

Report to: CABINET/JOINT MEETING of OVERVIEW and SCRUTINY and CABINET

Date: 19TH FEBRUARY/23RD FEBRUARY 2009

Subject: REVENUE BUDGET 2009/10 AND MEDIUM TERM FORECAST FOR 2009/10 – 2010/11

Report of: SERVICE DIRECTOR CORPORATE SERVICES
BUSINESS SUPPORT SERVICES

Contact officer: P MCKEVITT EXT 2237

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 2009/10.

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 and the sequence of recommendations as set out in section 10 of the report.

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

Risks / Implications:

- Financial: The report sets out the scene for the next 3 years.
- Staffing: May be affected by options chosen for efficiencies
- Policy: Budget Framework and Gershon Efficiencies
- Equal Opportunities - Has a Diversity Impact Assessment been conducted? 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

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

A diversity impact assessment is not necessary at this stage, however, equality and diversity implications have been considered when producing this report.

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

A diversity impact assessment is not necessary at this stage, however, equality and diversity implications have been considered when producing this report.

Has the Service Director - Borough Solicitor confirmed that the recommendations within this report are lawful and comply with the Council's Constitution? **Yes**

Has the Service Director - Corporate Services 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	
Monitoring	X
Sharing for corporate understanding	

	X
Discussion	
Decision	
Information	

Tracking/Process:

	Consultation	Ward Members	Partners
Panel	Overview & Scrutiny	Cabinet	Council
	23 February 2009	19 February 2009	

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

Proper Officer P McKeivitt

Date 31 January 2009

Purpose of Report

This report sets the Council's Medium Term Financial Strategy from 2009/10 to 2011/12 and highlights a number of key pressures the Council is likely to face over that period.

For Members guidance therefore the report comprises the following elements:

Section	Report
1	Budget issues 2008/09
2.	Revenue budget 2009/10 and forecast 2010/11 -2011/12
3.	Council Tax Base & Collection Fund
4.	Savings & Growth
5.	Council Priorities and Strategies
6.	Risks and Service Pressures not reflected in the forecast
7.	Consultation and Timetables
8.	Revenue Budget 2009/10 and Council Tax
9.	Conclusions
10	Recommendations
Appendix 1	3 year Medium Term Financial Plan 2009/10 – 2011/12
Appendix 2	Locally Determined Fees & Charges – recommended increases in fees & charges by all Departments
Appendix 3	Results of Citizen's Panel BMG Report and Web Questions and Results
Appendix 4	Cabinet Budget Proposals
Appendix 5	Schools Budget 2009/10

1 Budget Issues 2008/09

1.1 Issues identified during the 2008/09 budget process

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 2008/09 budget, the key issues identified were:-

- Pressures in Adult Services - in particular the costs of Residential Care fees, young people going through transition into adulthood and the increasing numbers of the elderly.
- Safeguarding Children
- Waste Disposal Recycling costs and future investment into recycling schemes
- Job Evaluation and Equal Pay

1.2 Budget issues identified since April 2008

Costs of Transition

Growth has been awarded in previous years' budget setting process, but there still remains some unfunded pressure. A potential overspend of £1.2m attributable to increased costs with transition ie clients moving from Children's to Adult Services at the age of 18 has been predicted to the end of the financial year. Growth of £0.800m has been provided for 2009/10.

Direct Payments

The number of people receiving a direct payment rather than a traditional service continues to rise faster than anticipated, which is substantiated in an increase in the associated performance indicator. It is anticipated that these payments will result in approximately a £1.2m overspend by the end of the year. Whilst savings are being achieved in other areas of the Service this area continues to be an increasing budget pressure.

Looked After Children

Costs have increased significantly with regards to the costs of placing children in Out of Borough Children's homes. It is predicted that an overspend of £1m will occur by the end of the financial year. However work is ongoing in negotiating discounts for many of our placements and these together with savings anticipated from other budget areas within the Service will help to fund much of this cost. It should be recognised that this still remains a significant budget pressure.

Learning Disabilities

The Department of Health has decided that, from April 2009, resources for non-health care related expenditure for people with Learning Difficulties be transferred from PCTs to Local Authorities.

In line with this, £6.685m will be transferred from Ashton Leigh and Wigan PCT to the Council. This money is funding that that either already gets transferred, such as the dowries, or is already committed to contracts. Accordingly, there will be no impact on the Council's overall financial position.

Car Parking and Markets Income

It is anticipated that after offsetting expenditure reductions against the shortfall of parking fee/fine income in the Car Parks budget. An overspend of £0.130m is anticipated by the end of the year. There is also a reduction in the Markets income due to lower than budgeted market toll income at Wigan Market. This shortfall is anticipated at £0.040m by the end of the year.

Planning Application & Building Regulation Fees

There has been a significant reduction in the income received from the above fees as a result in the down turn in the economy and in particular the housing market. Although this has in part been offset by savings in expenditure it is still anticipated that an shortfall in income of £0.127m will occur by the end of the year.

Manchester Airport Dividend

Due to its relative uncertainty the 2008/09 budget prudently contained no budget provision for a dividend payment from the Manchester Airport Group. However the Airport Group has produced its Final Accounts for 2007/08 and has now paid a dividend of £1.3m. This prudent approach to budgeting for this income will continue.

Land Charge Income

The sharp slow down in the housing market has resulted in land charge income being predicted at £0.300m less than expected by the end of the year.

Leigh Sports Village

The stadium was completed and handed over to Leigh Sports Village Ltd in December 2008. The Council is currently the sole shareholder. This will be reviewed as part of the process of finalising agreements with the various partners on site. The revenue implications for the Council require careful monitoring as it has been indicated that there is a shortfall in anticipated income from sponsorship and advertising and service charges from occupiers.

In order to meet potential future costs of maintaining the buildings then it has been previously agreed that a reserve be set up to assist in the funding of significant maintenance work as and when required.

Single Status and Equal Pay

The majority of payments were settled during 2007/08. However a number of potential claims remain outstanding. A balance of a provision is maintained to meet the settlement of any claims but any payments made in excess of that figure will be carried against balances.

Additional Pay Award Costs

The base budget for 2009/10 includes a pay inflation uplift of 2% plus 0.5% in recognition of the potential pay settlement for 2008/09. However any settlement above 2.5% for the 2008/09 settlement will need to be added to the base in future years.

Building Schools for the Future (BSF)

Short Term Funding from earmarked underspends is in place to take the project up to the point of the decision by the Government on funding. At that point if successful funding for the procurement of BSF will need to be identified. This strategy has been employed in funding the procurement of the Joint Service Centre.

2. Revenue Budget 2009/10 and Forecast 2009/10 – 2011/12

2.1 Basis of calculation

The starting point is the budget requirement for 2008/09. The forecast excludes any of 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 is constructed and maintained separately alongside of the Forecast and then matched to the DSG once known.

From this starting point the budget is then uplifted for estimated inflation (excluding schools) and adjusted for any non-recurring items of expenditure and income in 2008/09. Certain known items of committed growth and variations have also been included.

2.2 Inflationary Uplift

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

	2009/10		2010/11		2011/12	
	%	£m	%	£m	%	£m
Pay inflation (non teaching)	2.0	2.588	2.0	2.640	2.0	2.692
Pay adjustment under provision in previous year	0.5	0.644	-	-	-	-
Price inflation (general) Including utilities	2.0	8.757	2.0	8.646	2.0	9.235
PTA	4.0	0.756	4.0	0.786	4.0	0.817
Leisure Trust	2.7	0.452	2.7	0.465	2.7	0.477
Local Income inflation	3.5	-5.891	3.5	-6.127	3.5	-6.373
Net Inflation		7.306		6.410		6.848

2.3 Pay

The 2008/09 round of national pay negotiations is ongoing and is currently out to arbitration. There is uncertainty therefore about any pay award agreement. The Council has provided for 2% in line with the Government stated objectives and any settlement above this figure will impact upon the forecast over its three year life. Employers have implemented an award of 2.45% prior to the christmas period.

2.4 Energy costs

Costs continue to be volatile and difficult to predict with any certainty. The Council monitors this area closely to assist in securing value for money in the medium term. Renegotiations of energy contracts are ongoing at the time of writing and may result in some benefit for the budget. These will be incorporated into the final Council Budget report.

2.5 Inflation on income

Base budgets for car park income, parking fines and market rentals have not been uplifted for inflation. The budget monitoring exercise to December commented on the achievability of attaining the current levels of income. The forecasted inflation was therefore set to zero for these items. Details of departmental proposals on income will be submitted to Members at Cabinet on the 19th February 2009. The inflation proposed for locally set items remains at 3.5%, which may seem high in the current climate. However local income increases have for a number of years been set lower than the rises in Council Tax.

The consumer price index was down from 4.1% in November to 3.1% in December – Retail Prices fell from 3.0% to 0.9% reflecting the fall in mortgage interest payments.

2.6 Pay and Rewards Review

The Council is about to share proposals with the Trades Unions. The information within this report reflects these plans but is subject to the negotiations we will have with the Trades Unions.

2.7 Other Growth

The forecast on pay includes the impact of proposed increases in employer's superannuation contributions. The rates were notified via Tameside and have been set at 14.8% for 2009/10, 15.6% for 2010/11 and 16.6% for 2011/12. The next actuarial review will impact upon 2011/12 onwards and therefore the final year is an estimate, which may change.

2.8 Waste Disposal Strategy

In 2005/6 we purchased 12,500 LATS allowances from GMWDA at £19 each. At that the time our waste disposal strategy indicated that we would need these to ensure that the Council met its obligations in terms of BMW targets.

Our success in recycling and other waste diversion schemes has meant that we may not need to call upon these allowances. Whilst we look to trade these allowances the market is currently deflated and it is likely that we will not be able to dispose of them. These surplus allowance expire on 1s April 2009 and cannot be used beyond that date.

The EU Directive (1999) requires all member states to reduce the amount of biodegradable municipal waste (BMW) sent to landfill. Under this scheme 2009/10 is a target year and as such the amount of BMW we are permitted to send to landfill reduces by 16,281 tonnes (17%) compared with our 2008/09 allocation. Whilst our previous investment in recycling biodegradable waste has led to a considerable reduction in the cost of landfill, we are now required to significantly reduce further the amount of BMW we send to landfill. An additional £0.9m of growth has been included in the 2009/10 estimates in order to further roll out the kerbside collection of dry recyclables and to further develop the waste strategy which will assist the Council in reducing its landfill tonnages and minimising the impact of the increase in landfill tax. The next target year within the scheme is 2012/13 by which time the amount of BMW we are permitted to send to landfill is required to reduce by 42,644 tonnes (45%) compared with our 2008/09 allocation. There is a maximum penalty of £150 per tonne for every tonne sent to landfill above our allocation.

2.9 Formula Grant

The Government has announced the Formula Grant Settlement for 2009/10 and the Provisional Settlement for 2010/11. No figures have been made available for 2011/12 as 2009/10 is the second year of a three year settlement. It is the Government's intention that the data will only be updated at the beginning of each three-year settlement cycle.

As a reminder, Formula Grant consists of four main blocks:-

- Relative Needs Amount – a calculation of the authority's needs relative to the national total.
- Relative Resource Amount - This is a measure of what can be raised locally towards the costs of services from Council Tax.
- Central Allocation – a per capita amount of central government support.
- Floor Damping – an adjustment to limit the year on year grant changes by authority type.

The other important point is that the Government has continued to hold reserve powers to limit the expenditure of local authorities in 2009/10 as protecting council tax payer's from excessive increases. In his statement on Council Tax the Minister for Local Government said that

“We (the Government) expect the average council tax increase in England for 2009/10 and 2010/11 to be substantially below 5%”. In addition it was also stated that:-

“No decisions have been taken on capping principles for 2009/10. 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.”

2.10 Balances and assessment of risk areas on the Council’s overall reserves position

Appendix 1 sets out the forecast for spending, council tax and balances for 2009/10 to 2011/12. 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 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 the Commission 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. The Alternative Budget Strategy of the 90’s enabled us to proceed with key projects with the security of balances to provide funding if planned capital receipts were not achieved. The last 10 years have seen buoyancy in Capital receipts. It is felt that the next few years will see very poor prospects in this area.

Therefore, measures to ameliorate the effects of the “credit crunch” have been introduced into capital spending plans so that balances may be retained at prudent levels. A potential £17m deficit on the Capital Programme has thus been reduced to around the £5m mark.

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. I will review the level of balances once the position on single status is clearer – as this is viewed as a key risk.

As in the past we should be prepared to use balances to smooth any tax increases over the medium term. We also need to consider how actions by our partners, Wigan and Leigh Homes, Wigan Leisure and Cultural Trust, the PCT and the Acute Trust will impact on our finances in the longer term.

An assessment of the risks identified both during the current year and as part of the future year's 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 any decisions taken by Cabinet. It is important to carry out this sensitivity analysis to help ensure the sufficiency of balances over 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 2009.

		£'m
Balances 1 st April 2008		25.898
Use of balances in 2008/09 Estimate		-1.247
Commitments	Rolling programmes	-5.699
Predicted out-turn	Capital Programme	0.250
Predicted out turn for 2008/09		3.945
Predicted balances 31st March 2009		23.147

It is anticipated that there will be a number of commitments against the balances figure arising from the predicted underspend of £3.945m. Members have previously agreed a policy to automatically carry forward certain underspends eg Brighter Borough to the following year. In addition a number of areas where a potential reinvestment into the frontline have been identified and these will also impact upon the level of balances remaining at the end of March 2009.

2.11 Current Cost of Pensions

The Council is required by Financial Reporting Standard 17 (FRS 17) to account for the current cost of pensions and the pension liability. As all the pension related adjustments have no impact on the Council's revenue balances or the level of Council Tax the information presented to Members currently excludes these adjustments. This approach is consistent with the practice adopted last year.

However there is a requirement to include this information in various statutory and budget returns to the Government and this will be done. A summary showing the impact of FRS 17 across services will be included in the Budget booklet.

2.12 Dedicated Schools Grant

Schools related expenditure in 2009/10 is funded through a separate Dedicated Schools Grant (DSG). The details of the Schools Budget 2009/12 are set out in Appendix 5 of this report.

2.13 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 over £20m and the recommendations are expected to generate additional income of £0.3m if approved. The budget for 2009/10 assumes this additional income. The above proposals form part of the budget framework which will be presented by Cabinet to Council on 11th March subject to the views of the Joint Meeting with Overview and Scrutiny on 23rd February 2009.

3. Council Tax Base and Collection Fund

The new tax base has been included in the forecast for 2009/10. 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 no surplus on the Collection Fund for 2009/10 which is in line with my predictions.

4. Carry Forwards, Growth and Savings

4.1 Carry forwards 2008/09

This mechanism provides an opportunity as part of a flexible budget strategy to allow savings that can be recycled into corporate priorities to be utilised in future years. Traditionally apart from the approved auto carry forward items any other bids are considered at the end of the financial year when a more certain position is known.

4.2 Growth

In previous years a process has allowed additional growth over and above that contained within the budget forecast to meet specific issues. However the budget cycle that we are now entering is the most difficult for a number of years and no additional growth has been granted. Growth agreed as part of the 2008/09 budget challenge process has been included in the forecast.

Last year you stated that your Council Tax objective for the medium term is to peg increases at a maximum of 2% year on year. This is considered to be substantially below the Government's requirement of 5%.

4.3 Savings

The reductions process takes into account an impact upon performance. Departments were initially asked to plan on a basis of a 1% and 2% reduction and set out the impact of such reductions on service delivery.

However as the budget process has progressed an alternative strategy has been proposed and agreed by departments. In essence it was agreed that salary increments would be self funded and a budget reduction of some 25% would be taken from the supplies and services budgets maintained within departments. This equated to £2.178m which is a similar figure to the traditional approach.

In addition to these savings departments were also asked to find a further £1.022m to fund some unavoidable service pressures either from changes imposed by central government or by losses in local income. The Leisure and Culture Trust was not expected to contribute towards this round of efficiencies.

4.4 Budget Challenge and Partner Organisations

The challenge process takes into account factors such as the Gershon Agenda. The Council is working closely with the Leisure Trust on a number of strategic projects including the recently opened Leigh Sport Village, the Joint Service Centre and the getting Wigan Active programme. The overall impact of these projects both on the Council's Capital and Revenue resources and the Leisure Trust is under continuous review and is taken into account in the medium term forecast.

In addition the Council is engaged in a shadow budget arrangement for shared service provision with the Ashton, Leigh & Wigan Primary Care Trust. Also the Council is working closely with Wigan and Leigh Housing Limited on a joint procurement of an affordable housing project.

5 Council Priorities and Strategies

5.1 Corporate Plan

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 these have been considered a part of the budget challenge and scrutiny process. The objectives are listed below for ease of reference.

High Level Objectives: –

- **Helping people reach their full potential**
- **Enable stronger community leadership**
- **Provide places that people want to live in**
- **Set high standards of accountability**
- **Provide effective support for services**

Members of the Citizen's Panel were again asked to comment on their priorities for the forthcoming budget. – the summary of the results are shown in Appendix 3 including a comparison with those responses provided in previous years.

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.

5.2 Major Strategies

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
- The One Com family
- 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 (Appendix 4).

5.3 Partner Plans

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. Presentations have been made by the Council to 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 enabling stronger community leadership, high standards of accountability and excellent service performance. As part of meeting these key targets the Support Services Review will 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). 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 most recent review has indicated that the Council had retained an overall score of 4 and was also assessed as 'performing strongly' under Use of Resources. Final confirmation of this score will be issued during later this month.

5.4 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 Gershon efficiency savings. In the Spending Review (SR'04) period (2004/08), the required savings were equivalent to 2.5% of the Council's baseline net expenditure in 2004/05. At least 50% of these savings were required to be '**cashable**' – capable of being re-distributed to improve 'front-line' local services and/ (or) reduce Council Tax.

The Council's effectiveness in achieving the required efficiencies during SR'04 is summarised in the table below – with the projected further efficiency savings planned for 2008/09, as reported to DCLG in October 2008 in the Forward Look statement.

Panel	Cumulative Efficiencies Required (SR'04) to 31/03/2008 £m	Total Efficiencies Achieved (SR'04) to 31/03/2008 £m	... Of which 'Cashable' £m	Total Forecasted Efficiencies for 2008/09 * £m
Adult Services	6.641	3.230	2.241	0.768
Children & Young People	2.117	1.274	0.835	0.396
Community Protection	0.199	0.433	0.433	0.301
Environment	2.726	3.848	3.519	0.339
Performance	0.727	2.627	2.605	1.244
Regeneration	1.249	0.785	0.512	0.276
Passenger Transport Levy	1.789	0.589	0.589	0
Miscellaneous	0.259	2.282	2.140	0
Revenue Total	15.707	15.068	12.874	3.324
Capital Expenditure	6.269	12.268	12.268	0.440
Total Revenue & Capital	21.976	27.336	25.142	3.764
Carry-forward from SR'04	0	0	0	1.983
	21.976	27.336	25.142	5.747

* Note – change in treatment of Social Housing Capital Expenditure of £12.268, previously treated as revenue savings under the Community Protection Panel in last year's Budget Book

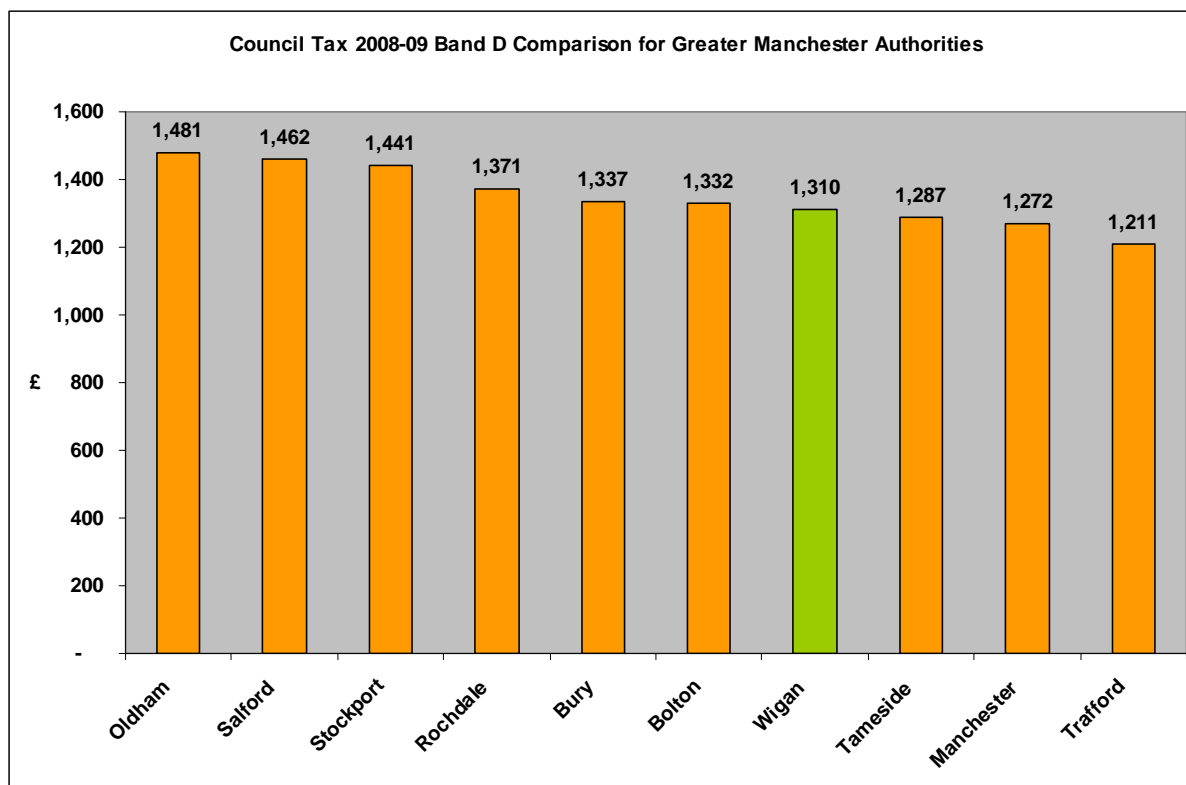
The above analysis shows the Council has exceeded its efficiency target to the end of SR'04. The overall requirement was to achieve £21.976m of efficiency savings to the end of 2007/08; total efficiencies were achieved of £27.336m, of which £25.142 (92%) were deemed 'cashable'. Current indications are that estimated efficiency savings of £3.764m are achievable in 2008/09, including an allowed carry-forward of excess savings from SR'04 above the target totalling £1.983, resulting in total forecasted savings of £5.747m.

Local government is expected to seek 3% per annum annual efficiency gains from 2008/09 to 2010/11 under the latest Comprehensive Spending Review CSR'07 period. All these efficiency gains must be 'cash-releasing', capable of freeing resources to be spent elsewhere on other Council priorities.

The Council is also required from 2009/10 onwards to include comparable information on efficiency performance on the annual Council Tax Bill issued to Council Tax-payers.

5.5 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 :-



Wigan's Council Tax was 3% below the GM average in 2008/09.

5.6 Capital Strategy

The Council's Capital Strategy is maintained by the Capital strategy Management Group. At today's meeting Cabinet will be asked to approve Capital Projects for 2009/10 following the Capital Appraisal process. This process 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 a response to the "credit crunch" there has been a review of the capital programme. This has been necessary because planned capital receipts are unlikely to be received over the next 3 years to any significant degree. The results of the review are incorporated in the Capital Programme to be considered at today's meeting and the reduced deficit is reflected in the Medium Term Financial Plan.

6. Risks and Service pressures not reflected in the forecast

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 2008/09 – The budget monitoring process has already identified a number of budget pressures. Some of which are structural budget pressures and will need a long term strategy to identify funding.
- Manchester Airport – It is assumed that no dividend will be received during the currency of this forecast 2009/2012. There are prudent reasons underpinned by accounting codes of practice, which advise against taking into account any dividend until physically realised, particularly if they are material. In addition there is also economic uncertainty especially in the current downturn in the economy.
- Insurance claims – a recent actuarial review of the fund has indicated sufficient resources are available to meet known claims. 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 with costs associated with environmental issues.
- Superannuation – as already explained the increase in employers' contributions may be subject to further increases as a result of future actuarial reviews. As a guide to Members a 1% annual increase equates to approx £0.8m.
- Equal Pay - Whilst a substantial number of payments have already been made there remains the possibility of individual litigation and grievances.
- Pay and Rewards Review – Although a detailed timetable for implementation is in place for 1st October 2009, this remains an area of uncertainty for the Council
- Capital Receipts – The current uncertainty in the economy has impacted upon the realisation of capital receipts. As a result the capital strategy has been reviewed and the capital programme subsequently scaled back. The capital programme assumes no capital receipts over the next few years.
- Haringey Joint Area Review - Members will be aware that following the death of Baby P in Haringey and the subsequent findings of a serious case review, the Secretary of State for Children, Schools and Families commissioned a special Joint Area Review. In response the Council via its Children and Young People Services Department has commissioned an audit of the social care functions in regard to safeguarding which will address all areas outlined in the documents referred to. At this moment no financial implications can be assessed.
- 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 our Services and those of the PCT.
- 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 arrangements to replace or

renovate the Borough's high schools. If successful the programme is likely to require significant revenue and capital support from the Council.

- Joint Service Centre (PFI) – The current economic conditions could impact upon this scheme. This may be in both financial terms and in the terms of a delay in opening.
- The outlook for the public finances at the end of the current Comprehensive Spending Review period in 2011 is uncertain. Much depends on the speed of the economic recovery. Cabinet has previously indicated that our own tax levels and finances will be reviewed for 2011/12 once the position on central government support is clearer.

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	2009	2010	2011
65+	29,200	30,000	30,900
75 – 84	15,300	15,800	16,100
85+	5,200	5,300	5,400
Totals	49,700	51,100	52,400

7. Consultation and timetable

The budget strategy and financial forecasts are the subject of a series of consultations throughout the budget setting process. It is considered important to collect together as complete a picture as possible of all issues and concerns and seen as best practice to make the process as inclusive as possible. There is a statutory obligation to consult with non domestic ratepayers as explained later in section 8.

7.1 Citizens Panel

As in previous years members of the Citizen's Panel were asked to comment in November 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

7.2 Schools Forum

There have been three meetings with the Schools Forum between November and February and the budget position as drafted at the time was shared at these meetings and again any comments or feedback was requested.

As explained previously schools related expenditure in 2009/10 is funded through a separate Dedicated Schools Grant (DSG). The details of the Schools Budget are set out in Appendix 5 of this report.

7.3 Trade Unions

A meeting with the Trade Unions (TU) will be held on 20th February. The position relating to the budget as drafted at that time was outlined. The TU side will be asked to feedback comments or questions prior to the joint Cabinet and Overview and Scrutiny meeting on 23th February. Any urgent issues after that date should be advised before Council on 11th March.

7.4 Opposition Groups

All have been offered a separate budget briefing from the Director of Corporate Services.

7.5 Partner Organisations and the Budget

Proposals for our contribution to Wigan and Leisure and Cultural Trust have been discussed with representatives of the Trust Board, and reflect the shared priorities of the Council and Trust. The Executive Director, Health and Well Being has discussed with the Primary Care Trust and the Acute Trust the prospects for 2009/10 and beyond. There remains uncertainty due to the changes taking place in the Health Service.

8 Revenue Budget 2009/10 and the Council Tax

8.1 The Collection Fund 2009/10

The table below summarises the estimates of expenditure chargeable to the Collection Fund for 2009/10.

	<u>Expenditure at budget</u> £m
Wigan Council requirement (net of Parish Precepts)	110.834
Police Authority requirement (estimated)	12.859
Fire & Rescue Authority requirement (estimated)	4.920
Totals	<u>128.613</u>
Tax base - No. of properties at D Band equivalent	95,776
Council Tax - D Band	£1,342.85

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.

8.2 Precepts

At the time of writing this report the proposed precept by the Greater Manchester Fire & Rescue Authority is £4,919,962 equivalent to a Council Tax of £51.37 at D band, an increase of 3.4%. Any changes to these figures will be included in the Budget Report to Council on the 11th March 2009.

At the time of writing this report the proposed precept by the Police Authority is £12,858,752 equivalent to a Council Tax of £134.26 at D Band, an increase of 7.50%. Any changes to these figures will be included in the Budget Report to Council on the 11th March 2009.

8.3 Tax base

I have calculated the D Band equivalent tax base at 95,776. The calculation contains a provision for 1% losses on collection arising from bad debts, appeals against valuation etc.

8.4 Average Council Tax (including precept increases)

The average Council Tax chargeable would be about £965, an overall increase of 2.3% on the 2008/09 figure. 85% of properties in the Borough are in Band C or below and will therefore pay £1,194 or less. For most residents this will equate to an average increase of about £0.58 per week.

In summary the components of the rise are:-

Band D

	Year on Year	2008/09	2009/10	£ Increase	% of total
Wigan	2.00%	£1,134.54	£1,157.22	£22.69	1.73%
Police	7.50%	£124.90	£134.26	£9.36	0.71%
Fire	3.40%	£49.68	£51.37	£1.69	0.13%
TOTAL	2.58%	£1,309.12	£1,342.85	£33.73	2.58%

%ages are rounded to two decimal places

Wigan's rise contributes 1.73% 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 Minister for Local Government for average increases. We are therefore unlikely to be capped.

8.5 Consultation with representatives of Non Domestic Ratepayers

A meeting with representatives of the Chamber of Commerce is scheduled for the 10th February. Any comments from the Chamber will be circulated to Council on 11th March 2009

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.

9. Conclusions

To set a balanced budget that achieves a 2% Council Tax rise would require additional savings of £3.1 m after allowing for additional services pressures.

The method of achieving this has been agreed with SMT and Members. This would look to take pay increments out of the budget process for 2009/10, and reduce spend across the board on overhead budgets such as office equipment by 25%. This would achieve savings of £2.1m. The additional £1m will be achieved through efficiencies by department allocated on a pro rata basis. This has been provisionally allocated as follows;

	Increments and Overheads	Additional Pressures	Total
	£'000	£'000	£'000
Adults Services	535	314	849
Business Support Services	558	125	683
Chief Executive	75	26	101
Children and Young People's Services	571	230	801
Environmental Services	273	244	517
Leisure Client	166		249
Total	2178	939	3117

Other aspects of the budget are still being finalised and these will be presented to Cabinet later in February. The detailed timetable for the remainder of the budget process is set out below.

19 th February 2009	Cabinet propose Council tax and Budget
23 rd February 2009	Joint meeting of overview and Scrutiny and Cabinet to consider Council Tax and Budget
11 th March 2009	Budget Council

The current Medium Term Forecast shows that the 2% council tax increase is achievable although many pressures still exist for the Council. Some of the impact of the Pay and Rewards Review have been taken into account but it is possible that the Council will face future pressures in future years. An updated Forecast will be included in the Council Tax and Budget Report to Cabinet.

10. Recommendations

For Cabinet on 19th February 2009

To refer the following recommendations to the Joint Meeting of Overview and Scrutiny and Cabinet on the 23rd February 2009:-

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 £185,860,000 for 2009/10 (Appendix 5).
4. A rise in Band D Council Tax of % for the Wigan element of the charge as set out in section 8 and requests the Service Director Finance Division – Business Support Services to use this as the basis for the formal resolution to Council.

For Overview and Scrutiny on the 23rd February 2009

To offer any comment on the Cabinet's proposals.

For Cabinet on the 23rd February 2009

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

Medium Term Financial Plan 2009/10 to 2011/12 :

APPENDIX 1

		ESTIMATE		ESTIMATE		ESTIMATE	
		2009/10	£'000	2010/11	£'000	2011/12	£'000
		£'000	£'000	£'000	£'000	£'000	£'000
BASE BUDGET							
Previous year's bud req	(adjusted)	233,250		239,866		246,132	
<i>Add back :-</i>	<i>Use of balances in previous year</i>	<u>0</u>		<u>1,350</u>		<u>3,050</u>	
Underlying previous year's net budget requirement			233,250		241,216		249,182
INFLATIONARY UPLIFT							
Overall	Pay	2,588		2,640		2,692	
Overall	Pay adjustment for underprovision in previous year	644					
Overall	Prices	9,965		9,897		10,529	
Overall	Income	-5,891		-6,127		-6,373	
			7,306		6,410		6,849
GRANT CHANGES							
Adults	Social Care Reform	-757		-316		1634	
Adults	Adult Social Care Workforce	-32		-31			
Adults	Carers	-87		-87			
Adults	Learning Disability Development Fund	2		1			
Adults	Mental Capacity Act / Independent Mental Capacity Advocate Scheme	-44		8			
Adults	Mental Health	-49		-51			
Adults	Preserved Rights Grant	46		34			
CYPS	Child & Adolescent Mental Health Service	-23		-21			
CYPS	Carers	-22		-22			

		ESTIMATE		ESTIMATE		ESTIMATE	
		2009/10		2010/11		2011/12	
		£'000	£'000	£'000	£'000	£'000	£'000
Overall	Supporting People	554					
Community	Community Engagement Townships						
Protection	withdrawal of NRF Funding	400				350	
			-12		-485		1,984
GROWTH/ SAVINGS ATTRIBUTED TO CAPITAL INVESTMENT							
Overall	Net change in capital financing charges	-1,345		-692		-1,067	
Overall	LSV – Maintenance of Facilities – Sinking Fund	400		140			
Overall	Support towards LSV	200		100		-300	
			-745		-452		-1,367
OTHER GROWTH AND SAVINGS							
Overall	Increase in rate of employers superannuation – LGPS	866		767		767	
Overall	Getting Wigan Active - (effect on CPMF)					-160	
Overall	Supporting People	-554					
Overall	Pay and Rewards Package – Implementation Costs	2,350		3,691		611	
Regeneration	Leisure Trust Adjustment for TWWW and Heritage Store						
Regeneration	Leisure Trust Adjustment for TWWW and Heritage Store			253			
Regeneration	Leisure Trust CSF virement to JSC procurement	-270		-90		-91	
Regeneration	JSC Procurement	270		90		91	
				ESTIMATE		ESTIMATE	

		ESTIMATE				
		2009/10		2010/11		2011/12
		£'000	£'000	£'000	£'000	£'000
CYPS	Child & Adolescent Mental Health Service	23		21		
CYPS	Carers	22		22		
CYPS	Public Law fees	225				
Adults	Social Care Reform	757		316		-1634
Adults	Adult Social Care Workforce	32		31		
Adults	Carers	87		87		
Adults	Learning Disability Development Fund	-2		-1		
Adults	Mental Capacity Act / Independent Mental Capacity Advocate Scheme	44		-8		
Adults	Mental Health	49		51		
Adults	Preserved Rights Grant	-46		-34		
Adults	LSV Office Accommodation for Adults Services	100				
Community Protection	Grounds Maint. Increased contribution to HRA	50		50		50
Environment	Waste Management	500				
Environment	Loss of Income on Car Parks	400				
Environment	Highways Maintenance budget	-1000				
Audit & Governance	Municipal Elections (none in 2009)	-190		190		
Audit & Governance	Reduction in Land Charges Income	300				
Audit & Governance	Joint Service Centre - fees	-150				-50
		<hr/>	3,863	<hr/>	5,436	<hr/>
				ESTIMATE		ESTIMATE
						-416

		ESTIMATE					
		2009/10		2010/11		2011/12	
		£'000	£'000	£'000	£'000	£'000	£'000
PROPOSED NEW GROWTH							
Overall	3 Year Budget Challenge Growth	2,151		1,137		500	
			2,151		1,137		500
VARIATIONS TO BUDGETS			6,014		6,573		84
	Direct Revenue Funding of Capital Programme deficit	-2,702		3,986		4,100	
			-2,702		3,986		4,100
TRANSFERS TO / FROM BALANCES AND RESERVES							
	Balances to support Direct Revenue Funding of Capital	2,702		-3,986		-4,100	
	Balances to support revenue	-1,350		-3,050		-1,650	
			1,352		-7,036		-5,750
	3 Year Budget Challenge Efficiency Savings		-2,277		-1,981		-1,044
	Pay and Reward Efficiencies				-1,000		-1,000
	Add: Efficiency savings required via 09/10 Budget Challenge Process		-2,320		-1,099		-1,318
	BUDGET REQUIREMENT		239,866		246,132		251,720

ESTIMATE

ESTIMATE

		ESTIMATE					
		2009/10		2010/11		2011/12	
		£'000	£'000	£'000	£'000	£'000	£'000
YEAR ON YEAR INCREASE IN BUDGET REQUIREMENT			6,616		6,266		5,588
% increase			2.8%		2.6%		2.2%
GRANT INCOME							
Previous year's base for RSG and NNDR			124,489		129,031		133,081
Add: Adjustments to the base			-83		-32		0
Revised base funding			124,406		128,999		133,081
Add: Uplift			4,625		4,082		3,327
Total revised RSG and NNDR			129,031		133,081		136,408
COLLECTION FUND SURPLUS							
COUNCIL TAX REQUIREMENT			110,835		113,051		115,312
Year on year increase			2,199		2,216		2,261
% increase			2.00%		2.00%		2.00%
Estimated tax base			95,776		95,776		95,776
Council Tax			£1,157.23		£1,180.37		£1,203.97
Ready reckoner							
Amount Required for 2.0% increase			0		0		0
1% council tax rise - raises			1,086,617		1,108,347		1,130,509
£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

ESTIMATE

ESTIMATE

ESTIMATE

	2009/10 £'000	2010/11 £'000	2011/12 £'000
Revenue Balances position			
Anticipated starting point	23,147	21,286	13,300
Less anticipated c'fwd bids			
Proposed usage (capital programme)	2,139	-3,986	-4,100
Use for revenue	-4,000	-4,000	0
Provision for LATS penalties			
Position at end of year	21,286	13,300	9,200
Bellwin threshold (emergency support)	480	492	503
Balances above Bellwin threshold	20,806	12,808	8,697
Expenditure (Budget requirement less addition to balances)	241,727	254,118	255,820
Less :-			
<i>PTA Levy</i>	<i>19,651</i>	<i>20,437</i>	<i>21,254</i>
<i>Leisure Trust Funding</i>	<i>16,885</i>	<i>17,341</i>	<i>17,809</i>
Underlying operating costs	201,978	215,390	218,406
Balances as a % of underlying operating costs	11.89%	7.88%	5.13%
Minimum balances	10,099	10,770	10,920
Above (-) or below (+) minimum	-13,920	-6,201	-290

Strategic Overview of Fees and Charges

The review covers baseline budgets over £20m and the recommendations are expected to generate additional income of £0.3m if approved. The review does consider relevant issues and where market pressures have been identified no inflationary increases have been applied. Members have also been informed of the rationale behind the proposed increase of 3.5% to our local income budgets but to reiterate for many years now the local income increases have been set lower than the increase applied to the Council Tax.

Locally Determined Fees and Charges - Summary of Proposals from Departments

1. School Meals – Metro Fresh – the recommendation produces extra income of £139k and this has been anticipated in the forecast otherwise the DSO would be in deficit.
2. Adult Services Fees and Charges – the increases keep charges among the North West average, and raise £102k. This is in line with budget assumptions.
3. Environmental Services – propose to increase fees and charges by 3.5% with the exception of:
 - Charging policy for collection of bulky waste which is under review
 - No inflationary increase for car parking charges and fines
4. Housing General Fund - Bickershaw Lane Caravan Site – the recommendations would generate a small amount of extra income in line with budget assumptions.
5. Housing Revenue Account – 3.5% proposed in line with budget assumptions.
6. Children and Young Peoples Services – Outdoor Education and Arts Services, the proposals are in line with the amounts assumed in the budget.
7. Children and Young Peoples Services - Standard Residential and Day Charges – increases are in line with assumptions in the budget and the impact is negligible.
8. Business Support Services – Internet use – the proposals are in line with our approach of linking the charge to the BT tariff and the general view that broadband prices are falling, and will result in no increase from 1st April 2009.
9. Town Hall Catering – Metro Fresh – the proposals are for a 5% increase in food prices and bar prices and will generate an additional £9.6k and has been anticipated in the forecast
10. Environmental Services - Market Tolls and Charges – no increase is recommended in line with assumptions in budgets.
11. Business Support Services – Registrars Fees - increase is recommended in order to maintain price competitiveness with neighbouring authorities, and has been anticipated in the forecast.
12. Business Support Services - Local Land Charges Fees –no increase is proposed in line with budget assumptions.

1. School Meals – Metro Fresh

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 2009 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 became law in September 2008 for primary schools and have helped to reduce the intakes of fat, sugar and salt. Combined with the September 2006 and September 2007 food based standards, this ensures 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 have already implemented the nutrient based standards for primary schools from September 2008 and are already working towards the September 2009 deadline for compliance in High Schools in conjunction with and support from the PHSE&C team Food Policy Co-ordinator and dieticians from Ashton Leigh & Wigan PCT.
7. Although in High schools, a cafeteria system is in existence and prices can be increased on an individual item basis, the price of a school meal in primary and special schools is a fixed price and the same price is granted as the free meal allowance in high schools.

In the 2009/10 budget workings a 2.5% increase in prices has been assumed which the equivalent of 4.63 pence per meal, therefore a 5 pence a meal is proposed to maintain a break even position.

8. A Schedule of meals prices over the last few years is detailed below for Information.

August 2004	£1.55
August 2005	£1.60
August 2006	£1.70
August 2007	£1.80
August 2008	£1.85

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 detrimentally affected the number of pupils purchasing a meal.
3. The additional income generated by the 5 pence a meal increase proposed is expected to generate £139,412 in 2009/10.

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 £1.85 to £1.90 per meal with effect from 1st August 2009.

2. Department of Adult Services

Adult Services Fees and Charges

In order to meet the increased costs associated with pay awards and general price inflation, the Department of Adult Services proposes to increase its fees in 2009/10 as follows:-

- Standard charges for other Local Authorities by 3.5%. The new charges are summarised in the Table below:

Type of Accommodation	Unit	Current Standard Charge 2008-09	Proposed Standard Charge 2009-10
		£	£
Heathside, Home for E.M.I.	Week	607.46	628.72
Fourways, Home for Younger Persons with Physical Disability:			
(i) Residential	Week	494.47	511.78
(ii) Short Term Care	Week	494.47	511.78
(iii) Day Care	Day	119.93	124.13
(iv) ABI	Week	652.35	675.18
Hunter Lodge Day Care for Younger Persons with Physical Disability	Day	43.53	45.05
Homes for Adults with Learning Disability	Week	499.76	517.25
Brookfield, Home for Adults with Mental Health Problems	Week	375.55	388.69
Day Centres for the Elderly and Physical Disability	Day	30.89	31.97
Day Centres for the Elderly Mentally Infirm	Day	54.82	56.74
Training Development Centres	Day	69.17	71.59

- Charges levied directly on clients will be increased as follows :
 - Home Care – Following externalisation of the service, the charges were moved to a basis of quarter hour “units”. The charge for one unit will be (£9.64 divided by 4) £2.41, for standard payers, or (£13.08 divided by 4) £3.27 for full cost payers – those with savings in excess of £50,000. All assessed charges will be in multiples of the standard ‘unit’, and will be based on the commissioned package. The cost of aborted calls will be one unit i.e. £2.41 and £3.27 for standard and full cost payers respectively.
 - Day Care - It is proposed to increase Day care attendance charges, in line with budget guidance on income inflation, from £10.20 to £10.90 for all services other than Learning Disability, and from £12.20 to £13.00 for Learning Disability services.
 - Admission for Day Centre Activities - This charge is 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. It is proposed to increase the admission charge from £2.50 to £2.70, in line with budget income inflation guidance and is payable only by the service

user not the personal assistant.

- 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 £22,500, remains at 58%.
- Meals - It is proposed to increase the charge for meals from £2.80 to £2.90, which is in line with budget income inflation guidance.
- Assistive Technology - 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 £3.00 to £3.10, and the charge for the Mobile Response Service will increase from £1.50 to £1.55. Both charges will apply only after the first 6 weeks of operation.

It should be noted that, in preparation for personal budgets, consultation is underway on revising the guidance originally issued as Fairer Charging Guidance.

Members are requested to approve the uplift in fees for the 2009/10 financial year, which is reflected in the base budget.

3. Environmental Services Department

Background:

This section of the appendix outlines the range of fees and charges that come under the remit of the Environmental Service Department and recommends revised charges for 2009/10.

Proposals:

The attached schedule contains an extensive list of chargeable items. Generally charges have been raised by 3.5% in accordance with the uplift recommended by the Executive Director of Business Support Services.

Conclusions:

Members are requested to approve the revised set of fees and charges for 2009/10 as shown on the attached schedule.

Environmental Services Department Fees And Charges 2009/10

Cleansing	Qty	2008/09	2009/10
Collection of Bulky Items		£10.00	Under Review
Sale of Wheelie Bins (inc delivery)		£35.80	£37.00
Sale of Euro Bins (inc delivery)		£267.90	£277.00

The charging policy for the collection of bulky waste items is currently under review and will be presented to Cabinet as a separate report in the near future.

Trade Refuse Bins	Qty	2008/09	2009/10
Bulk Bin Hire	Per Annum	£52 + VAT	£54 + VAT
Bulk Bin Empty	Per Week	£21 + VAT	£22 + VAT
Wheeled Bin	Per Week	£11 + VAT	£12 + VAT

Refuse Service – Internal Departments	Qty	2008/09	2009/10
Bulk Bin Hire (per annum)		£47.50	£49.00
Bulk Bin (per week)		£14.30	£14.80
Wheeled Bins (per week)		£4.95	£5.10
Refuse Sacks (per 100 sacks)		£175.70	£182.00

General Highways	Qty	2008/09	2009/10
Section 38 Highways Approval, supervision & adoption of Highways		6% of estimate	No Change
Section 278 Agreements Supervision on site		Cost	No Change
Footpath Works, Adopted Footways & PROW			
Temporary Diversion		£1,200.00	No Change
Permanent Diversion		£1,300.00	£1,400.00
* Made up of Advertising and legal fee recharges and Admin fee. May be renegotiated if advertising or legal fees excessive.			
Road Safety	Qty	2008/09	2009/10
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
2nd Stage Seat Hire		£6.00 (plus £10.00 refundable deposit)	No Change

Administration Section	Qty	2008/09	2009/10
Central Hire			
Additional Quotes		£5.50 per quote	£5.70 per quote
Annual Admin Fee		£107.00	£110.75
Monthly Admin Fee		£12.00	£12.00
Leasing Arrangement Fee		£27.00	£28.00
Admin & Finance			
Personnel Information			
Admin charge Plus per page Plus postage		£25.50 10p	£26.50 10p

Street Lighting	Qty	2008/09	2009/10
Section 38 Road Design Fees			
Basic Fee		£145.00	£150.10
Column Fee		£13.00	£13.50
Maximum Fee		£420.00	£434.70
Accident Damage Street Lighting			
Contract rate plus sub contractor costs and Admin @		5% or £26.65 min charge	5% or £27.60 min charge
Site Inspection		£24.50	£25.40

Traffic and Transportation	Qty	2008/09	2009/10
Provision of H Bar Markings		£42.00	£43.50
Highways Ownership Queries		£43.00	£44.5
Accident Data Requests		£80.00	£83.00
Direction signage eligibility		£88.00	£92.00
Removal of A boards		£53.00	£55.00
Removal of fly posters		£16.00	£16.75
Skip Permits		£16.00	£16.75

Highways	Qty	2008/09	2009/10
RASWA – Admin Fee		£80.00	£83.00
Vehicle Crossings			
Standard Ramp Construction (per m)		£46.40	£48.00
Excavation and construction beyond ramp area (per sq m)		£32.50	£33.65
Reconstruct bitmac beyond ramp area (per sq m)		£17.00	£17.60
Relay flags beyond ramp area (per sq m)		£12.30	£12.75
Provision of edging kerbs (per m)		£8.60	£8.90
Resiting street furniture, removal of street trees and other related work		Actual Cost	Actual Cost
Administration / Supervision Charge		£25.60	£26.50
Administration / Cancellation Fee		£25.60	£26.50
<i>Accident Damage</i>			
Highways Contract rate plus Admin Charge		5% or £26.70 min charge	5% or £27.65 min charge

Street Works	Qty	2008/09	2009/10
Street Works Licence			
Admin		£181.00	£188.00
Capitalised Fee		£188.50	£196.00
(For Classified Roads)		£378.00	£392.00
Inspection Fees – per 200 metres or part of		£93.00	£96.50
Minimum Charge Therefore		£466.00	£483.00
Road Opening Permission			
Admin		£93.00	£96.50
Inspection Fees – per 200 metres or part of		£93.00	£96.50
Temporary Traffic Regulation Orders Including Road Closures			
Temporary Orders		£342.00	£354.00
Temporary 21 Day Notice – Emergency		£188.50	£196.00
Temporary 5 Day Notice – (Cranes etc.)		£155.00	£161.00
Preparation of diversion and signing schedule		£210.00	£218.00

Parking – Controlled Parking Zone	Qty	2008/09	2009/10
Residents Permit		£15.00	£15.60
Visitor Permit		£2.00	£2.50
Daily Visitor Permits (book of 20)		£5.00	£5.20
Business Permits			
1st		£15.00	£15.60
2nd		£50.00	£52.00
3rd and additional		£150.00	£156.00
Half Day visitor (book of 20)		£25.00	£26.00

It is recommended that there should be no inflationary increase in car parking charges and fines from 1st April 2009. This is the situation reflected in the draft 2009/10 budget and reflects the continued downward trend in receipts.

Transport	Qty	2008/09	2009/10
MOT Test Class IV		£47.00	£47.00
MOT Test Class VII		£49.00	£52.00
Vehicle Inspection Fee (Car Loans)		£42.00 + VAT	£45.00 + VAT

Planning	2008/09	2009/10
Provision of information and advice	£49 per hour + VAT	£51 per hour + VAT
Scaffolding/Hoarding Permits: Designated inner areas	£58.00	£61.00
Other areas	£27.00	£28.00
Provision of weekly Planning Lists	£159	£164.50
Block Plans	A4 1:1250 £20.00 per set of 6 copies (OS/Stanford costs £14.00) A4 1:12500 £34.00 per set of 6 copies (OS/Stanford costs £14.00)	No Change No Change
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	£51.75

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 a charge in order to recover the costs of providing the service. This is currently being reviewed and the proposed charge will be 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.

Food Export Certificates	2008/09	2009/10
Single Issue	96.00	100.00
Multiple Issue	Contract	Contract
Food Safety Act 1990	2008/09	2009/10
Registrations	No charge	No charge
Copies of details from register:		
Full print out	813.00	842.00
Specific Business Category	87.00	91.00
Copy of individual registration	23.00	24.00
Certification etc of unfit/unsound food	2008/09	2009/10
Certification only	31.00	33.00
Visit, inspection, certification and proper disposal:-		
For certification:	31.00	33.00
Plus Hrly Rate:	31.00	33.00
Food Hygiene and Health Education Courses	2008/09	2009/10
Basic Food Hygiene Courses	57.00	59.00
Basic Health and Safety Course	57.00	59.00
CIEH Option courses		
Module A - Foundation Module	26.00	27.00
Module J - Refresher Module	21.00	22.00
Module G - HACCP Module	21.00	22.00
Module B - Cleaning and Disinfection	16.00	17.00
Module C - Food Pests	16.00	17.00

Module D - Premises and Equipment	16.00	17.00
Module E - Food Safety Legislation	16.00	17.00
Food Safety Risk Assessment Course	33.00	35.00
"Special Deals"		
Basic Food and Hygiene and HACCP Module	66.00	69.00
Basic Food Hygiene and Food Safety Risk Assessment Course	80.00	83.00
Contracts and courses outside normal working hours	Negotiated charge	Negotiated charge
Other courses	Negotiated charge	Negotiated charge
Asbestos	2008/09	2009/10
Analysis and sampling (per visit)	138.00	143.00
Sampling for other departments - Charge per sample	32.00	34.00
Drain surveys using camera	2008/09	2009/10
Hourly Rate	66.00	69.00
Provision of information, including that relating to the Environmental Information Regulations 1992	2008/09	2009/10
General provision to individuals	17.00	18.00
General confirmation only (e.g. to solicitors)	43.00	45.00
Detailed search and/or sampling required or information relating to Landfill Gas Sites	124.00	129.00
Provision of information specifically held under the Environmental Protection Act 1990	2008/09	2009/10
Local pollution interests, i.e. residents and occupiers and commercial interests		
Computer copy of registration listing for public	19.00	20.00
Computer copy of register listing for commercial interests	49.00	51.00
Copies of details from public register:		
Charge per 10 sheets	15.00	16.00
Advice to Legal re: land disposals etc (Hourly Rate) (2)	35.00	39.00

Pest Control Charges	2008/09	2009/10
Domestic Premises (privately owned premises) :		
Public Health Pests (including cockroaches, fleas, bed bugs, pharaoh ants and rats)	Free	Free
Non public on public health pests (Mice, Wasps and Garden Ants inside dwelling)	41.00	43.00
Commercial Premises:		
Commercial contract charges – Variable based on labour and materials used		
One off treatments - Charge per hour	59.00	62.00
Council owned premises other than council dwellings - charge per hour (with a minimum of 1 hours charge)	50.00	52.00
Internal Contracts – Variable based on labour and materials used.		
Hourly rate for the calculation of officers' time	2008/09	2009/10
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	43.00	45.00
Miscellaneous charges for provision of photocopies of documents (per 10 sheets)	15.00	16.00
Work in Default Charges	2008/09	2009/10
Where contractor costs are below £150	74.00	77.00
Where contractor costs are above £150 a fixed fee of £74 for the first two hours plus £35 per hour thereafter		
Registered Contractors Charges	2008/09	2009/10
New contractors applying to go on list	60.00	58.00
Careline	2008/09	2009/10
Service now part of Adult Services Department		

Private Sector Housing	2008/09	2009/10
Housing Act Notices & Orders	320.00	332.00
Provision of information to landlords, solicitors etc	43.00	45.00
Houses in Multiple Occupation (HMO Licences)		
-Accredited Landlords (per occupant)	17.00	12.00
-Non-Accredited Landlords (per occupant)	22.00	23.00

Proposed Taxi Licensing Fees 2009/10

Hackney Carriage / Private Hire Drivers	2008/09	2009/10
New application (including a knowledge test)	£79.00	£82.00
New application (not requiring a knowledge test)	£58.00	£60.00
Renewal application	£36.00	£37.00
As 2nd licence (new application) (<i>i.e. you are already the holder of a private hire drivers licence and you wish to apply for a hackney carriage drivers licence or vice versa</i>)	£28.00	£29.00
As 2nd licence (renewal application) (<i>i.e. you are already the holder of a private hire drivers licence and you wish to renew your hackney carriage drivers licence or vice versa</i>)	£21.00	£22.00
Knowledge test (2nd and any subsequent test)	£21.00	£22.00
Replacement drivers badge	£13.00	£13.50
Hackney Carriages		
12 Month Licence (The fee is reduced by £75.00 if the vehicle is Wheelchair Adapted or by £20.00 if propelled by Liquid Petroleum Gas) Only one reduction will be given not both	£267.00	£276.00
6 Month Licence (The Fee is reduced by £37.50 if the vehicle is Wheelchair Adapted)	£163.50	£169.00

Private Hire Vehicles		
12 Month Licence (The fee is reduced by £75.00 if the vehicle is Wheelchair Adapted or by £20.00 if propelled by Liquid Petroleum Gas) Only one reduction will be given not both	£235.00	£243.00
6 Month Licence (The Fee is reduced by £37.50 if the vehicle is Wheelchair Adapted)	£131.00	£136.00
Hackney Carriage / Private Hire Vehicles		
Re-test	£24.50	£25.50
Full Test / Non-Arrival for arranged test / Suspension	£43.00	£44.50
Replacement vehicle plate	£22.00	£23.00
Single taxi meter test	£18.00	£19.00
Private Hire Operators		
School / Adult Services contracts only	£66.00	£68.00
Private Hire Operators Licence A further £177.00 is payable at each premises at which bookings are accepted	£171.00	£177.00
Miscellaneous		
Administration Fee	£29.00	£30.00
Request for Information (Detailed) Fee + officers time including VAT	£29.00	£30.00+

Proposed Gambling Act 2005 Fees 2009/10

Premises Licences							
	New Application	Variation Application	Transfer Application	Annual Fee	Application for Re-instatement	Application for Provisional Statement	Licence Application (Provisional Statement Holders) *
Current Bingo	£2205.00	£1103.00	£756.00	£630.00	£756.00	£2205.00	£756.00
Proposed Bingo	£2,315.00	£1,158.00	£794.00	£662.00	£794.00	£2,315.00	£794.00
Current Betting Premises	£1890.00	£945.00	£756.00	£378.00	£756.00	£1890.00	£756.00
Proposed Betting Premises	£1,985.00	£992.00	£794.00	£397.00	£794.00	£1,985.00	£794.00
Current Tracks	£1575.00	£788.00	£599.00	£630.00	£599.00	£1575.00	£599.00
Proposed Tracks	£1,654.00	£827.00	£629.00	£662.00	£629.00	£1,654.00	£629.00
Current Family Entertainment Centre	£1260.00	£630.00	£599.00	£473.00	£599.00	£1260.00	£599.00
Proposed Family Entertainment Centre	£1,323.00	£662.00	£629.00	£497.00	£629.00	£1,323.00	£629.00
Current Adult Gaming Centre	£1260.00	£630.00	£756.00	£630.00	£756.00	£1260.00	£756.00
Proposed Adult Gaming Centre	£1,323.00	£662.00	£794.00	£662.00	£794.00	£1,323.00	£794.00

Fees for premises licences with seasonal conditions will be calculated as follows: -		
Up to three months		1/4 of the annual fee
More than three months and up to six months		1/2 of the annual fee
More than six months and up to nine months		3/4 of the annual fee
Over nine months		The annual fee
	2008/09	2009/10
Copy of Licence	£16.00	£17.00

Notification of Change	£31.50	£33.00
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Temporary Use Notices	Current Fee	Proposed Fee
Temporary Use Notice	£21.00	£22.00
Copy of a Temporary Use Notice	£10.50	£11.00

Proposed Other Licensing Fees 2009/10

Street Trading - Static Trading consents	Current Fee	Proposed Fee
New Applications (12 months licence from date of issue)	£439.00	£454.00
Renewal Applications (12 months licence from date of issue)	£397.00	£411.00
Street Trading - Mobile Trading consents		
New Applications (12 months licence from date of issue)	£549.00	£568.00
Renewal Applications (12 months licence from date of issue)	£506.00	£524.00
Street Trading - Static and Mobile Trading consents		
Application Fee - Deposit (payable at time of application, once granted it is deducted from main fee above) (Refundable)	£50.00	£52.00
Variation of existing consent to trade	£82.00	£85.00
<p>Current Occasional Fee - The administration cost for an occasional consent to trade shall be £29.00 plus a daily fee of £10.00 per day to a maximum of £69.00 for any one application. The maximum period for which an occasional consent to trade shall be granted at any one location shall be seven days.</p>		
<p>Proposed Occasional Fee - The administration cost for an occasional consent to trade shall be £30.00 plus a daily fee of £10.50 per day to a maximum of £72.00 for any one application. The maximum period for which an occasional consent to trade shall be granted at any one location shall be seven days.</p>		

Sex Establishment	Current Fee	Proposed Fee
New	£5,002.00	£5,177.00
Renewal	£3183.00	£2,000.00
Other Licences		
Use of Rooms for Civil Marriages (for 3 year registration)	£620.00	£642.00
Small Bus Permit	£55.00	£57.00

Miscellaneous	Current Fee	Proposed Fee
Administration Fee	£29.00	£30.00
Request for Information (Detailed) Fee + officers time including VAT	£29.00	£30.00+

Acupuncturists, Cosmetic Piercing, Electrolysis, Semi Permanent Skin Colouring & Tattooing	Current Fee	Proposed Fee
Premises	£170.00	£176.00
Person	£87.00	£90.00
Animal Boarding Establishments	£141.00	£146.00
Home Boarding	£38.00	£39.00

Dangerous Wild Animals	Current Fee	Proposed Fee
New Licence (+ any vet fees)	£212.00	£219.00
Renewal of Licence (+ any vet fees)	£90.00	£93.00
Dog Breeders	£90.00	£93.00

Motor Salvage Operators	£110.00	£110.00
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Pet Shops	£90.00	£93.00
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Poisons	Current Fee	Proposed Fee
Initial Registration	£29.33	£30.00
Renewal	£15.47	£16.00
Change of Details	£7.90	£8.20

Riding Establishments	£141.00	£146.00
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4. Housing General Fund

Bickershaw Lane Caravan Site Charges 2009/10

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 4.95%. This will equate to a weekly increase of £2.42, from £48.92 in 2008/09 to £51.34 in 2009/10 for a single plot and a weekly increase of £2.92 from £58.93 in 2008/09 to £61.85 for a double plot in 2009/10.

It is proposed to uplift the water and electricity charges in line with the respective inflationary increases on the expenditure side, namely 5% for water and 41% for electricity usage, with the standing charge for electricity being uplifted by the standard 3.5%.

Alternative options considered and reason for the recommended option:

The water and electricity charges could be increased by 3.5% in line with the generally recommended increase; however this would not reflect the increased inflationary pressures having to be met on the expenditure side.

Conclusions:

Members are requested to approve the revised set of fees and charges for 2009/10 as detailed above.

If the recommendation to increase the rental charge for each plot by 4.95% is approved the inflationary increase of £1,849 will be added to the budget files.

If the recommendations to increase the water charge by 5% and the electricity charge by 41% are approved the inflationary increase of £2,204 will represent an increase of £1,869 on the original assumptions in the budget based on a 3.5% uplift.

5. Housing Revenue Account

Provision of Service Charge References

Background

This section of the appendix outlines the fees and charges pertinent to the Housing Revenue Account and recommends revised charges for 2009/10.

Proposals:

Following the introduction in 2008/09 of a charge for the provision of a service charge reference, it is now proposed to uplift the 2 charges below by the standard 3.5% in accordance with the uplift recommended by the Executive Director of Business Support Services.

Conclusions:

Members are requested to approve the revised set of fees and charges for 2009/10 as shown in the schedule below.

	2008/09	2009/10
	£	£
Provision of Tenant Rent / Mortgage Reference	40.34	41.75
Provision of Service Charge Reference	60.00	62.10

6. 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 2009/10 as follows:-
- Visual and Performing Arts and Drumcroom proposed to increase their fees by 4.1% with effect from 1st September 2009.
 - The Outdoor Education Centres propose to increase their fees by 4.1% with effect from 1st September 2009.
- 1.2 Members are requested to approve the uplift in fees for the 2009/10 financial and academic years, which is reflected in the base budget.

7. Children and Young People's Services

Standard Residential and Day Charges

This report sets out the residential and day charges for 2009/10. These aim to recover the full cost of providing accommodation as required for children services following guidelines issued by the former Association of Metropolitan Authorities.

However it is anticipated that due to the current high demand for placements from within the borough, the take up from other authorities will be minimal and therefore it is unlikely that the proposed increase in charges will generate any additional income.

CYPS proposes to increase its fees by standard inflation of 3.5% in 2009/10 as follows:-

Type of Accommodation	Unit	Current Standard Charge 2008/09	Proposed Standard Charge 2009/10
		£	£
Children's Homes	Week	1,846.74	1,911.38
Homes for Children with Learning Disability	Week	2,823.15	2,921.96
Day Nurseries	Day	57.04	59.04

Members are asked to approve the 2009/10 rates for implementation with effect from 1st April 2009.

8. Business Support Services

Charging for Use of Council IT Facilities

Background

In April 2004 the Council introduced a charge for personal use of the internet. This charge was based on 50% of the commercial rate set by Virgin media for its "surf unlimited" service. Currently this service is no longer offered by Virgin. BT offer it at £15.65 per month. In 2008/9 the charge levied for personal use of the Internet is £7.50 per month for those above Scale 3 SCP 18 and £3.50 for those below this grade.

Proposals for 2009/10

Using the BT price above, there would be an increase of only 32 pence per month. Taking into account the administrative costs of altering the monthly contribution for affected employees and Members together with a general view that broadband prices are falling, Members are recommended not to increase the current charges for 2009/10. It is anticipated that around £20,000 will be raised from these charges during 2009/10.

9. New Town Hall Catering Price Increases from 1st April 2009

A 5% increase in food prices is proposed in order to absorb increased Labour costs due to the pay review and significant increases in food costs which nationally in the 12 months to December 2008 have averaged 11.9%, including climbs of 17.7% on meat and fish, and 16.8% on fresh fruit and vegetables. The recent improvements in facilities have increased income levels to cushion the need for price increases in excess of 5%, as the hope for greater stability in food prices in the forthcoming year.

Likewise it is proposed that bar prices are increased by 5% to reflect the increases in Duty and the price increases already notified by suppliers.

Proposal

Members are asked to approve the increases set out above which are expected to generate an additional £8,400 from food sales and £1,200 from drinks sales.

10. 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 2009. This is the situation reflected in the draft 2009/10 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 and economic downturn. This situation is expected to continue into 2009/10 and markets income totalling £50,000 has therefore been removed from the draft 2009/10 budget. Increasing the charges and tolls from 1st April 2009 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 2009/10.

11. Local Income – Registrars Fees

A comparative exercise with the fees charged by neighbouring Local Authorities has been recently undertaken. The results of this suggest that it is appropriate to increase the Council's current charges for a superintendent registrar and registrar to attend ceremonies as follows:

	Current Fee (£)	Proposed Fee (£)
Monday – Saturday	240	250
Sunday & Bank Holiday	280	290

This increase is in line with the assumptions built into the draft 2009/10 budget and will ensure that the fees charged by Wigan remain in line with those charged by neighbouring Councils.

12. Local Land Charges Fees

The severe reduction in housing market activity resulting from the credit crunch and economic downturn has had a significant impact on local land charges income. During the current financial year only around half of the budgeted £620,000 income is expected to be realised. Accurately predicting the likely volume of searches over the next financial year is always difficult, however currently it seems likely that the downturn will continue and the draft 2009/10 budget anticipates only £340,000 being generated. A further complication is that the Government has introduced regulations which, from 6th April 2009, will require Council's to provide open access to search data and to charge only the actual costs they incur in providing the information supplied. An exercise is currently being undertaken to establish these costs and the financial implications arising from the introduction of these regulations which will be reported to Cabinet in due course. However until the position becomes clearer, Members are recommended to leave the current charges unchanged.

Appendix 3 – Results of the Citizen’s Panel BMG Report – Winter 2008

Introduction

This is the fourth year that the Citizen’s Panel has been canvassed on their opinions. Section three relating to the Council’s budget considers the public view on how they feel the money which comes from council tax, should be used. Questions were included to assess what the public feel are priorities and where level of funding should be increased or decreased in future budgets.

The following questions were asked this year:-

- If you were a leader of Wigan Council for a day, looking at the following list, what would be your top three priorities?
 - 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.

In total 814 respondents opinions have been collected, compared to 806 last year.

The First Question:-

Again this was the fourth 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 08	Nov 08	Nov 07	Nov 07
	%	Rank	%	Rank
Living in a place where you feel safe	48	1	59	1
A strong, modern economy offering a good standard of living for everyone	48	1	45	2
A good start in life for every child and young person	36	2	32	3
Aiming for high achievement with the education, training and skills people need to meet their potential and gain jobs	35	3	31	4
Improving local facilities, the infrastructure and the environment	29	4	26	=5
Care and protection when life is difficult	28	5	26	=5
People living in decent affordable homes of their choice	20	6	26	=5
A place where people respect and value their different backgrounds and get on well together	17	7	16	9
Healthier and happier lifestyles	15	8	17	8
Enriching people’s lives through leisure, sporting and cultural opportunities	9	9	8	10
Not provided	1		2	

For the third year running ‘Living in a place where you feel safe’ was the top priority. The same proportion indicated a strong, modern economy would be within their top three priorities.

The Second 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 one 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 three in ten felt that funding should be reduced for creating a place where people respect and value their different backgrounds and get on well together.

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 (67%) up 4%;
- Aiming for high achievement with the education, training and skills people need to meet their potential and gain jobs (57%) up 4%
- People living in decent affordable homes of their choice (51%) up 1%
- Healthier and happier lifestyles (45%) compared to 42% in 2007

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 is the safety of their local area. Three in five panel members agree that living in a place where they feel safe should be improved. Other key improvements supported include;

- Improving local facilities, the infrastructure and environment (46%).
- A strong, modern economy offering a good standard of living for everyone (51%) down 6%.
- Care and protection when life is difficult e.g. support for older people and those with a disability (55%) down 2%.

An analysis of the responses to question 2 is shown below:-

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)			
	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	4	67	24
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	5	57	34
Care and protection when life is difficult e.g. support for older people and for those with a disability	1	41	55
Healthier and happier lifestyles e.g. more people being physically active, healthy eating and stopping smoking	23	45	23
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	3	42	51
People living in decent affordable homes of their choice e.g. improving council and other rented housing	18	51	28
Living in a place where you feel safe e.g. reducing crime and anti-social behaviour so that you feel safe	1	40	58
Improving local facilities, the infrastructure and the environment e.g. better roads and transport, cleaner streets and environment	5	46	46
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	29	46	17
Enriching people's lives through leisure, sporting and cultural opportunities e.g. having access to a wide range of sports and facilities	22	55	16

The information provided in the data tables to question two 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 2008 Results %	A	B	C	D	E	F	G	H	I	J
A good start in life for every child and young person	27	16	13	26	31	23	21	26	34	22
Aiming for high achievement with the education, training and skills people need to meet their potential and gain jobs	47	43	26	28	33	26	29	48	36	33
Care and protection when life is difficult	51	65	45	72	49	60	47	51	60	57
Healthier and happier lifestyles	22	31	22	27	24	22	24	19	15	26
A strong, modern economy offering a good standard of living for everyone	59	70	52	58	48	48	43	52	56	41
People living in decent affordable homes of their choice	31	51	20	26	30	25	16	22	36	33
Living in a place where you feel safe	55	62	52	70	62	59	47	61	58	57
Improving local facilities, the infrastructure and the environment	46	36	40	52	40	54	46	41	50	50
A place where people respect and value their different backgrounds and get on well together	15	31	13	28	18	20	8	11	18	18
Enriching people's lives through leisure, sporting and cultural opportunities	7	32	7	22	18	18	16	17	15	13

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 and Lowest figures shown in bold

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

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

KEY

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Highest and Lowest figures shown in bold

Nov 2008 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	10	8	8	6	7	7	6	7	8	7
Aiming for high achievement with the education, training and skills people need to meet their potential and gain jobs	4	5	5	5	5	5	5	4	5	5	5
Care and protection when life is difficult	3	2	3	1	2	1	1	3	1	1	2
Healthier and happier lifestyles	8	7	6	7	8	8	6	8	9	7	8
A strong, modern economy offering a good standard of living for everyone	1	1	1	3	3	4	4	2	3	4	3
People living in decent affordable homes of their choice	6	4	7	8	7	6	8	7	5	6	6
Living in a place where you feel safe	2	3	1	2	1	2	1	1	2	1	1
Improving local facilities, the infrastructure and the environment	5	6	4	4	4	3	3	5	4	3	4
A place where people respect and value their different backgrounds and get on well together	9	8	8	5	9	9	10	10	8	9	9
Enriching people's lives through leisure, sporting and cultural opportunities	10	7	10	10	9	10	8	9	9	10	10
<p>KEY</p> <p>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</p> <p>Highest and Lowest figures shown in bold</p>											

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

- Five 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.
- While five out of ten Townships thought 'Care and protection when life is difficult' was the highest priority.
- Both Shevington, Standish & Aspull and Wigan South placed 'Care and protection when life is difficult' and 'Living in a place where you feel safe' as equal first priorities.
- Golborne & Lowton considered 'A strong, modern economy offering a good standard of living for everyone' and 'Living in a place where you feel safe' as their equal first priority.

Budget Challenge 2009/10 – 2011/12 – savings, growth and budget pressures

Attached is a summary of the proposed savings and growth identified as part of the pressures discussed in the 2008/09 budget setting process. These items form part of a three year budget strategy.

The target we have set ourselves is a Council Tax of 2% for 2009/10 which is the same as the previous year. This is only achievable after a further round of budget options and utilisation of balances to maintain this position over the next three years. For 2010/11 and 2011/12 the situation will be carefully reviewed in the light of service pressures, but our aim will be to keep council tax increases within retail price inflation.

In a change from the process previously adopted the methodology of achieving the required target was put to SMT and Members for approval.

A number of measures have been agreed and the impact on the services is shown in the attached. The measures included a 25% reduction in general office expense budgets such as office equipment and the self funding of pay increments.

Additional budget pressures for 2009/10 have emerged as the budget cycle has progressed in particular changes in Legislation, loss of grant income and loss of income due to the economic climate. These additional pressures have been funded from further reductions in service budgets.

The following paragraphs provide details of departmental based service pressures

Children and Young People's Services

The area of safeguarding children continues to be the most challenging for CYPS, in respect of providing the appropriate service for our children at most risk as well as managing the costs associated with this responsibility. The implications of the baby p (Harringay) tragedy have been well documented. External consultants have been engaged to undertake an audit in this area which will inform the Council of the appropriate budget resource changes which may result. Home to School Transport has also been raised as an existing pressure. There are external factors contributing to this, including the number of miles before which eligible pupils can claim reimbursement of public transport costs from 3 to 2 miles, and the rate at which journeys are reimbursed at. The rate has increased by 40%. The mileage reduction was based on guidance introduced by the DCSF. A longer strategy will be developed around transport to address this problem. The cost of Public Law Fees has risen sharply over the past twelve months. This has been due to a dramatic increase in the number of cases referred, and the charging mechanism associated with this work. Growth has been provided within the 09-10 budget to address this problem and these costs will be monitored closely by the department in the future. The funding of costs associated with Building Schools for the Future will be met from reserves in the short term until the outcome of the Wigan's bid has been decided in the next few months.

The department will continue to make the best use of all of its resources including all grants and external funding to ensure that it can deliver the best possible outcomes within challenging times.

Adults

A number of common themes provide the key challenges across all operational areas of the service :

- To develop / commission preventative services from the community and voluntary sectors in order to reduce dependency on statutory services and promote well-being.
- Dealing with growth in the number of eligible service users who through demographic changes and medical advances are now living longer and need ongoing support.
- To move towards an outcomes-based and re-ablement culture to ensure all service users achieve maximum independence and reach their full potential as citizens of the borough (to incorporate into all policies, procedures and practices).
- To continue to develop and implement efficient models of service (invest to save).
- Investment in safeguarding and quality assurance systems is a priority for all areas, with particular focus on residential and nursing care homes.
- To deliver LAA key targets.
- To drive forward personalisation, including the continued expansion of direct payments.
- Ensure appropriate skill mix in all areas so that tasks are appropriately allocated.

Environmental Services

The key issues highlighted were the implementation of the revised Waste Management Strategy , the procurement of a new waste disposal contract, the fall out of Neighbourhood Renewal Funding (NRF) and local income pressures due to the current economic climate. The forecast contains growth of £0.5m for the waste strategy and procurement of the new contract, £0.4m to fund Community Engagement following the loss of NRF and £0.4m to relieve local income pressures in relation to reduced car park income. In addition provision has been made for the continued investment in waste recycling by funding the further roll out of the kerbside collection of dry recyclables. This will ensure that the collection and disposal costs of the scheme are fully funded by 2010/11. However there is currently a funding shortfall of £0.8m needed to procure the 40,000 additional bins required to achieve the full roll out of the scheme, this could delay the full implementation of the scheme by December 2010 as per the revised Waste Management Strategy. The savings with regard to removing the inflation provision afforded to the highway maintenance programme are in addition to the reduction of £1 million to the highway maintenance revenue programme contained in the forecast.

We are working on a long term strategy for waste with the new contract needing to be implemented by April 2012. In the interim provision has already been made in the Council's reserves to cover potential Landfill Allowance Trading Scheme penalties, - £1 million has been set aside for 2009/10 and £1.5 million in 2010/11. However the market is currently very volatile and difficult to predict and so the adequacy of the provision particularly with regard to any additional liability in 2011/12 will continue to be monitored on a periodic basis. In terms of the

procurement of a new waste disposal contract an outline business case is currently being prepared to demonstrate the optimum value for money solution. The costs of procuring and implementing this contract can then be better assessed.

Business Support Services and Chief Executive Services

For Business Support Services and Chief Executive services the main pressures come from the need to meet the budget reduction target agreed in the original 3 year plan as a result of the Support Services review. These savings have been factored into investment in the service priorities highlighted earlier in the report. In addition the Legal service has seen a decline in Land charges income and an increase in demand for child law support. Work continues to procure a new payroll and personnel system. There has been some investment in the property division in respect of security checks on accommodation. This has been more than offset in the reduction of the capital element of the Corporate Property Maintenance Fund. This will require careful management of the capital and revenue budget to ensure . We have developed a plan to meet the requirements of the International Financial Reporting Standards which may require future resourcing. The change to the democratic process has been taken account in the restructure of the Democratic services which has now transferred to Business Support Services from the Chief Executives services. Investment in Communications 2008/9 has seen the development of the One Com family. Whilst investment was made in Workforce development in 2008/9 to assist with flexibility and change management.

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

APPENDIX 4

Service	Service Area	2009/10 Savings £000's	2009/10 Growth £000's	2010/11 Savings £000's	2010/11 Growth £000's	2011/12 Savings £000's	2011/12 Growth £000's	
Children & Young Peoples Services	Improved Commissioning	-25		-25				
	Departmental Efficiencies	-50		-50				
	Advertising income	-25						
	Use of grant income							
	- Childrens Fund	-25		-25				
	- Connexions	-25		-25				
	- Sure Start	-25		-25				
	Accommodation savings							
	School Improvement	-25		-50				
	Youth Offending Team	-5						
	Personal Social and Health Education							
	Extended Learning	-10						
	Arts Advisory Service	-10						
	Outdoor Education	-10						
	Planning Performance and Quality Assurance	-10						
	Education Business Partnership	-5						
	Advocacy	-5						
	Home to School Transport	-25		-50				
	Children in need of protection			100		100		
		Sub Total CYPS	-280	100	-250	100	0	0

Service	Service Area	2009/10 Savings £000's	2009/10 Growth £000's	2010/11 Savings £000's	2010/11 Growth £000's	2011/12 Savings £000's	2011/12 Growth £000's
Adult Services	Learning difficulties	-72					
	Mental Health Services	-20					
	Older People	-100		-71			
	Physical Disabilities	-47					
	Transition costs / Demographic pressures		800		0		
	Strategy and Support	-5		-5			
	Sub Total Adults (exc Supporting People)	-244	800	-76	0	0	0
Environment	Highways and Works Budget	-125		-125			
	Waste Collection Best Value Review Savings	-132					
	Dry Recyclables Pilot		132			-264	
	Staff Salaries	-10		-30		-110	
	Equipment Budgets	-11					
	Landfill Allowance Trading Scheme		0				
	Further dry recyclables		367		367		
	-278	499	-155	367	-374	0	
Wigan Leisure & Culture Trust	Re-engineer the Library Service	-20		-25			
	Review of Allotments (Joint with Legal and Property)		45		45		
	Review of Leisure Venues	-45		-45			
		-65	45	-70	45	0	0

Service	Service Area	2009/10 Savings £000's	2009/10 Growth £000's	2010/11 Savings £000's	2010/11 Growth £000's	2011/12 Savings £000's	2011/12 Growth £000's
Chief Executive's	Workforce Development Strategy					-100	
Finance & IT (inc BSS costs)	Inernational Financial Reporting Standards		50			-50	
	ICT improved communications technology /mobile	-100		-100		-200	
Legal & Property Services (inc BSS costs)	Review of Energy Management Unit	-20		-40			
	Review of property maintenance and repairs	-40		-40		-320	
	Safety checks of community centres		32				
Business Support Services	Further anticipated savings	-1,250		-1,250			
	pension costs		625		625		
		-1,410	707	-1,430	625	-670	0
Total Spending Review		-2,277	2,151	-1,981	1,137	-1,044	0
Balance between growth and savings			-126	-844			

Additional scenarios to meet 2009/10 Budget Strategy **APPENDIX 4**

Service	Increments Overheads £000s	Additional Pressures £000s	Total £000s
Children & Young Peoples Services	571	230	801
Adults	535	314	849
Environment	273	244	517
WLCT	166		166
Business Support Services	558	125	683
Chief Executive	75	26	101
Total Options	2178	939	3117

Schools Budget 2009/10 and 2010/11

1. Introduction

- 1.1 2009/10 is the second year of a multi-year budget settlement for schools, funded by the Dedicated Schools Grant (DSG).
- 1.2 Council and Schools Forum agreed an indicative Schools Budget for 2009/10 of £186.380m and £193.130m for 2010/11 this time last year. All key decisions affecting the allocation of funding to individual schools and central expenditure were taken as part of this process, in order for the indicative budgets to be agreed.
- 1.3 The purpose of this report is to review the 2009/10 and 2010/11 indicative budgets, taking account of January 2009 pupil census data and any anticipated changes in expenditure trends within the central expenditure limits.
- 1.4 All relevant schools' budget expenditure must be contained within the total DSG. Any underspend or overspend would be carried forward to 2010/11 and added or deducted to that year's allocation of DSG before detailed budgets for schools and central activity could be set.

2. Dedicated Schools Grant 2009/10 and 2010/11

- 2.1 The DSG for each Authority is calculated by multiplying the number of eligible pupils identified in the January Schools Census returns by a guaranteed funding level per pupil.
- 2.2 The funding per Wigan pupil is detailed below:

	DSG 09 - 10	DSG 10 -11
2008-09/2009-10 Baseline	£3,948.04	£4,090.85
Increase	3.6%	4.2%
2009/10 and 2010/11 per pupil	£4,090.85	£4,261.69
Est. pupil numbers	45,433	45,169
Indicative DSG 09/10 and 10/11	£185,860,000	£192,496,000

- 2.3 Per pupil increase.

The % increase is made up as follows:	%	%
	<u>09-10</u>	<u>10-11</u>
MFG	2.1	2.1
Headroom	0.8	0.8
Ministerial Priorities	<u>0.7</u>	<u>1.3</u>
	3.6%	4.2%

- 2.4 Our indicative January 2009 pupil numbers are 243 (0.53%) less than the revised (Dec 08) DCSF estimate, and 125.5 less than our original estimate of

45,558.5 pupils calculated this time last year for 09/10. Our revised January 2010 pupil numbers are 254 (0.6%) less than the revised (Dec 08) DCSF estimate and 145.5 less than our original estimate of 45,314.5 pupils calculated this time last year for 10/11.

- 2.5 There will be no change to the per pupil Minimum Funding Guarantee (MFG) agreed for both 2009/10 and 2010/11. All schools will receive at least 2.1% per pupil increase.
- 2.6 Any headroom within the 2009/10 DSG (dependent upon the impact of MFG calculations) will be distributed in accordance with decisions taken by the Schools Forum at the start of this multi-year budget period. It was agreed that any available headroom would be used to narrow the gap regarding the target around deprivation funds in schools as set by the DCSF. Acorn data will be used to allocate funds to schools.
- 2.7 The Schools Budget will be based upon our estimate of eligible pupils as at January 2009. Wigan's final DSG allocation will not be known until May 2009 when the DCSF has finalised actual pupil numbers. DCSF checks on census data include a review of inter authority duplicate pupil records, which may increase or decrease our indicative pupil numbers.
- 2.8 We do not expect there to be a significant change to the estimated number of pupils above and we will allow for a margin of error of £100,000 within the Schools Budget Contingency Fund and this equates to approximately 24 pupils. The important principle for Cabinet to approve is that the Schools Budget will be equal to the final Dedicated Schools Grant, as finally determined by the DCSF in 2009, plus the LSC allocation in respect of sixth forms. The LSC allocations have not yet been finalised. The 10/11 sums will be affected by Post 16 funding changes.

3. Schools Forum Decisions

- 3.1 Once the Council has set its Schools Budget, the Schools Forum must agree to the level of central expenditure to be included within it.
- 3.2 Central Expenditure is limited to the same annual increase in funding as the Individual Schools Budget element, unless Forum agree to increase it for specific purposes.
- 3.3 Schools Forum will re-visit 2009/10 central expenditure limits at its meeting on 27 February 2009.
- 3.4 Any pressures identified in respect of demand led budgets such as early education grants and independent school placements will be contained within the overall Schools Budget.
- 3.5 Schools Forum are also required to approve the Schools Specific Contingency. This retained budget is used to provide for adjustments such as funding for statemented pupils transferring from primary to secondary schools, new mid-year statements, class size of 30 requirements, formula errors, data changes, exceptional costs, school review transitional costs and all central expenditure pressures. It also includes a £100,000 provision to allow for

potential negative adjustments to our final DSG figure. The contingency sum required will be agreed at the meeting of the Schools Forum later in February.

- 3.6 For information, no new delegated budget share formula changes have been introduced in respect of the distribution of the 2009/10 Individual Schools Budget.

4. Other Developments

4.1 14 – 16 Diplomas

On 25 September 2008 Schools Forum approved the methodology for funding and managing 14-16 Diplomas in secondary schools. The methodology will be trialled in 09/10 in time for the adoption of a longer term Funding Strategy for all 14-19 options.

The LA has agreed that it will distribute the grant it receives from the DCSF to secondary schools based on projected learners numbers, lines and stages. The schools will be responsible for tracking and recording their pupil take up of Diplomas and making payment to external providers. Individual schools will also be required to arrange transport to and from alternative, as appropriate using Practical Learning Funding included in their School Budget allocation.

4.2 DSG Formula Review

A review of the formula for distributing Dedicated Schools Grant (DSG) is underway. The aim is to develop a single, transparent formula that will be available for use in distributing the DSG to local authorities from 2011 to 2012. The review will continue throughout 2009 with consultation on specific proposals in early 2010. At this stage it is too early to estimate the likely impact of this for Wigan. The 2008-11 period has been funded on the "spend plus" methodology, but it is likely that it will return to a formulaic basis for the multi-year budget period 2011-2014. For this reason it is not possible to provide any meaningful budget estimates for 2011-12.

4.3 Early Years Reform

A number of Early Years reforms are currently underway, including the extension of the free entitlement from 12.5 hrs to 15.0 hrs in respect of early years education, consistent pupil counts, arrangements between the maintained and PVI sectors, flexible funding and the development of a single funding formula.

For 09-10 and 10-11 additional funding has been provided by the DCSF through Standard Fund in respect of some of these reforms. A sub-group of the Schools Forum has been formed to move these reforms forward.

5. Recommendations

- 5.1 Cabinet are requested to recommend to Council an indicative Schools Budget of £189.67m for 2009-10 which is equal in value to the estimated DSG of £185.86m plus an estimated LSC allocation of £3.81m. Any use of previous years under-spends will be determined at the meeting of the Schools Forum on 27 February 2009. .