of the 2006/7 underspend to fund Council priorities in 2007/8.

B. 2007/8 – issues identified during the budget

The Council has agreed a risk management policy statement which sets out our approach to the identification, assessment, and management of risk 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 2007/8 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
- 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.

C. Further budget issues identified since March 2007 and in 1st Monitoring report

- **Adult Services** – High levels of sickness absence managed in part by HR initiatives have added £500,000 to costs predominantly in the Provider division. Costs of transition cases are projected to be £1,500,000 above budget by the year end. This is offset in part by general salary slippage and increases in residential care income. Overall an £1,500,000 overspend is projected by the year end.
- **Car parking and markets income** – these are lower than the budget – a result in part of the free Saturday parking now being offered by the Grand Arcade car parks and vacant units in the market as a result of competition from neighbouring shopping centres.
- **Manchester Airport Dividend** – In recognition of the risk areas identified above you decided not to anticipate any dividend in the base budget despite the agreed dividend policy agreed by shareholders. The Airport Group has produced its Final Accounts for 2006/7 and has now paid a dividend of £1.250 million as last year.
- **Yorkshire Purchasing Organisation** - Doubts have been raised by the Director of Finance at Wakefield who acts as the YPOs statutory finance officer about the reliability of the figure for stock in the organisations balance sheet following the implementation of a new stock management system in

2006. The accounts for 2006 have yet to be signed. This may impact on the dividend for 2007/8 anticipated in the budget at £354,000.

D. Forecast Spend, Council Tax and Balances

1. Basis of calculation

The starting point is the budget requirement for 2007/8. I have removed 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 of the Forecast and then matched to the DSG once known. (Any interaction with the General Fund will be identified as part of this process – for instance the requirement for schools to make increased contributions to the internal insurance arrangements in the light of their claims experience.)

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 will be considered as part of the Cabinet scrutiny process.

Provision for general (as yet unspecified) growth has been made at £500,000 per annum.

- **Inflationary Uplift**

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

	2008/09	2009/10	2010/11	Value of 1% in 2008/09
	%	%	%	£'m
Pay inflation (non teaching)	2.5	2.5	2.5	1.3
Price inflation (general)	2.5	2.5	2.5	3.6
Local Income inflation	3.5	3.5	3.5	-1.7
PTA levy	4.0	4.0	4.0	0.2

- **Pay**

Councillor Baldwin updated Cabinet in July on progress with the national pay negotiations for 2007/8. 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).

- **Energy costs**

Separate inflation factors have been applied to specific commodities. These assumptions will be revisited with better intelligence (opportunities for further fixed price contracts etc.). Much depends on the progress of international events affecting energy supplies and prices. I have referred in previous reports to the need to develop more effective energy management measures

and the Director of Legal and Property services has put forward proposals as part of the carry forward process. The current forecast envisages price reductions from 2008/09 following large rises in 2006/07.

- **Inflation on income**

As in last year's budget 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, but this will be kept under review.

- **Inflation on Landfill Tax**

Included in the forecast are large inflationary increases for increases in 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, including the effect of increments and employer's superannuation contributions takes no account of what the Job Evaluation Exercise may conclude on pay structures. Based on current triennial review practice it does anticipate a further 1% increase in employer's contributions for each year under review.

- **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. Our investment in recycling (and those made by other Councils) has led to a considerable reduction in the cost of Landfill Allowance Trading permits in the short term, such that 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. There will be a toughening of the trading regime from 2009/10 with an initial indicative price of £50 a tonne being offered. However at this stage given the uncertainty over the operation of the market it is not recommended that this be added into the firm forecast, but taken into account in determining the level of reserves and balances.

- **Savings Required**

The indicative figures of £1.9 million in 2008/09, £3.1 million in 2009/10 and £3.5 million in 2010/11 are what would be required at this stage to achieve a maximum 3.5% Council Tax increase year on year. These figures will be flexed as the budget forecast develops and spending plans, including addressing the financial risks discussed in this report, are evaluated and incorporated with your approval.

- **Formula Grant**

For 2008/09, 2009/10 and 2010/11 I have uplifted the 2007/08 figure by 2.5%. Settlements for these years will be covered by the next Comprehensive Spending Review (CSR07) and will be updated when appropriate. The Government has published a consultation paper on the options for formula

grant for the next three years. An announcement is expected before Christmas and it is expected that this will be a three year settlement. This should allow the Council to make firmer financial plans for the next three years.

- **Council Tax base**

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.

I have also assumed that there will be no additional surpluses on the Collection Fund over and above those identified previously.

2. Reserves

Appendix 1 sets out the forecast for spending, council tax and balances for 2008/9 to 2010/11. As I have previously reported 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 – 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.

The table below is an updated position from the budget monitoring report (10th August) and analyses the projected out turn of balances to March 2007.

		£'m
Balances 1 st April 2007		21.489
Use of balances in 2007/8 Estimate		-0.267
Commitments	Rolling programmes	-2.206
	Terrier Computerisation	-0.082
	c/fwd Bids recommended *	-1.626
Manchester Airport Dividend		+1.250
Predicted outturn adverse variation		-1.228
Predicted balances 31 st March 2008		17.330

* This figure has not been included in the 2007/08 Quarter 1 monitoring report.

E. Council Objectives for 2008/9 onwards

The Council's priorities for improvement are set out in the Corporate Plan and are linked to high level objectives. At this stage of the budget process a number of service pressures have been identified and are set out below :-

Objective - 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.

	2008/09 £'000	2009/10 £'000	2010/11 £'000
Adult Services :-			
Demographic Pressures -over 65's - net effect of growth and income.	525	525	525
Demographic Pressures -Learning Difficulties - net effect of growth and income.	635	635	635
CYPS			
White Paper - Care Matters : Time for Change	445	35	55
Home to School Transport	200		
EMS new Modules	75	100	-75
	<u>1880</u>	<u>1295</u>	<u>1140</u>

Objective - 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,

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.

Objective - 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

	2008/09 £'000	2009/10 £'000	2010/11 £'000
Environment			
Waste Management Strategy	1,820		
Garden waste extension	173		
Lats liability		1,200	
	<u>1,993</u>	<u>1,200</u>	

Internal Drivers – including strong community leadership, high standards of corporate governance and excellent service performance

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.

F. Carry forwards, Growth and Revenue Savings

1. Carry forwards from 2006/07

Proposals from Departments are set out in Appendix 2.

2 Revenue Savings

Last year you stated that your Council Tax objective for the medium term is to peg increases at a maximum of 3.5% year on year. This is well below the Government’s current capping limit of 5% (though this may change) and whilst above the rate of inflation enables the service pressures which are demand led, rather than cost driven, to be met for the residents of the Borough.

As I set out above indicative savings targets of £1.9 million in 2008/09, £3.1 million in 2009/10 and £3.5 million in 2010/11 would be necessary to achieve this. Clearly any additional growth to the budget would need to be offset by compensating expenditure reductions to keep the Council Tax calculation constant. You may consider however that these are minimum reductions and that in view of mounting service pressures in Adult Services, the required efficiency savings for meeting Gershon targets and the uncertainties around waste disposal and job evaluation/equal pay, an initial exemplification would need to be more ambitious.

Alternative approaches have been previously discussed – e.g. not automatically gifting the cost of increments (saves nearly £1 million), moderating inflation provisions (which would count as a Gershon efficiency) by cash limiting less strategic budgets such as general supplies and services to offset other pressures (savings of £1 million could be achievable on paper).

Clearly your debate will be shaped and informed by the better certainty we can bring to the risk issues and in particular the costs of Job Evaluation where at the moment these costs would need to be contained (offset) because

- They cannot be passed on to the Council Tax payer (because of capping) and,
- the Government is currently not offering any additional funding solution.

3 Growth/reprioritising available resources

Last year we revised the process of dealing with growth and reductions – starting to link performance with spend. It is recommended we adopt a similar process for the 2008/9 budget with departments asked to plan on the basis of a growth and reduction scenario – accommodating service pressures within a suggested budget envelope.

4 Local Authority Business Growth Incentive Scheme (LABGI)

The Council received £316,546 under the LABGI scheme in 2006/07. At the same time as the money was received a letter was received from the Greater Manchester Chamber of Commerce asking the Council to spend the "reward on business in the borough" - to promote future investment, creation of new jobs and to help new business.

The delayed receipt of money from Government under this initiative followed a legal challenge by Corby and Slough Councils regarding the process and much uncertainty still surround the likely receipts from the scheme in the future. There is potential for funding to be clawed back. Any funds received via LABGI are not ring fenced and members are free to consider how they use this resource in the context of the Council's wider objectives. In view of the Capital Programme deficit and shortfalls in funding on various Regeneration projects such as Westwood Link Road, potentially the A49 to Westwood Link Road, Wigan Pier Quarter, Leigh Sports Village, Mesnes Park and the History Shop projects it would seem appropriate and prudent to consider the application of any LABGI funding to the Capital Programme. In this way the money will contribute towards future investment, job creation and business assistance.

G. Capital Investment Strategy

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. In addition the Council will need to make a contribution of the order of £3.5 million to the Building Schools for the Future programme – much of this is likely to need to come from revenue rather than capital if the Private Finance Initiative is involved.

H. Risk 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.

- The budget monitoring reports for 2007/08 have already identified a number of budget pressures particularly in Adult Services and very much related to the areas outlined in the risk assessment made as part of the 2007/08 budget outlined above. Mitigating action is referred to in the detailed report. Nevertheless there must be a presumption that we are dealing with structural budget pressures in these service delivery areas which needs a longer term strategy to funding. The budget forecast continues to assume a neutral position on these pressures at this stage until the action plans have developed and given a clear indication of the real additional budget investment required net of any alternative service delivery efficiencies.
- It is assumed that Manchester Airport will not declare a dividend payment during the currency of this forecast (2007-2010). Whilst this may seem at odds with experience and the Airport's own projections and ambitions there are sound prudent reasons underpinned by accounting codes of practice which advise against taking into account dividends which have not been realised. Given the size of airport dividends (approx worth 1.25% in Council Tax) and the economic uncertainty associated with the air industry my recommendation is that previous practice of not anticipating these dividends in our financial plans continues.
- Insurance claims – it is assumed that the current Insurance Provision will be sufficient to meet any liability claims arising.
- Superannuation – as already explained the increase in employers' contributions previously agreed in the 2006/07 budget has been reflected to 2007/08 per the triennial review. This may require revisiting in the light of proposed legislative changes to the LGPS. For 2008/09, 2009/10 and 2010/11 an indicative 1% annual increase has been built in (equating to a 7% year on year cost increase).
- Equal Pay, whilst substantial payments have already been made there remains the possibility of individual litigation and grievances.
- It is assumed that the YPO dividend will be paid at historic levels from 2008/09.

- Demographic change – estimates of the impact of falling schools rolls will be factored into the separate construction of the schools budget to be met by DSG. An examination of the forecast trend in the elderly population indicates an increasing number of individuals in the 85+ category who may become dependent upon Social Services. These pressures would need to be quantified in any growth bid for Adult Services elderly clients.

WIGAN

Office of National Statistics Forecast

Age Group	2007	2008	2009
65+	27,200	28,300	29,300
75 – 84	14,800	15,100	15,200
85+	4,900	5,000	5,000
Totals	46,900	48,400	49,500

- Of specific significance is the fall out of substantial funding streams from Neighbourhood Renewal Fund and Single Regeneration Budgets. Work is proceeding to identify the phasing of these and the consequent possible impacts of terminating the programmes which they support in the various communities and localities for a report to the Strategic Management Team in the first instance.

I. Conclusions and Recommendations

The first forecast shows that if your objective of achieving a 3.5% Council Tax is to be met then service reductions/efficiencies savings are required. This only allows for a modest £500k of growth and makes no allowance for the other potential financial pressures identified in this report (principally Job Evaluation/Equal Pay, Waste Management and pressures on Adult & Children's services).

Members are requested to indicate the parameters for the scenarios on which Strategic Management Team will plan the 2007/8 budget based on this initial forecast.

Members are requested to consider the recommendations outlined in Appendix 2 for carry forwards.

Appendix 1

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

		ESTIMATE 2008/09		ESTIMATE 2009/10		ESTIMATE 2010/11	
		£'000	£'000	£'000	£'000	£'000	£'000
BASE BUDGET							
Previous year's budget requirement		217,934		224,309		230,879	
Add back :-							
	Use of balances in previous year	267		416		0	
Underlying previous year's net budget requirement			218,201		224,725		230,879
INFLATIONARY UPLIFT							
Overall	Pay	3,366		3,450		3,536	
Overall	Prices	8,979		9,364		9,961	
Overall	Income	<u>-5,839</u>		<u>-6,070</u>		<u>-6,312</u>	
			6,506		6,744		7,186
GRANT CHANGES							
Adults	Fall out of Social Services Preserved Rights Grant	50		50		50	
Adults	POPP ending	795					
Adults	Assistive Technology ending	322					
CYPS	Standard's fund - Choice Advisor	34					
CYPS	YOT Funding Grants & NRF	<u>564</u>					
			1,765		50		50

		ESTIMATE 2008/09		ESTIMATE 2009/10		ESTIMATE 2010/11	
		£'000	£'000	£'000	£'000	£'000	£'000
GROWTH/ SAVINGS ATTRIBUTED TO CAPITAL INVESTMENT							
Overall	Net change in capital financing charges	-1,000					
CYPS	Capital Project Officers	194					
		<hr/>		<hr/>		<hr/>	
			-806			0	0
OTHER GROWTH AND SAVINGS							
Overall	Salary Increments	991		1,010		1,031	
Overall	Increase in rate of employers superannuation – LGPS	1,007		1,032		1,058	
Adult Services	Home Care externalisation	-500					
Adult Services	POPP grant Related Spend	-795					
Adult Services	Assistive Technology Grant Related Spend	-322					
Adult Services	Retendered Contracts	205					
Adult Services	LIFT projects Ince & Frog Lane	0		350			
Community Protection	Civil Contingencies Act - additional resources	61					
Community Protection	Contribution to Direct Access Hostel	50					
Community Protection	Bed & Breakfast Leasing Scheme Pump Priming	-50					

		ESTIMATE 2008/09		ESTIMATE 2009/10		ESTIMATE 2010/11		
		£'000	£'000	£'000	£'000	£'000	£'000	
Community Protection	Homelessness increased contribution to HRA	50						
Community Protection	Contribution to HRA			50		50		
Environment	DEFRA grant for waste	323						
Performance	Municipal Elections (none in 2009)			-150		150		
Performance	Joint Service Centre – fees	-300		-200				
		<hr/>		720	<hr/>		2,092	<hr/>
							2,289	
PROPOSED NEW GROWTH								
Overall	Provision for growth in future years	500		500		500		
		<hr/>		500	<hr/>		500	<hr/>
							500	
VARIATIONS TO BUDGETS				1,220		2,592	2,789	
Environment	Waste Disposal - landfill Tax volume reduction	-73		-111		-150		
Environment	Waste Collection BV review	-661		-132				
	Fall out of deferred purchase	-5		-5		-5		
	Fall out of debt with non accrued interest	228						
		<hr/>		-511	<hr/>		-248	<hr/>
							-155	

	ESTIMATE 2008/09	ESTIMATE 2009/10		ESTIMATE 2010/11	
	£'000	£'000	£'000	£'000	£'000
TRANSFERS TO / FROM BALANCES AND RESERVES					
Balances to support Direct Revenue	472		131		547
Funding of Capital					
Accrued Interest provision	-228				
Balances to support revenue	-416				
		-172		131	547
Savings required for 3.5% Council Tax increase.		-1,898		-3,114	-3,518
BUDGET REQUIREMENT		224,304		230,879	237,778
YEAR ON YEAR INCREASE IN BUDGET REQUIREMENT		6,370		6,570	6,899
% increase		2.9%		2.9%	3.0%
GRANT INCOME					
Previous year's base for RSG and NNDR		112,393		115,203	118,083
Add :-					
Miscellaneous changes					
Revised base funding		112,393		115,203	118,083
Add :-					
Uplift		2,810		2,880	2,952
Total revised RSG and NNDR		115,203		118,083	121,035

	ESTIMATE 2008/09		ESTIMATE 2009/10		ESTIMATE 2010/11	
	£'000	£'000	£'000	£'000	£'000	£'000
COLLECTION FUND SURPLUS		-125		0		0
COUNCIL TAX REQUIREMENT		108,977		112,796		116,743
Year on year increase		3,685		3,814		3,947
% increase		3.50%		3.50%		3.50%
Estimated tax base		94,661		94,661		94,661
Council Tax		£1,151.23		£1,191.58		£1,233.28
Ready reckoner						
1% council tax rise - raises		1,052,922		1,089,822		1,127,960
£1 million on the budget - gives a percentage rise of		1.04		1.04		1.04
£1 million on the budget - amount per Band D		£10.56		£10.56		£10.56

	ESTIMATE 2008/09		ESTIMATE 2009/10		ESTIMATE 2010/11	
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Balances position						
		2008/09		2009/10		2010/11
		£'000		£'000		£'000
Anticipated starting point		17,330		17,386		17,517
Less c'fwd bids						
Proposed usage (capital programme)		472		490		547
Use for revenue		-416		0		0
Airport Dividend				0		0
Position at end of year		17,386		17,517		18,064
Bellwin threshold (emergency support)		449		462		476
Balances above Bellwin threshold	(A)	16,937		17,055		17,588
Expenditure (Budget requirement less addition to balances)						
Less :-		224,476		230,743		237,235
PTA Levy		18,986		19,746		20,536
Leisure Trust Funding		17,055		17,516		17,989
Underlying operating costs	(B)	188,434		193,482		198,701
Balances as a % of underlying operating costs	(A) / (B)	8.99%		8.81%		8.85%
Minimum balances		9,422		9,674		9,935
Above (-) or below (+) minimum		-7,515		-7,381		-7,653

APPENDIX 2 Carry Forward Bids

Controllable - refers to the underspend deemed to be under the control of the Chief Officer

figure for Environmental Services excludes income from one off grants and excludes the cost of the bonus buy out

Department	Bid	Amount	Controllable	Council high level objective	Recommendation	Comment	Value if Approved
Environmental services	Smoking Cessation Grant	£30,000		Healthier and Happier Lifestyles	Approve	New legislation from 1/7/2007	£30,000
Environmental services	Anti-Social Behaviour unit – projects	£38,000		Living in a place where you feel safe	Approve		£38,000
Environmental services	Purchase of Green Bins - Garden Waste	£216,000		Improving the environment	Approve		£216,000
Environmental services	Planning Delivery Grant - temporary posts	£233,000		Improving local facilities and infrastructure	Approve	Funding from Planning Delivery Grant	£233,000
Environmental services	Planning - Local Delivery Framework studies	£140,000		Improving local facilities and infrastructure	Approve	Funding from Planning Delivery Grant	£140,000
Environmental services	Improvements to the working environment	£32,000		Excellent service performance	Approve	One off improvement	£32,000
Environmental services	Planning IT system (CAPS) - license	£33,000		Excellent service performance	Approve		£33,000
Environmental services	Electronic Document Management/Geographical Information	£37,500		Excellent service performance	Approve	Funding from Planning Delivery Grant	£37,500
Environmental services	Backdated pay regrading Economic Regeneration	£41,736		Excellent service performance	Approve	On going cost to be met within budget	£41,736
Environmental services	Major projects staffing / loss of fee income from SRB	£113,000		Excellent service performance	Defer to growth process	Not one off spend / staffing cost	
Environmental services	Kerbside collection of dry recyclables pilot	£175,000		Improving the environment	Approve		£175,000
Environmental services	Final phased roll-out of Green waste - bins	£100,000		Improving the environment	Approve		£100,000

Department	Bid	Amount	Controllable	Council high level objective	Recommendation	Comment	Value if Approved
Environmental services	Fly tipping / Wigan in Bloom	£170,000		Improving the environment	Approve		£170,000
Environmental services	Additional chewing gum removal machine	£40,000		Improving the environment	Defer to growth process		
Environmental services	Community safety IT system	£15,000		Improving the environment	Defer to growth process		
Environmental services	Painting of CCTV posts	£20,000		Improving the environment	Defer to growth process		
Environmental services	Survey equipment and software	£45,000		Improving the environment	Approve	One off equipment purchase	£45,000
Environmental services	LBS - waste transfer station upgrade	£30,000		Excellent service performance	Approve	One off spend	£30,000
		<u>£1,509,236</u>	-£1,817,360				<u>£1,321,236</u>
Chief Executives	Basic repair to Council Chamber sound system	£25,000		High standards of corporate governance	Approve		£25,000
Chief Executives	Upgrade to Council Chamber sound system	£40,000		High standards of corporate governance	Defer to growth process		
Chief Executives	Elected Member Training	£25,000		High standards of corporate governance	Defer to growth process		
Chief Executives	Corporate Personnel System - upgrade and data cleansing	£25,000		High standards of corporate governance	Review as part of Support Services		
Chief Executives	LSP development programme	£10,000		High standards of corporate governance	Approve		£10,000
Chief Executives	Equality and Diversity Training Programme	£60,000		People respect and value different backgrounds	Approve		£60,000
		<u>£185,000</u>	-£128,000				<u>£95,000</u>
CYPS	Capita Education Management System	£77,382		A good start in life	Approve		£77,382
CYPS	Integrated Childrens System computer equipment	£32,226		A good start in life	Approve		£32,226
CYPS	Safeguarding Children Board - systems/staffing	£70,000		Care and protection when life is difficult	Defer to growth process	Not one off spend	

Department	Bid	Amount	Controllable	Council high level objective	Recommendation	Comment	Value if Approved
CYPS	Refurbishment of the Professional Development Centre	£15,000		A good start in life	Defer to growth process		£15,000
CYPS	Temporary officer - work experience placements	£28,000		A good start in life	Defer to growth process		£28,000
		<u>£222,608</u>	-£281,000				<u>£152,608</u>
Legal and Property Services	JSC Client side contract manager	£60,000		Improving local facilities and infrastructure	Defer to growth process	Not one off spend	
Legal and Property Services	Energy management officer	£20,000		Improving the environment	Defer to growth process	Not one off spend	
Legal and Property Services	Energy management software	£42,000		Improving the environment	Approve	One off contribution to Council objective	£42,000
Legal and Property Services	Legal Officer - Equal Pay	£15,000		Excellent service performance	Approve	Temporary post only	£15,000
		<u>£137,000</u>	-£442,000				<u>£57,000</u>
TOTAL		£2,053,844	-£2,668,360				£1,625,844

No bids were received from Adult Services (controllable expenditure exceeded the budget) or from Finance and IT (controllable underspend of £546,000)