

Town Forum Meeting 26 November 2009

TWBC Budget 2010/11

Lee Colyer

Economic Climate

- The country is now in recession
- Public Sector Debt forecast to hit £1.4 trillion
- Inflation: RPI negative
- Interest rates are at an all time low
- Unemployment rising – time lag
- Housing shortage remains
- High levels of personal debt, no further credit

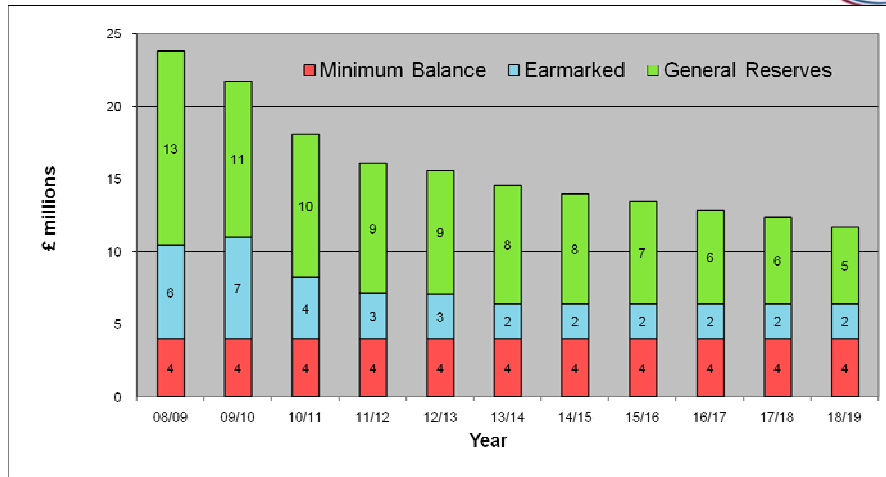
For TWBC

- New Government by middle of 2010
- Decision to bail out the banks
- Need to cut public spending by around 30%
- No details of spending plans but commitments given not to cut front line services, however;
- No guarantees on Health
- Reductions in Education
- Local Government?

TWBC Finances

- Cost of living
- + Inflation
- + Unavoidable growth
- Will always be greater than
- Increases to income, government grant and council tax
- Forecast net deficit of £828k for 2010/11 and a 10 year cumulative deficit of £5.4m

Reserves



Budget Timetable



8/10/09	Cabinet	Budget Update – latest projections
15/10/09	Members	Strategic Plan and Budget Update
04/11/09	Parish	Presentation to Meeting
05/11/09	Officers	Management Team plus Accountants
26/11/09	Town	Presentation to Meeting
27/11/09	Cabinet	Workshop am H of S to report back
14/12/09	Cabinet	Workshop
17/12/09	Cabinet	Tax base 2010/11
17/12/09	Cabinet	Draft Budget and MTFS
05/01/10	CSSC	Recommendations from BWG
21/01/10	Cabinet	Workshop pm
04/02/10	Cabinet	Budget Proposals and MTFS
19/02/10	Cabinet	Workshop
24/02/10	Council	Set Budget and Council Tax

Consultation



- Local magazine article & Annual Report in July 2009
- Ward Walks in August & September 2009
- Local Democracy Week October 2009
- Website views Local Vocal
- Local media
- Previous consultation exercises SIMALTO

Update of Events



- **In progress**
- Heads of Service identify unavoidable growth & savings over next 3 years
- Senior Management Restructure leading to Phase Two
- **Uncertainties**
- Environmental Information Act: LGA defence on legal challenge on ability to charge for Local Search Fees £200k?
- Reduction in Grant from 2011/12 (5% to 30%)? Grant will be £7million in 2010/11

Updated Forecast for 2010/11



	£000s	£000s
Original Deficit		828
Growth: From Heads of Service	52	
Savings: From Heads of Service	<u>(426)</u>	
		(374)
Savings: Restructure Phase 1	(271)	
Savings: Restructure Phase 2	TBC	
Growth: Professional Trainees	<u>45</u>	
		(226)
Revised Deficit		228

Updated Forecast for 2011/12



	£000s	£000s
Original Deficit		897
Growth: From Heads of Service	37	
Savings: From Heads of Service	<u>(432)</u>	
		(395)
Savings: Restructure Phase 1	(278)	
Savings: Restructure Phase 2	TBC	
Growth: Professional Trainees	<u>50</u>	
		(228)
Loss of Search Fee Income		200
Reduction in Government Grant (5% of £7m)		350
Revised Deficit		824

Revised 10 Year Projection



Year	Original Cumulative Deficit £000s	Revised Cumulative Deficit £000s
1 2009/10	0	0
2 2010/11	828	228
3 2011/12	1,725	1,052
4 2012/13	2,214	1,423
5 2013/14	2,575	1,733
6 2014/15	3,148	2,043
7 2015/16	3,677	2,353
8 2016/17	4,275	2,663
9 2017/18	4,751	2,973
10 2018/19	5,445	3,283

Parking Review



- Off Street report has been costed and provides two savings options
- **Minimum Maintenance £216k over 3 years**
- **Clean, Safe & Friendly £116k over 3 years**
- **Timetable:**
 - Select Committee 20/10/09
 - Cabinet 13/11/09

Further Decisions



- Internal savings from restructuring and efficiencies are reaching the end of their limits of delivering savings
- Harsh reality for services;
- Stop provision
- Give Way to others to provide
- Reduction in standard

Special Expenses



Since 1974 Special Expenses have been used as a way of attempting to ensure that different areas pay according to the cost of services that are provided in their area for the benefit of that area. e.g. parks and commons.

Concurrent functions are discretionary services provided by parish and town councils within their own area, as well as by the borough council in another area. e.g. footway lighting.

Special Expenses



- A review of Special Expenses and concurrent services was undertaken in October 2008.
- Draft report covered, legislation, alternatives, local issues and solutions.
- Identified many historical issues, highly subjective.
- Present system administratively complex.
- Need for full review of services, agency arrangements, urban parishing?
- The need for detailed consultation, Parish Charter.
- The current system will continue for 2010/11.

Full Council 19/2/09



	08/09	09/10	% Var
Borough	4,124k	4,428k	7.38
Special	1,842k	1,917k	4.09
Total	5,966k	6,345k	6.37
Taxbase	44,262	44,844	582
Band D	134.79	141.51	4.99

	2009/10			
	Parks etc £'000	Footway Lighting £'000	Total £'000	Tax Rate Band D £
RTW	1,796	99	1,894	92.81
Southborough	0	20	20	4.68
Bidborough	1	0	1	1.29
Capel	0	2	2	1.87

Way Forward

- Special Expenses project has now been resourced through the Delivery Unit.
- A lot more work is required.
- Local Government & Public Involvement in Health Act – Creation of Town or Parish Council. Rusthall?
- Town Forum and Parish input.
- Working groups to consider options, challenge etc.

End and Questions?