

## RESOURCE PLANNING WORKING GROUP

3<sup>RD</sup> JULY 2009

ITEM NO 6

PORTFOLIO HOLDER : Cllr E Woodburn

LEAD OFFICER : Julie Crellin, Head of Finance and MIS

### **BUDGET PLANNING 2010/11+**

#### **Summary**

This report outlines:-

- The work plan for the RPWG in readiness for the preparation of the budget for 2010/11 and an updated Medium Term Financial Strategy Budget.
- The general context for the budget planning framework and reminds RPWG of the current Medium Term Financial Strategy agreed at Council in February 2009.
- Proposes a template for consideration to commence the identification of areas of budget saving and budget pressures for 2010/11.

#### **Recommendation**

RPWG is recommended to :-

1. Consider the contents of this report.
2. Agree the work plan from 3<sup>rd</sup> July 2009 – 25<sup>th</sup> February 2010 (Appendix B). Consider and agree possible changes to dates.
3. Confirm that the budget and service planning approach will run in parallel, but the emphasis will be in two parts, first 2010/11, and then, 2011/12 and the longer term. Budget proposals will need to outline potential impacts for a three year period of 2010/11 to 2012/13.

4. Confirm that in aiming to plan for a sustainable budget for 2010/11, an initial target for revenue budget savings for 2010/11 of at least £750,000 be set. This will be considered in the context of a revised Corporate Plan 2010 – 2015 and the likelihood of reduced central government funding beyond 2010/11 and into the medium term. Appropriate communication with staff and other key stakeholders will need to be considered.
5. Consider the setting of a target for likely budget savings for the 2011/12 – 2012/13.
6. Consider the template attached as Appendix E and request Heads of Service work with their Service Managers to complete these templates ready for the meeting of 27<sup>th</sup> August. This will form the first preliminary overview of the pressure and opportunities for savings for budget planning for the next three year period.
7. Agree, in principle, to the commencement of a review of income generation opportunities, using external advisers, which could be used to inform the framework of fees and charges by the Council in the medium term.

## 1 PURPOSE OF RESOURCE PLANNING WORKING GROUP

- 1.1 The Constitution sets out the purpose of the Resource Planning Working Group are as follows:-  
  
***‘ to advise the Executive on matters to be included in the Council’s Revenue Budget, including responding to consultations with internal and external stakeholders.’***
- 1.2 The advice of the Resource Planning Working Group needs to be delivered in a timely manner to enable Executive to present a balanced budget to Council for Council to agree. The Council meeting which will agree the Budget for 2010/11 is to be held on Tuesday 2<sup>nd</sup> March 2010. The annual budget, both Revenue Budget and Capital Programme is set within the context of a three year Medium Term Financial Strategy.
- 1.3 The terms of reference of the Resource Planning Working Group were agreed at the meeting of the group on 18 June 2008 and these are set out in Appendix A. There are clearly links to the work of the Searching For Best Value Working Group, the Audit Committee and Overview and Scrutiny Management Committee. It is not the purpose of the RPWG to formulate policy, but its work

should be influenced by Council policy ensuring that the cost implications of policy options are considered and prioritised.

- 1.4 This is the first meeting of the Group for the Municipal Year. Unfortunately, due to pressures upon the Accountancy function in period Feb – June, both in responding to the Audit of the 2006/07 and 2007/08 Accounts and then ensuring the preparation of Draft Accounts for 2008/09 in accordance with statutory requirements, the Head of Finance and MIS has been unable to properly service the RPWG until now. However, the development of the Budget assumes priority as a key finance task going forward.
- 1.5 The report sets out a proposed work plan for RPWG until the Council Budget meeting. This is set out in Appendix B and RPWG is asked to consider it and in making suggestions for amendment, confirm the work plan for the development of the 2010/11 budget.

## **2 CURRENT BUDGET PROPOSALS 2010/11**

- 2.1 Budget preparation is not solely an accounting exercise. The budget is an expression in £s of the plans of an organisation for the period to which it relates. To work effectively, the preparation of the budget runs alongside, and is interwoven with, service planning, and in the longer term, the strategic direction and vision of the organisation.
- 2.2 The Council's budget for 2010/11 must reflect the service delivery planned for that year and the Council's priorities and targets (some from central government, others, locally). The Council has a Corporate Plan covering the period up to 2011/12, now underpinned by a single year Corporate Improvement Plan. These documents define the Council's priorities in both short and medium terms and are the primary policy documents against which budgets should be set. However, the strategic and financial position of the Council has changed significantly since the Corporate Plan was originally devised and there is a desire to create a new plan in parallel with this budget setting process.
- 2.3 Budget preparation for 2010/11 has already commenced – the Budget agreed by Council in February projected the 2009/10 budget forward to 2010/11, and 2011/12. A summary of the revenue budget projections for the three year period was included in the Budget Papers (Appendix H – Feb Council Revenue Paper) and it is included as a reminder in Appendix C.

- 2.4 The expenditure budgets for 2010/11 and 2011/12 made basic assumptions in a number of areas, these include; assumed inflationary rises of 2% for pay and non-pay items; income from fees and charges to increase by 2%; funding of the budget from revenue support grant (RSG) for 2010/11 in accordance with Comprehensive Spending Review 2007, which central government re-affirmed when confirming the RSG for 2009/10; no increase in RSG projected for 2011/12 and the Area Based Grant support (currently £1million for working neighbourhoods and £258k for safer, stronger communities) would not continue into 2011/12 and, finally, a council tax increase of 4.5% for the two years was also factored in.
- 2.5 The result of these budget assumptions of funding and expenditure was set out in the budget report to February Council as follows :-
- a forecast requirement to find efficiencies, to meet Gershon Targets of £423,000 in 2010/11 and £420,000 in 2011/12. When government issued CSR 2007 grant settlements the inbuilt premise was that local government would find 3% of savings each year for the three year period to 2010/11.
  - a forecast requirement to find additional savings and reductions to ensure a balanced budget was achieved of £1,029,000 in 2011/12.
- 2.6 It would be reasonable for the RPWG to reassess these assumptions in the light of events since they were made as outlined later in this report.
- 2.7 Earmarked reserves will also be used to support particular aspects of the budget for 2010/11 and 2011/12, the most significant item being the regeneration delivery plan and this is set out in Appendix D.
- 2.8 The risks and uncertainties of the budget proposals in the medium term financial strategy were reported to Council and the key areas are as follows:-
- Income from fees, charges and treasury management interest received – this will be related to the rate and extent of recovery from the economic downturn. Projections for 2010/11 will need to be revised in the light of 2008/09 actual experience and latest forecasts.
  - Fuel costs – world oil prices have been subject to significant increases and decreases in the last twelve months. Fuel budgets assume a rate of £1 per litre for diesel and petrol.

- Concessionary travel expenditure – the cost of reimbursement to bus operators for use of the concessionary travel pass to over 60s is demand led. Patronage in 2009/10 may be significantly different to that assumed in the budget proposals. Central Government is consulting on possible changes to which tier of local government has responsibilities for the administration of this activity from 1<sup>st</sup> April 2011. This would result in revisions to the Revenue Support Grant allocation for Counties and Districts and this might not be funding neutral to every individual authority.
- Employers' superannuation contributions – the next triennial review will be undertaken during 2010 and new rates will be set from April 2011. Given the decrease in the FTSE share index of leading companies during the calendar year 2008 and the decrease in Bank of England lending (and therefore investment rates) you would expect that the performance of the Local Government Pension Fund will have been affected. If losses are not recovered, it will lead to increased contributions from employers.

2.9 These risks remain in large part, but will need to be considered when proposing the 2010/11+ budget.

### **3 BUDGET AND SERVICE PLANNING FRAMEWORK 2010/11 +**

- 3.1 Ideally, the budget process for 2010/11, the final year of the current Comprehensive Spending Review 2007 period would be a minor update of the existing revised MTFS.
- 3.2 Since February, however, with the significant increase in public sector borrowing, both to assist the funding of the support to the banking industry and government policy to continue to spend to assist recovery from the recession, the funding backdrop for public sector services has changed.
- 3.3 Also, the recession presents challenges in terms of increased demand for services, such as housing benefits and the loss of income from e.g. car parking, property rentals, rates of council tax collection. Views from economic commentators regarding the length and type of recession vary – either a sharp 'V' fall in economic activity and relatively quick recovery i.e. by the end of 2011 or a longer and 'U' shaped fall in economic activity and a slower recovery, i.e. by the end of 2014.

- 3.4 It would be prudent, therefore, for the Council to plan for significant reductions in its revenue budget from 2011/12 onwards. There has been much in the local government press recently as to the likely level of either tax increases and/or reductions in public funding in the next two parliaments, and if recent headlines of 10% reductions in support to public services are to be believed, a 10% reduction in the RSG grant, which for 2008/09 was £7.186 million, would be £718,000.
- 3.5 Therefore, if we also assume the Area Based Grant allocation will cease after 2010/11, it is probably prudent to agree a revenue budget framework which would be looking for savings and efficiencies in 2010/11 which will set the groundwork for 2011/12 where we may, along with the rest of local government, need to find around £2 million of savings and reductions. The work of the Searching for Best Value Group and the development of the Workforce Development Strategy will link into the work of RPWG and this may need further exploration to ensure consistency.
- 3.6 In terms of the current capital programme 2009/10 – 2011/12, no borrowing has been assumed to support capital expenditure, capital reserves have been used together with contributions from external partners. The recession will affect the ability to sell land and property and the receipts we receive.
- 3.7 Furthermore, it is likely that if public expenditure is to be constrained, capital programmes of bodies such as the Regional Development Agencies will be reduced – and therefore, our ability to develop capital programmes with partners will be impacted on.
- 3.8 Clearly to manage this level of reduction in resources, a clarity of the vision and prioritisation of key objectives of the Council will be required – to ensure that we are clear when communicating budget changes to service users and other stakeholders what the budget can afford and why it is important to ensure those services are provided.
- 3.9 The Corporate Plan needs to be refreshed and re-written in the context of the current local government environment. In particular, spending constraints, the new performance assessment regime of CAA and the challenges arising from the Place Survey results mean that it would be timely to do so earlier than originally intended, with the aim of having a new 5 year Corporate Plan and 2010/11 Corporate Improvement Plan in place for the 2010/11 financial year.
- 3.10 This will present additional challenges in priority led budgeting as budget proposals and priorities are set in a parallel rather than serial process. It will be

necessary to keep under review the public's priorities. The current six public priorities are:

1. Providing high quality, clean streets and open spaces
2. Ensuring the area has good roads and public transportation
3. Creating enough jobs to suit all
4. Making Copeland a safer place to be
5. Improving skills and education and keeping people with skills in Copeland
6. Giving everyone good customer service.

It is unlikely all the priorities will change so, at this stage, it is probably fair to suggest that as long as some flexibility is retained to respond to emerging issues arising from the development of, and consultation on, the Corporate plan, robust high level budget setting should be feasible.

- 3.11 To take this forward, therefore, it will be necessary to develop a draft of the new Corporate Plan 2010 – 2015 by December 2009, to provide the wider framework in which the budget for 2010/11 will sit, and service planning framework for the Council, if as expected, there is a much reduced budget envelope from 2011 onwards.
- 3.12 The Corporate Improvement Plan for 2010/11 would be produced as a result of service planning, which would need to commence by 1st September 2009, and would directly link to the budget 2010/11. Draft Service Plans will need to be complete by the end of January 2010 and the CIP would be drawn from these Service Plans.
- 3.13 To facilitate service and budget planning for 2010/11, it is recommended that Departments are requested to formally commence budget planning and to complete initial savings and pressures templates, as set out in Appendix E, for the next three years, to be reported to the August 27<sup>th</sup> meeting of RPWG.
- 3.14 It is intended that this is completed as a 'first' view, as it will also provide Heads of Service with the opportunity to review the current base budget 2009/10 in the light of the provisional outturn 2008/09. For those Heads of Service who joined the Council mid way through 2008/09, this will be particularly useful. It will also provide Accountancy with the opportunity to firm up implications of different levels of inflationary increases for 2009/10 and 2010/11.

- 3.15 It is recommended that a target revenue budget saving to find for 2010/11 of £750,000 be set at this stage, which would be refined as the process develops. At least half of the target would be needed to be found as efficiency savings to meet Gershon assumptions and the remainder would provide flexibility to meet other emerging pressures.
- 3.16 The August presentations, would therefore, be on the basis of existing Service Plans and would therefore, give some indication of the quantum of service changes which would be required to generate significant savings. There will need to be consideration given in terms of communicating these high level budget planning requirements with staff and other key stakeholders, as part of the wider budget consultation process. Budget consultation will be discussed at the next meeting of RPWG.
- 3.17 In finding savings, opportunities for income generation should also be considered. RPWG is asked to agree in principle, which would be subject to formal budget approval by Executive, the exploration of income generation using external experienced assistance in reviewing income generation options and policies. This could be advantageous in the longer term, as it may be unfeasible to apply inflationary related increases to fees and charges in the short term and an external view on how we set our fees and charges could offer a fresh insight.
- 3.18 Views of RPWG are sought in relation to budget planning and potential planning targets for 2011/12 and 2012/13.
- 3.19 The proposed workplan set out in Appendix B would provide for a draft budget proposal for public consultation (of one month) to be agreed after the 7<sup>th</sup> January meeting. Agreement on how to consult, levels of income to assume in the budget, the identification at a high level, of savings and pressures and the development of draft capital schemes are included in the timetable, and are programmed to be received earlier than in 2008.

## **Appendices**

Appendix A - Terms of Reference (RPWG) agreed June 2008

Appendix B – Proposed Work Plan for Resource Planning Working Group (July 2009 – February 2010)

Appendix C – Current MTFs 2008/09 – 2011/12 (February 2009 Council)

Appendix D – Current Application of Reserves 2009/10 - 2011/12



Appendix E – Proposed Templates for Budget Savings and Pressures 2010/11 – 2012/13

**Julie Crellin, 30<sup>th</sup> June 2009**

## **Appendix A – Terms of Reference (RPWG) (agreed June 2008)**

The Resource Planning Working Group is a duly constituted committee of the Council and hence, it has the authority to make recommendations to Executive to ensure that :-

- Objectives and key targets, as set out in the Corporate Plan clearly reflect Council's strategic policies and priorities in order to avoid any ambiguity for resource allocation purposes
- Resources are re-directed and budgets re-aligned at Croproate Team level on a regular basis to ensure that Council's key objectives and priorities are delivered as set out in the Corporate Plan
- Robust unit cost information is made available from officers to inform decision making and carry out high level inter and intra authority comparisons for benchmarking purposes and act as a trigger for further investigation by officers;
- Service plans are linked to the corporate plan and medium term financial strategy
- The MTFS is regularly reviewed and updated to take accounts of the latest information with regards to agreed changes in policy and anticipate emerging pressures from external factors that impinge on the strategy
- Strategic business risks are identified, quantified and recorded in the corporate risk register for monitoring and control purposes
- Efficiency savings are backed by robust plans and are properly quantified and measured for informing decision making and reporting performance
- Resource planning takes account of the outcomes of consultation exercises and partnership working
- Value for Money is at the heart of resource planning

The RPWG is to take a planned approach to its work and timetable its programme of works.

**APPENDIX B – PROPOSED WORK PLAN FOR RESOURCE PLANNING WORKING GROUP JULY 2009 – FEBRUARY 2010**

Meeting	Proposed Purpose
JULY 3 <sup>RD</sup>	<p>Agree workplan of RPWG until Feb 2010.</p> <p>Agree budget planning framework 2010/11 and 2011/12 – agree target revenue saving for purposes of budget planning 2011/12.</p> <p>Agree in principle, review of income generation from fees and charges.</p>
JULY 30 <sup>TH</sup>	<p>Review Capital Programme 2009/10 – new starts (continue unfinished work)</p> <p>Agree budget consultation processes and timetable.</p> <p>Identification of some budget pressures and options for savings (.e.g PFI payments, treasury management income, deficit on collection fund 2008/09 etc).</p> <p>Further refinement of MTFS framework.</p>
AUGUST 27 <sup>TH</sup>	<p>Summary of Initial savings and pressures for next three years.</p> <p>Commence Draft Vision 2010 – 2015</p> <p>Commence Service Planning 2010/11+</p>
SEPTEMBER 24 <sup>TH</sup> (can we move this date – as 24 <sup>th</sup> Sept is OSCAR 9 Sellafield Emergency Plan Day)	<p>Refining options and implications for 2010/11 – revised planning targets agreed.</p> <p>Review income generation options for 2010/11 and discuss options for income generation.</p> <p>Presentation of initial bids for new capital schemes for three year period.</p> <p>Agree format of presentations from Heads of Service regarding Revenue and Capital Budget Proposals for November 19<sup>th</sup> meetings.</p>

<b>Meeting</b>	<b>Proposed Purpose</b>
OCTOBER 28 <sup>TH</sup>	<p>Revenue Budget 2010/11+ - finalise high level savings and pressure options.</p> <p>Capital Programme 2010/11 + - initial proposals.</p> <p>Review reserves (in light of completed Audit of Accounts 2008/09) and amount to be set aside in Risk Based Reserves.</p> <p>Agree order of presentations for November 19<sup>th</sup> meeting.</p>
NOVEMBER 19 <sup>TH</sup>  (Could this date be moved – Managers Group in the morning)	Propose full day of RPWG – Heads of Service Budget Proposals
DECEMBER 10 <sup>TH</sup>	<p>Draft Revenue budget proposals reviewed in readiness for 7<sup>th</sup> January meeting</p> <p>Draft Capital Programme 2010/11+</p> <p>Draft Corporate Plan 2010 – 2015 Vision presented.</p>
JANUARY 7 <sup>TH</sup>	Agree budget proposal for public consultation for 2010/11.
JANUARY 28 <sup>TH</sup>	<p>Agree budget proposal for recommendation to Executive (Special Executive meets on February 16<sup>th</sup>).</p> <p>Commence discussion of draft Service Plans with Portfolio Holders, which will reflect budget proposals.</p>
FEBRUARY 25 <sup>TH</sup>	Review of Budget Planning 2010/11 – continue to develop budget proposals for 2011/12+

The purpose of meetings following Feb 25<sup>th</sup> meeting will be agreed later in the year – but it is assumed at this stage they will continue, to further develop options for 2011/12

APPENDIX H - FEB 2009 COUNCIL BUDGET REPORT  
REVISED MEDIUM TERM FINANCIAL STRATEGY REVENUE BUDGET 2008/09 - 2011/12

	2008/09 £'000	2009/10 £'000	Provisional	
			2010/11 £'000	2011/12 £'000
<b>Net Base Budget</b>	<b>10,606</b>	<b>12,688</b>	<b>12,345</b>	<b>12,304</b>
3% savings target	-305	-376	-370	-369
Additional Grant income expected		-107	-107	-107
Additional Savings, Reductions and Efficiencies required		-1,259		-1,029
Other Growth in Income	-151	-327	-334	-340
Expenditure Pressures and Growth (excluding those funded from reserves)	1,772	1,166	154	355
Inflation including increments	387	560	616	674
<b>Net Budget Requirement</b>	<b>12,309</b>	<b>12,345</b>	<b>12,304</b>	<b>11,488</b>
Expenditure Funded From Reserves to support the Budget	1,665	1,749	1,717	40
<b>Total Net Operating Budget</b>	<b>13,974</b>	<b>14,094</b>	<b>14,021</b>	<b>11,528</b>
<b>Funded From</b>				
Central Government Grants				
Revenue Support Grant	7,105	7,186	7,222	7,222
Area Based Grant - WNF	1,000	1,000	1,000	
Safer and Stronger Communities Grant	459	259		
	<b>8,564</b>	<b>8,445</b>	<b>8,222</b>	<b>7,222</b>
District Council Tax Requirement (4.5% increase)	3,738	3,906	4,082	4,265
Collection Fund Surplus	7			
Collection Fund Deficit		-6		
<b>Total Government Support &amp; Council Tax</b>	<b>12,309</b>	<b>12,345</b>	<b>12,304</b>	<b>11,487</b>

**RESERVE STRATEGY SUMMARY**

General Reserves - Opening Balance	3,103	2,748	2,368	2,358
Transfer to Earmarked Reserves	-1,795	-380	-10	0
Additions to General Reserves	1,440			
General Reserves - Closing Balance	<b>2,748</b>	<b>2,368</b>	<b>2,358</b>	<b>2,358</b>
Earmarked Reserves - Opening Balance	5,443	5,723	4,147	2,441
Budget Contribution to Earmarked Reserves	0	-1,749	-1,717	-40
Utilisation of Reserves	-1,215	-207		
Additions to Reserves	1,495	380	11	
Earmarked Reserves - Closing Balance	<b>5,723</b>	<b>4,147</b>	<b>2,441</b>	<b>2,401</b>
<b>Total Reserves (General and Earmarked)</b>	<b>8,471</b>	<b>6,515</b>	<b>4,799</b>	<b>4,759</b>

**Analysis of Closing Balances - Reserves and Provisions**

1 General Reserves				
Risk Based Reserve	1,735	1,735	1,735	1,735
Unallocated Reserves	1,013	633	623	623
	<b>2,748</b>	<b>2,368</b>	<b>2,358</b>	<b>2,358</b>
2 Earmarked Reserves	<b>5,723</b>	<b>4,147</b>	<b>2,441</b>	<b>2,401</b>
<b>Total Reserves - General and Earmarked</b>	<b>8,471</b>	<b>6,515</b>	<b>4,799</b>	<b>4,759</b>
3 Sinking Funds (incl PFI and Bin Replacement Fund)	1,273	1,366	1,318	1,387
4 Provisions (Insurance)	281	281	281	281
	<b>1,554</b>	<b>1,647</b>	<b>1,599</b>	<b>1,668</b>
<b>Total Reserves, Provisions and Sinking Funds</b>	<b>10,025</b>	<b>8,162</b>	<b>6,398</b>	<b>6,427</b>

## APPENDIX D - PROPOSED APPLICATION OF RESERVES 2009/10 - 2011/12 (FEB 2009 COUNCIL REPORT)

## SUMMARY MOVEMENTS ON RESERVES

	2008/09	2009/10			2010/11			2011/12		
	Provisional Balance Carried Forward £	Additions £	Possible Utilisation £	Balance Carried forward £	Additions £	Possible Utilisation £	Balance Carried forward £	Additions £	Possible Utilisation £	Balance Carried forward £
<b>Earmarked Reserves</b>										
Current MTFS - Base Budget Support	-260,000		130,000	-130,000		130,000	0			0
Treasury Management Budget Support	0	-163,000	81,500	-81,500		81,500	0			0
Job Evaluation Pay Protection	-220,000		60,000	-160,000			-160,000			-160,000
Funding for Developing Elections	-22,453		22,453	0			0			0
Elections Fund	-21,066	-10,000		-31,066	-10,000		-41,066		40,000	-1,066
Local Housing Allowance	-77,000		35,000	-42,000		35,000	-7,000			-7,000
Strategic Planning	-80,383		40,000	-40,383		40,000	-383			-383
Planning Policy - PDG Grant	-331,644		180,000	-151,644		180,000	28,356			28,356
Regeneration and Delivery Plan (WNF)	-2,450,150		1,200,000	-1,250,150		1,250,150	0			0
Corporate Training	0	-127,000	127,000	0			0			0
Housing Strategy	0	-80,000	80,000	0			0			0
<b>Sub-Total - EMR Applied</b>	<b>-3,462,696</b>	<b>-380,000</b>	<b>1,955,953</b>	<b>-1,886,743</b>	<b>-10,000</b>	<b>1,716,650</b>	<b>-180,093</b>	<b>0</b>	<b>40,000</b>	<b>-140,093</b>
<b>Other Earmarked Reserves (to be reviewed in 2009/10)</b>	<b>-2,260,608</b>	<b>0</b>	<b>0</b>	<b>-2,260,608</b>	<b>0</b>	<b>0</b>	<b>-2,260,608</b>	<b>0</b>	<b>0</b>	<b>-2,260,608</b>
<b>TOTAL EARMARKED RESERVES</b>	<b>-5,723,304</b>	<b>-380,000</b>	<b>1,955,953</b>	<b>-4,147,351</b>	<b>-10,000</b>	<b>1,716,650</b>	<b>-2,440,701</b>	<b>0</b>	<b>40,000</b>	<b>-2,400,701</b>
<b>Earmarked Reserves to Support Base Budget Proposal</b>			<b>1,748,953</b>			<b>1,716,650</b>		<b>0</b>	<b>40,000</b>	

	2008/09	2009/10			2010/11			2011/12		
	Provisional Balance Carried Forward £	Additions £	Possible Utilisation £	Balance Carried forward £	Additions £	Possible Utilisation £	Balance Carried forward £	Additions £	Possible Utilisation £	Balance Carried forward £
<b>Sinking Funds</b>										
Recycling Sinking Fund	-22,246	0	0	-22,246	0	20,000	-2,246	0	0	-2,246
Bin Replacement Sinking Fund	-165,080	-10,000	0	-175,080	0	100,000	-75,080	-10,000	0	-85,080
PFI Sinking Fund	-935,072	-76,094	0	-1,011,166	-61,457	0	-1,072,623	-46,381	0	-1,119,004
Pheonic Court Sinking Fund	-6,825	-3,000	0	-9,825	-3,000	0	-12,825	-3,000	0	-15,825
Catherine Street Car Park Sinking Fund	-57,873	0	5,000	-52,873	0	0	-52,873	0	0	-52,873
Crematorium Car Park Sinking Fund	-86,010	-8,500	0	-94,510	-8,500	0	-103,010	-8,500	0	-111,510
<b>TOTAL SINKING FUNDS</b>	<b>-1,273,106</b>	<b>-97,594</b>	<b>5,000</b>	<b>-1,365,700</b>	<b>-72,957</b>	<b>120,000</b>	<b>-1,318,657</b>	<b>-67,881</b>	<b>0</b>	<b>-1,386,538</b>

	2008/09	2009/10	2010/11	2011/12
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	Provisional Balance Carried Forward £	Additions £	Possible Utilisation £	Balance Carried forward £	Additions £	Possible Utilisation £	Balance Carried forward £	Additions £	Possible Utilisation £	Balance Carried forward £
<b>General Fund Risk Based Reserves</b>										
Sustainability of Base Budget	-212,532	-36,244		-248,776			-248,776			-248,776
Reduced Fees and Charges	-137,500	-91,716		-229,216			-229,216			-229,216
Reduced Investment Income	-6,093	-155,814		-161,907			-161,907			-161,907
Civil Emergencies	-21,212			-21,212			-21,212			-21,212
Insurance Excesses	-17,043	0	1,606	-15,436			-15,436			-15,436
MTFP	-26,514	-1,616		-28,130			-28,130			-28,130
Assets and Property	-130,157		29,452	-100,705			-100,705			-100,705
Vacancy Factor - Staffing Management	-106,968	-43,395		-150,363			-150,363			-150,363
Housing Benefits	-317,417		1,293	-316,124			-316,124			-316,124
HGV Licence - Operators Fund	-16,000	-1,600		-17,600			-17,600			-17,600
Concessionary Fares	0	-42,500		-42,500			-42,500			-42,500
Dangerous Structures	-6,437			-6,437			-6,437			-6,437
Prov For VAT repayment	-1,198			-1,198			-1,198			-1,198
Coast Protection Fund	-775			-775			-775			-775
Haigh Pit	-40,055		40,055	0			0			0
Sea Walls North Shore	-30,791			-30,791			-30,791			-30,791
Environ Warranty Sinking Fund	-139,883			-139,883			-139,883			-139,883
Vertex	-37,500			-37,500			-37,500			-37,500
Env Insurance Reserve	-186,200			-186,200			-186,200			-186,200
<b>TOTAL RISK BASED RESERVE</b>	<b>-1,434,274</b>	<b>-372,885</b>	<b>72,406</b>	<b>-1,734,752</b>	<b>0</b>	<b>0</b>	<b>-1,734,752</b>	<b>0</b>	<b>0</b>	<b>-1,734,752</b>
<b>TOTAL EARMARKED RESERVES, SINKING FUNDS, AND GENERAL FUND RISK BASED RESERVES</b>	<b>-8,430,684</b>	<b>-850,479</b>	<b>2,033,359</b>	<b>-7,247,804</b>	<b>-82,957</b>	<b>1,836,650</b>	<b>-5,494,111</b>	<b>-67,881</b>	<b>40,000</b>	<b>-5,521,992</b>

Plus: Provisions at 31 March 2012 -281,481  
Plus: Unallocated Reserves at 31 March 2012 -622,679  
**Total Reserves and Provisions at 31 March 2012** -6,426,152  
(see Appendixc)

**PROPOSED TEMPLATE FOR BUDGET PLANNING 2010/11 +**

**EFFICIENCY / SAVINGS PROPOSAL REF NO \_\_\_\_\_**

Budget Area	
Head of Service	

**Summary of Efficiency ( Y / N ) or Budget Saving ( Y / N ) Proposal**

**Impact**

**What is the impact on Performance?**

**What is the impact on the Public and other Service Users?**

**Medium Term Financial Strategy**

**Are there any new costs arising from this proposal ? (e.g. retraining, redundancy?)**

**Does this link to the capital programme?**

**Financial Summary**

	<u>Year 1</u> <u>(£)</u>  <u>2010/11</u>	<u>Year2(</u> <u>£)</u>  <u>2011/1</u> <u>2</u>	<u>Year3(£)</u>  <u>2012/13</u>



<b><u>Total Impact</u></b>			

**PROPOSED TEMPLATE FOR BUDGET PLANNING 2010/11 +**

**BUDGET PRESSURE PROPOSAL REF NO \_\_\_\_\_**

Budget Area	
Head of Service	

**Summary of Budget Pressure Proposal**

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**Impact – why is this funding is necessary?**

<b><u>What is the impact on Performance?</u></b>
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<b><u>What is the impact on the Public and other Service Users?</u></b>
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**Medium Term Financial Strategy**

<b><u>Are there any other costs arising from this proposal ?</u></b> <b><u>Does this link to the capital programme?</u></b>
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**Financial Summary – Budget Requirement**

	<b><u>Year 1</u></b>	<b><u>Year2(£)</u></b>	<b><u>Year3(£)</u></b>
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**APPENDIX E – RPWG 3 JULY 2009**

	<b><u>(£)</u></b> <b><u>2010/11</u></b>	<b><u>2011/12</u></b>	<b><u>2012/13</u></b>
<b><u>Total Requirement</u></b>			