

# 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

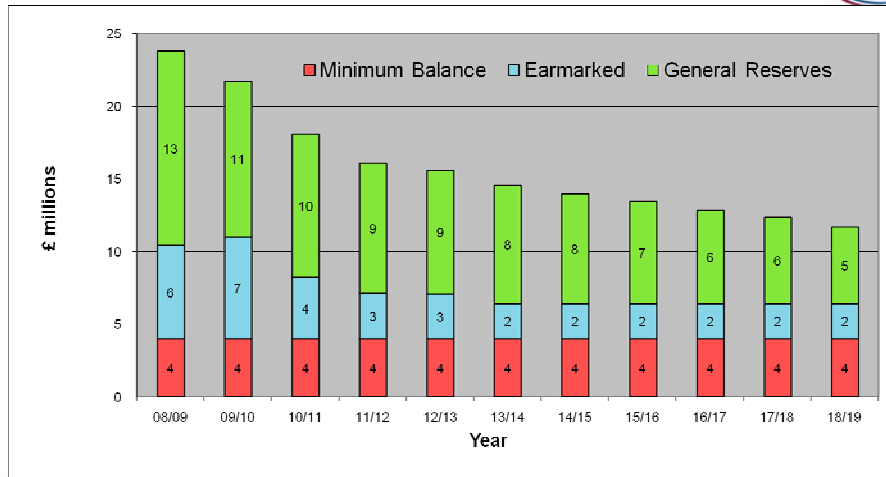
## For TWBC

- 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      |
|--------------------------------|--------------|------------|
| <b>Original Deficit</b>        |              | <b>828</b> |
| 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)      |
| <b>Revised Deficit</b>         |              | <b>228</b> |

## Updated Forecast for 2011/12



|   | £000s        | £000s      |
|---|--------------|------------|
| <b>Original Deficit</b>                   |              | <b>897</b> |
| 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        |
| <b>Revised Deficit</b>                    |              | <b>824</b> |

## Revised 10 Year Projection



| Year              | Original<br>Cumulative<br>Deficit<br>£000s | Revised<br>Cumulative<br>Deficit<br>£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                                     |
| <b>10 2018/19</b> | <b>5,445</b>                               | <b>3,283</b>                              |

## 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         |
| <b>Band D</b> | <b>134.79</b> | <b>141.51</b> | <b>4.99</b> |

|                     | 2009/10            |                              |             |                      |
|---------------------|--------------------|------------------------------|-------------|----------------------|
|                     | Parks etc<br>£'000 | Footway<br>Lighting<br>£'000 | Total £'000 | Tax Rate<br>Band D £ |
| <b>RTW</b>          | 1,796              | 99                           | 1,894       | 92.81                |
| <b>Southborough</b> | 0                  | 20                           | 20          | 4.68                 |
| <b>Bidborough</b>   | 1                  | 0                            | 1           | 1.29                 |
| <b>Capel</b>        | 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?