

BUDGET AND PERFORMANCE

General Fund Revenue Budget Update Report 31 January 2006

ADDITIONAL AMENDMENTS

This amendment went to Cabinet on 17 January 2006

REVISED RECOMMENDATION 6

- 6. Cabinet is asked to accept the recommended Star Chamber savings and growth as set out in the amended Appendix E (*attached*) as part of its budget proposals and delegates to the Cabinet Member for Finance, in consultation with Star Chamber, the task of producing further proposals having regard to the outstanding ongoing work, Cabinet's Priorities and any other spending decisions to be agreed elsewhere on this agenda.**

Following a further meeting of Star Chamber on 12 January 2006, the budget proposals for 2006/07 and future years have changed. An amended **Appendix E** (see attached) sets out the new and updated proposals for Members approval. In summary, the changes are as follows:

1. Additional savings have been identified from the structure review in Revenue Services.
2. Regarding memorial safety, the original growth bid of £200K has been replaced by a £42K per year growth bid to establish a Memorial Safety Team for a period of 3 years. The total cost of the team is estimated to be £92K per year, and the additional £50K funding is to be met from savings within the overall Grounds Maintenance budget.
3. The £37K growth bid for training has been removed, on the basis that additional training requirements will be funded from staff turnover savings generated over and above the current £210K target.
4. A new growth bid is included to fund a survey to determine public opinion on the accommodation options put forward following the Access to Services Review. Initial estimates show a cost of between £35K to £50K.
5. A new growth bid to part fund the Lancashire West Groundwork Trust is also provided for. The overall cost is £22K per year, and it is proposed to provide 50% funding and seek the remaining 50% from partner agencies.
6. The EDMS & Workflow annual revenue costs have reduced by £9K, as this amount will be funded by the Housing Revenue Account.

As a result of the above changes the projected budget shortfall for 2006/07 reduces to £22K, in order to maintain a Council Tax increase of 4.5%. However, it should be noted that there are further base budget adjustments and Star Chamber items still being investigated, and the following specific items will also have an impact on the latest budget position.

Civil Contingencies Act

The financial implications relating to the requirements of the Civil Contingencies Act are at this stage still unclear, though it is expected that further funding will need to be provided on an annual basis, in addition to the £14K already identified.

Treasury Management

Further work is being undertaken on the Treasury Management estimates, and currently it is anticipated that this should generate further savings. However, any decision to use further unsupported borrowing to balance the Capital Programme, or to change the current phasing, will have cost implications for the revenue budget.

Other Financing Changes

The review of the Collection Fund position has not yet been built into the budget projections, and the final Local Government Settlement has yet to be announced.

Officer Comments :

S151 / Monitoring Officer Comments :

There are no additional comments arising from these amendments.

Other Officer Comments :

Memorial Safety

It is essential that statutory Health and Safety responsibilities take the highest priority in considering funding options.

Access to Services Review

The report to Overview and Scrutiny Committee will contain a recommendation that to undertake a proper public consultation will cost in the region of £35K to £50K. The Officer advice is that it is essential that any public consultation exercise adds value to the information already available to Members. Further this can only be achieved by using tried and tested methods that will stand up to scrutiny which requires the involvement of a specialist agency.

Training Growth

Staff turnover savings are historically over achieved and should provide an opportunity to supplement the training budget if required.