

Executive 9th February 2011

Agenda Item 6 – Supplementary Paper

BUDGET 2011/12 AND COUNCIL TAX – REVENUE AND CAPITAL

1. Revenue Support Grant

On the 31st January, the Government confirmed the Revenue Support Grant for 2011/12 and revised the provisional 2012/13 grant (which will be finalised in 12 months time). The settlements for this Council have changed from those given as provisional figures in December 2010, upon which the Budget Report is based.

The final figures show an increase of £43,870 for 2011/12, but a reduction of £72,100 on that for 2012/13. The specific figures are shown in the table below.

	Provisional Settlement	Confirmed Settlement	Change
2011-12	£7,792,327	£7,836,202	£43,875
2012-13	£6,995,754	£6,923,636	-£72,118

The increase for 2011/12 reflects district councils nationally receiving a further £10m to compensate for the loss of concessionary bus travel funding.

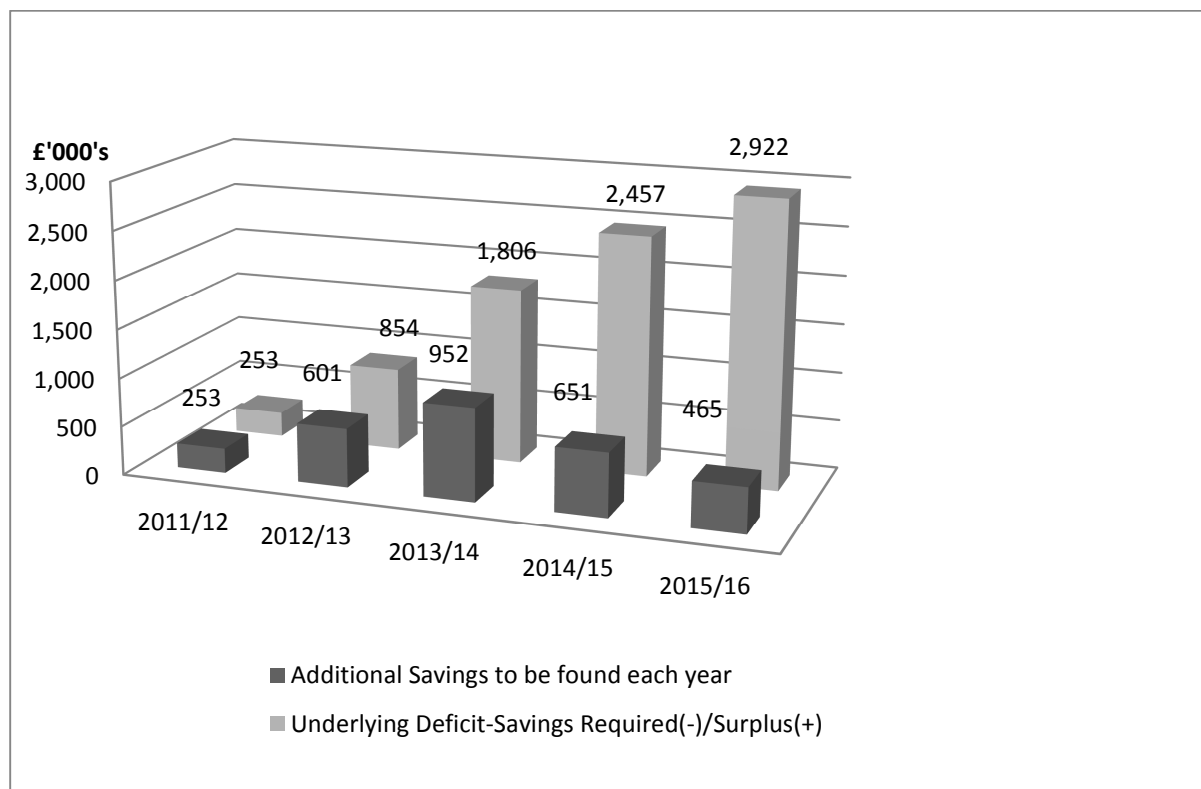
In effect, this Council has suffered a 14.2% reduction in Revenue Support Grant for 2011/12 of 14.2% of that it received for the previous financial year. This is then reduced by a further 11.0% the following year, an overall reduction of 23.7%. The main budget report in paragraph 9.5.6 suggested that if there is a small change in the 2011/12 Grant this is reflected in changing the Contingency Budget for the year. As the change is more significant, it is now recommended that it is reflected in the level of savings to be achieved in 2011/12.

These figures have been incorporated into the 2011/12 Budget and Medium Term Financial Strategy. Within the 2011/12 budget, the Fit For the Future savings not specifically identified to be achieved in the year within the budget have been reduced by £43,000. However, it is expected that the programme will deliver savings in excess of this in 2011/12 and when savings are identified budgets and the strategy will be updated accordingly during the year. Reducing the level of savings by this amount for 2011/12, plus the 2012/13 further £72,000 reduction above the provisional figures for 2012/13, means this Council's in year savings target for 2012/13 has now increased from £484,000 to £601,000 (£117,000 taking account of inflation). In effect the savings profile for the next two years has moved towards 2012/13, with the underlying additional deficit being £72,000.

This brings the total on-going savings required by 2015/16 to £2.92 million, an increase of £60,000. As the Council must now make a greater budget reduction in the earlier years, the annual inflationary uplift on its base budget will be less.

This means that whilst the reduction in 2012/13 is £72,000, the increased on-going savings target for 2015/16 is only £60,000. **Within Recommendation 2.16, the savings to be achieved should now read £2.92m.**

This is shown graphically below and attached at Appendix A (which updates Appendix 3a of the main report).



The increased level of savings, assuming future Revenue Support Grant is reduced by the £72,000 from 2012/13 onwards will also impact upon the savings figures quoted and graphs in Agenda item 10 – Change Programme.

2. Amendment to Recommendation 2.2

The increased Revenue Support Grant and corresponding increase in the net revenue budget will be incorporated into the Appendices that are presented to Council on 23rd February as part of the Council Tax Setting Report. These will also be reflected in the Budget Book to be issued to members in due course.

Appendix B to this report supersedes Appendix 1 of the Budget report. Members are asked to note the revised Appendix. **Within Recommendation 2.2, the net expenditure should now read £15,851,307, with reference to Appendix B to this supplementary report.**

3. Amended Recommendations in respect of Slippage

In addition to the budgets requesting slippage in paragraph 8.3.12., a further revenue budget has been identified for projects which will now be delivered in 2011/12 due to delays. Similarly, the Capital Programme (General Fund) as presented in Appendix 8 needs to be updated to reflect known slippage.

Revenue

There have been unforeseen delays in undertaking all of the work scheduled to be undertaken under the Corporate Repairs and Maintenance Budget. The table below shows the projects due to be carried out in the next financial year using this funding and the reasons for the delays.

Project	£'000s
Refurbishment of the changing rooms, reception area and pool side tiling at Abbey Fields. These works were recently advertised and the tender estimates were above the previously agreed budget. As a result approval is sought to retender the revised scheme for 2011/12.	163
To provide a replacement temporary roof for the protection of The Abbey Fields Gatehouse. These works are required to protect the Gatehouse from the elements and will be joint funded by English Heritage who are designing the roof.	12
The replacement of the Pump Rooms entrance doors to comply with the Disability Discrimination Act. The works were tendered in line with WDC procurement procedures and policies. None of the tenders complied with the required specification so were unacceptable. The works will be the subject to a report to the Executive Committee in March.	35
Total Costs	210

It is therefore recommended that Recommendation 2.28 is amended to include £210,000 of the Corporate Property Maintenance Budget be slipped to 2011/12 by way of an Earmarked Reserve.

Capital

There is currently £338,000 in the Capital Programme for 2010/11, of which £120,000 is earmarked for the refurbishment of Covent Garden Car Park. This leaves £218,000 available for other Car Park Improvement Projects; officers are in the process of evaluating potential schemes. Refurbishment of the Covent Garden Car Park will ensure the Council meets it's obligations under the S106 agreement with Lunn Poly. Deferring this work enables the Council to let just one contract for both this and the planned works on St Peters Car Park, thus

securing value for money. St Peters Car Park which has already been programmed into the 2011/12 revenue Car Park Improvement Budget.

A new Recommendation 2.30 is proposed:-

It is therefore recommended that the budget for Car Park Improvements (£338,000) in the Capital Programme be slipped for 2010/11 to 2011/12, and associated financing.