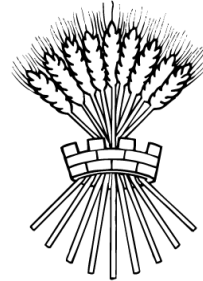


RYEDALE  
DISTRICT  
COUNCIL



# **FINANCIAL STRATEGY**

**2010 - 2014**

# **REVENUE BUDGET**

**2010 – 2011**

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RYEDALE DISTRICT COUNCIL

To:

Members of Ryedale District Council

Meeting:

Monday, 22 February 2010

**BUDGET REVIEW 2010-2011**

The Financial Strategy 2010–2014, Revenue Budget for 2010–2011, the Capital Programme, the Prudential Indicators and Special Expenses recommended for approval by the Policy and Resources Committee, are submitted for approval by the Council. The appropriate draft resolution has been circulated to all Members of the Council.



PD Cresswell Corporate Director (s151)

## **EXECUTIVE SUMMARY**

Financial Management is essential in achieving good corporate governance and underpins service quality, improvement and accountability. It supports effective performance and the achievement of the organisations aims. Financial Planning is integral to an organisations strategic planning process.

The Council has put in place a fully integrated Financial Strategy that seeks to ensure Long-term financial stability, the achievement of Value for Money and funding for priorities.

The focus of the Financial Strategy is on long term planning and decision making for the future. Whilst the Strategy includes specific proposals for the 2010/2011 Revenue Budget there should not be an over concentration on just one years budget. This Strategy seeks to avoid year on year budget setting and use of short term/one off measures to balance the budget. It is a strategy for the future, to ensure effective resource planning and the delivery of Corporate Objectives.

To achieve the delivery of this Financial Strategy will require an understanding within the senior levels of the organisation of the collective responsibilities for stewardship and use of resources.

The Financial Strategy seeks to achieve the following objectives: -

1. Budgets are Prudent and Sustainable in the Long Term,
2. Financial plans recognise corporate Priorities and Objectives,
3. Significant risks are identified, and mitigation factors identified,
4. The Capital Programme is planned over a 4 year period with no further borrowing planned.
5. Constraints on capital and revenue resources, including the uncertainties around future government funding, are recognised and taken into account,
6. Council Tax increases will be kept below the Government's expected upper level of increase, and the broad anticipated increase for future years will be set out within the Financial Plans, recognising that these increases may be subject to change,
7. Prudent levels of general balances, reserves and contingencies are maintained in the context of an assessment of the risks facing the Council,
8. Value for Money and achievement of improved efficiency and service delivery underpin the Financial Strategy,
9. The Financial Strategy supports the achievement of Excellence in Financial Management and Use of Resources.

The headlines are as follows:

- A revenue budget for 2010/2011 of **£8,280,060**.
- No increase in Council tax for the Ryedale District Council Tax of **£176.72** for a band D property (note the total Council Tax, including County Council, Fire and Police is covered within the separate Council Tax setting report)
- Efficiencies/savings of **£298,000**
- Investment in Priorities of **£110,000**
- A capital programme totalling **£10,182,000** over the period 2010 – 2014
- The Treasury Management Statement and Annual Investment Strategy 2010/2011
- The Prudential Indicators

### **Section 25 Report**

#### **(Report of the Chief Finance Officer – Corporate Director (s151))**

In setting the Revenue budget for 2010/11 I consider that the proposed budget is robust, and reflects a realistic and prudent view of all anticipated expenditure and income.

The proposed new savings are £0.298m. The achievement of these savings will be crucial in managing within the budget. The risk of this has been mitigated in part by thoroughly reviewing all savings proposals for their robustness, and effective budget monitoring procedures are in place. However, there inevitably remains a risk in delivering on this level of efficiency savings in the year, and there is always potential for delay in achieving savings. Where this occurs, compensating savings will need to be identified. Assumptions are within the 2010/2011 budget that further efficiencies, identified in the 2009/2010 budget will be delivered including the moratorium £58k, Procurement £25k and Administrative Systems £70k.

The overall level of reserves is considered in detail within the Financial Strategy. In summary I consider that the overall level of reserves is adequate subject to the proposed changes within this report to the Capital Contingency Fund.

The revised Capital Plan and Capital Programme improve the Council's financial management and deliverability of the Council's capital programme whilst providing members the flexibility to consider capital proposals in year against the Council priorities. The significant reduction in interest receipts as a result of the global recession have been factored into the Council's available capital balances, this situation will be reviewed during the year. It is important that proper project management disciplines are followed for schemes within the programme together with regular monitoring to minimise the potential for unexpected overspends.

Within the current economic climate it will be important that close budget monitoring of services which generate income and partnerships takes place. In particular Land Charges, Building Control, Car Parking and Planning to enable action to be taken in year where necessary.

**FINANCIAL  
STRATEGY  
2010 - 2014**

# FINANCIAL STRATEGY

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## **1. INTRODUCTION – THE PURPOSE AND SCOPE OF THE FINANCIAL STRATEGY**

The Financial Strategy sets out the overall shape of the Council's budget by establishing how available resources will be allocated between services, reflecting Council and community priorities, and therefore providing a framework for the preparation of annual budgets.

The Strategy is linked with and supports service priorities and the Council's other strategies and plans, including but not limited to:

- The Community Plan – Imagine Ryedale
- The Council's Corporate Plan
- The Asset Management Plan
- The IT Strategy
- The Procurement Strategy
- The Capital Strategy
- The Treasury Management Strategy
- The Risk Management Strategy
- The HR Strategy

The focus of the Financial Strategy is on medium and long term planning, and decision making for the future. Whilst the Strategy includes specific proposals for a particular financial year, there should not be an over concentration on just one year's budget. This Strategy seeks to avoid year on year budget setting, and use of short term/one off measures to balance the budget. It is a Strategy for the future, to ensure effective resource planning and the delivery of Corporate Objectives.

In particular it:

- sets out the Council's medium term financial aims and the measures to be taken to ensure they will be achieved;
- sets out the Council's approach to delivering improved services and value for money over the next few years;
- describes the Council's arrangements for developing the financial strategy, including:
  - The identification and prioritisation of spending needs;
  - The key financial influences on our medium term financial planning and the assumptions made in developing the plan;
  - The challenges and risks associated with the plan and how the Council will deal with them.
- sets out the Council's policy on reserves and balances.
- identifies the resource issues and principles, which will shape the Council's Financial Strategy and annual budgets.

The Financial Strategy covers all revenue and capital spending plans of the Authority.



## **2. OBJECTIVES OF THE FINANCIAL STRATEGY**

The Financial Strategy seeks to achieve the following **Objectives**: -

1. Budgets are Prudent and Sustainable in the Long Term,
2. Financial plans recognise corporate Priorities and Objectives,
3. Significant risks are identified, and mitigation factors identified,
4. The Capital Programme is planned over a 4 year period. Borrowing will only take place where there is a clear financial business case to borrow and it meets the requirements of the Prudential Code.
5. Constraints on capital and revenue resources, including the uncertainties around future government funding, are recognised and taken into account,
6. Council Tax increases will be kept below the Government's expected upper level of increase, and the broad anticipated increase for future years will be set out within the Financial Plans, recognising that these increases may be subject to change,
7. Prudent levels of general balances, reserves and contingencies are maintained in the context of an assessment of the risks facing the Council,
8. Value for Money and achievement of improved efficiency and service delivery underpin the Financial Strategy,
9. The Financial Strategy supports the achievement of Excellence in Financial Management and Use of Resources.

## **3. THE CURRENT FINANCIAL POSITION**

The Council's net budget for 2009/10 totals £8.128m after allowing for £100,000 contribution from the General Fund Reserve and is allocated to services as shown below:

Service	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
Central Services	10,067	7,041	3,026
Cultural & Related Services	1,621	50	1,571
Environmental Services	4,288	1,621	2,667
Planning & Development Services	2,670	1,068	1,602
Highways, Roads & Transport Services	908	1,126	(218)
Housing Services	11,049	9,652	1,397
	30,603	20,558	10,045
General Fund Reserve			(100)
Other Financial Adjustments			(1,817)
<b>Net Revenue Budget</b>			<b>8,128</b>
Financed By:			
Government Formula Grant			4,385
Collection Fund Surplus			56
Ryedale District Council Precept			3,687
<b>Total</b>			<b>8,128</b>

Overall Ryedale continues to have a strong financial discipline, which is exemplified by the size and diversity of its balances and its year-on-year budgetary performance. However, revenue spending demands are increasing in several areas.

These spending demands have a fundamental impact on the way in which the Council operates. It has to continually deliver real efficiencies to balance year-on-year financial resources with the high quality services which residents and visitors expect.

Appendix A details the budget pressures and savings proposals for the 2010/2011 budget.

As Council Tax pays for 46% of the Council's revenue spending most of the Council's resources come from central government and, consequently, our financial strategy is to some extent shaped by factors outside our immediate control. However, there are many facets to an effective financial strategy, and the Council must ensure it proactively manages its resources with a view to ensuring robust financial planning that delivers Council priorities.

#### **External Factors:**

##### ***Three year settlements for Revenue Support Grant and Capital Financing***

- In December 2007 Government announced its first 3-year finance settlement for Local Government, covering the Council's grant allocation for 2008//09 to 2010/11. The introduction of 3-year settlements is aimed to improve the ability to forecast the overall financial position for the Council. However, there will remain significant uncertainties in long term planning, as the level of grant is only one part of a complicated set of assumptions in long term financial

planning. The details of the next spending review are yet to be announced which makes long term budgetary planning difficult.

**Public Spending Plans and National Priorities** - It should be recognised that the growth in public spending in recent years is unlikely to continue at the same rate. Public services are however under increased pressure from their customers for improved service provision. In addition, national targets for improved service delivery are becoming common, including electronic service delivery, planning, concessionary fares and recycling. This financial strategy seeks to ensure national priorities are considered alongside local priorities.

**Comprehensive Area Assessment** - The white paper 'Strong and Prosperous communities' published in October 2006 set out wide ranging proposals for supporting and improvement of local services. A key part of these proposals is a new performance assessment framework Comprehensive Area Assessment (CAA) that took effect from 1 April 2009. CAA focuses on the delivery of outcomes that are the responsibility of Councils either alone or working in partnership.

Efficiency and Value for Money are key measures in these assessments with one of the new national indicators measuring the levels of savings achieved by the Council.

### **Efficiencies**

In October 2007 the Department of Communities and Local Government (DCLG) published a report 'Delivering Value for Money in Local Government'. The report highlights that public services have been set a target of achieving at least 3% net cash releasing value for money gains per annum, between 2008 and 2011. Collectively Councils are expected to achieve £4.9 billion cash releasing efficiency by 2010-11.

These efficiencies have to be achieved through a greater focus on Value for Money and through a culture of innovation. Responsibility for identifying opportunities for efficiency gains are left to individual councils and it will be up to them to put in place the processes that they need to plan VFM projects, track delivery, measure achievement, and assure service quality. The Council's Corporate Efficiency Programme, supplemented by the One-11 programme will be an essential tool in delivering savings to meet the target and to finance other services within the Authority.

### **Local Public Service Agreements and Local Area Agreements**

The Government is committed to working with local authorities to set stretching targets for service improvements and providing 'rewards' in the form of one-off grants for success. LAA's are about improving local services through a 3-year agreement between the main public sector agencies working in an area and the government.

### **Additional Cost Pressures**

There has been a trend in local government in recent years for additional cost pressures (for example pay increases, impact of meeting national targets, new

duties/legislation) to significantly outweigh increases in Government funding. In addition to this some of the pressures carry significant growth year on year, which is not reflected in Revenue Grant Settlements.

Looking ahead, it is likely that further pressures will be placed upon local authorities resulting in the requirement for authorities to achieve efficiencies/savings. These anticipated pressures are reflected within this financial strategy.

### ***External Funding***

The Audit Commission sees the achievement of external funding as a key part in the demonstration of Value for Money. External funding opportunities include European funding, lottery funding, and Yorkshire Forward funding.

The Council must carefully appraise the role that external grant resources can play in meeting its objectives. Decisions about bidding for external grants must be taken in the context of the priorities in the Corporate Plan.

### ***Pensions***

The Council's contribution rate for the North Yorkshire Pension Fund is set based up on the returns to the fund and the recovery period for the fund. These are affected by economic fluctuations and with the economic downturn increases in contribution rates may ensue. The contribution rates are established in consultation with the Council based on a triennial review by the actuary. The next review will take place during 2010/2011 and some estimation of the impact is included in the Financial Strategy.

### ***Significant Partnerships***

The following have been identified as the Council's significant partnerships:

- Moors and Coast Tourism Partnership
- Ryedale Strategic Partnership
- North Yorkshire Concessionary Fares Partnership
- North Yorkshire Building Control Partnership
- North Yorkshire Audit Partnership

The above is meant to be indicative only as there are many other areas of increased customer expectation, Government priorities or Members' wishes for improved services. As stated these future revenue pressures are increasing amidst a heightened need for moderate Council Tax increases although the Government is providing some funding for its new spending pressures. In these circumstances the Council will have to consider further pro-active approaches to reallocation of resources with the attendant consequences for some existing local services as funding is switched to meeting new initiatives.

## **4. FINANCIAL STRATEGY OBJECTIVES**

The following are the objectives of the Council's financial strategy:

### **Objective 1 - Budgets are Prudent and Sustainable in the Long Term**

This seeks to ensure that budgets recognise real cost pressures.

This will be achieved by ensuring:-

- Adequate provision is made for inflation pressures, pay awards, and new legislation
- The revenue budget is not supported by one off savings, or any significant use of reserves
- Effective budget monitoring to ensure early identification of issues and action planning

## **Objective 2 – Financial Plans Recognise Corporate Priorities and Objectives**

This seeks to ensure that financial plans link in with corporate planning and priorities, and that there is provision within the Financial Strategy for growth/development funding on an ongoing basis.

This will be achieved by ensuring:-

- additional investment, and savings proposals make explicit reference to corporate priorities
- Local and national targets are considered
- Long term vision and objectives are considered within the report
- Provision within financial planning figures for growth and contingency amounts based upon perceived risk,
- Review capital prioritisation process/option appraisal

## **Objective 3 - Significant risks are identified, and mitigation factors identified**

Risk Management is crucial in long term planning, and it is essential that the Financial Strategy clearly identifies the associated risks, and that this is supported by an embedded risk management culture within the organisation.

This will be achieved by:-

- Risk management being embedded in corporate and service planning
- Financial risks being specifically considered on an ongoing basis, and specifically reflected within the Financial Strategy

## **Objective 4 - The Capital Programme is planned over a 4 year period, with no further borrowing planned.**

This seeks to ensure that the capital programme is prudent and sustainable, and does not lead to unaffordable revenue implications.

This will be achieved by ensuring: -

- the development of a 4 Year capital programme
- Regular review of reserves and balances
- a Corporate approach to external funding opportunities
- only includes fully evaluated schemes within the programme

**Objective 5 - Constraints on capital and revenue resources, including the uncertainties around future government funding, are recognised and taken into account;**

It is important that the Financial Strategy is realistic and that there is a corporate awareness of the constraints on Council funding.

This will be achieved by ensuring:-

- specific reference within each financial strategy of constraints, and current issues
- regular reporting to members on local government finance issues
- awareness of the financial position within the organisation through effective Communication

**Objective 6 - Council Tax increases will be kept below the Government's expected upper level of increase, and the broad anticipated increase for future years will be set out within the Financial Plans, recognising that these increases may be subject to change.**

The Government may in the future require authorities to set out planned Council Tax increases for the next three years. It is important in developing the financial plan that an assumed Council Tax increase is included, ensuring that financial plans do not place over-reliance upon excessive Council Tax increases.

This will be achieved by ensuring that financial plans take account of this level of Council Tax increase, Government expectations on Council Tax increases, and in particular that target efficiency gains reflect the likely levels of Council Tax. However, it has to be recognised that additional burdens and demands can be placed upon local authorities, and that it may not always be feasible to achieve an increase in Council tax in line with the inflation rate.

**Objective 7 - Prudent levels of general balances, reserves and contingencies are maintained in the context of an assessment of the risks facing the Council.**

It is important to strike a balance between maintaining adequate reserves and contingencies and delivering priorities and achievement of Value For Money.

This will be achieved by ensuring:-

- an annual review of reserves, linked to corporate priorities and treasury management implications
- that capital reserves are maintained at a level to fund the planned capital programme

**Objective 8 - Value for Money and achievement of improved efficiency and service delivery underpin the Financial Strategy**

Value For Money should be at the heart of everything the Council does, and the pursuit of improved efficiency and performance needs to be established as an ongoing underlying principle

This is being achieved through:-

- A Corporate Efficiency Programme to monitor and manage proposed efficiencies
- Ongoing review of costs, challenge and benchmarking with others.

### **Objective 9 - The Financial Strategy supports the achievement of Excellence in Financial Management and Use of Resources**

A Financial Plan in isolation will achieve little. It needs to be supported by :-

- Effective financial governance arrangements
- Financial Management that supports performance
- Effective Monitoring arrangements
- Effective Financial Reporting

This will be achieved by

- Implementation of the action plan in relation to the Use of Resources Assessment
- Developing the financial culture within the Council
- Financial reporting and documentation based upon stakeholder needs
- Maintaining the quality and performance of the Financial Systems
- Training and Development – finance/non finance
- Integration of financial and non financial performance measures

## **5. THE REVENUE PLAN 2010-2014**

The medium term revenue plan is based on an analysis of the key influences on the Council's financial position and an assessment of the main financial risks facing the Council and is shown at Appendix B. The financial forecast is based on the following factors and assumptions:

### ***Local Government Finance Settlement***

The Council receives external support from Central Government through the distribution of resources within the Local Government Finance Settlement. The distribution is made in accordance to authorities' relative needs with a mechanism for protection against detrimental changes in grant allocations. Approximately 54% of the Councils net expenditure is financed from the Local Government Finance Settlement.

To strengthen financial stability and promote medium term financial planning this external funding has been announced for 3 years starting in 2008/09.

The 3-year finance settlement for the Council identified grant increases of 3.12% for 2009/10 and 3.07% for 2010/11. Proposals for 2011/2012 are not yet known as the proposed timescales for the next comprehensive spending review have not been established. With the current economic climate

predictions are already that CSR10 will provide below inflation levels of additional funding to local authorities.

### ***Council Tax***

In accordance with Objective 6 of this Financial Strategy, the plan makes a clear assumption that future Council Tax increases will be restricted to below Government upper limits. The Government have said that they expect the overall increase in Council Tax to be substantially below 5%.

The Council Tax increase for 2010/11 is 0%. Future years Council Tax rises are provisionally predicted at 2.5%.

### ***Inflation rates and pay increases***

The medium term plan makes provision for inflation and pay awards as follows:  
*Inflation:* a composite rate of approximately 3% has been used for non-salary expenditure budgets

*Pay awards:* an estimated increase of 1% has been included for 2010/11 and future years are also based on a 1% increase.

### ***The ongoing effect of existing policies and priorities***

The ongoing effect of current policies is included in the plan. These additional costs include planned increases in the contribution rate to the Pension Fund, Salary Increments, investment in the Local Development Framework and revenue implications of capital projects.

### ***Growth and Contingency***

The plan assumes provision for growth/contingency as follows:-

2011/12 - £100,000

2012/13 - £100,000

2013/14 - £100,000

The budget contingency for 2010/11 has been fully utilised to meet unavoidable growth in a number of areas.

Provision is included for years 2011 onwards, to recognise the likelihood of additional burdens/pressures upon the Council.

### ***Efficiency savings and the Gershon Review***

The Council has achieved its targeted efficiency savings identified under the Gershon Review. The Budget for 2010/2011 includes estimated efficiency and other savings of £298,000 plus assumptions are within the 2010/11 that further efficiencies, identified in the 2009/2010 budget will be delivered including the Salary Moratorium £58k, Procurement £25k and Administrative Systems £70k.



In October 2007, The Department for Communities and Local government published *Delivering Value for Money in Local Government: Meeting the challenge of Comprehensive Spending Review 2007 (CSR07)*, also called the VFM Delivery Plan. There are no mandatory targets for individual councils in CSR07. It is expected that the Local Government Sector will achieve annual £4.9bn VFM gains by 2010-2011. Local government is however expected to achieve at least 3% per annum net cash-releasing VFM gains, that is 9.3% over the three-year period.

The Council's baseline target figure is £300,000. The Corporate efficiency Programme will be the tool for identification, monitoring and delivery of the efficiencies required for the Councils financial strategy. However, in recognising the need to achieve such a scale of transformation the Council needs to look closely at all areas of potential efficiency including partnership working, procurement, trusts and streamlining back office duties.

### ***Risks, contingencies and balances***

There are significant risks inherent in the Medium Term Plan for the reasons summarised above and exemplified in the section below. A number of key items in the plan cannot be estimated with accuracy and the figures in the plan assume that significant savings will be made. In this situation it is essential to maintain sufficient balances, not only to deal with unforeseen events but also to cover the potential risk of not achieving the savings required.

## **6. DEVELOPMENT OF THE FINANCIAL STRATEGY**

As noted above, the development of the budget and medium term financial plan is driven by the Council's priorities.

The Council already have in place a comprehensive Financial Strategy, and this document represents an update to the existing Strategy. The objectives are to:

- help Members to determine priorities;
- forecast the changes in demand for services;
- identify the likely financial implications of changes in legislation;
- demonstrate the future cost of policies or proposals;
- match the demand for spending with the resources likely to be available;
- and
- provide a financial framework within which services and individual managers can plan their services.

### **The budget process**

The Financial Strategy comprises a 4-year revenue plan and a 4-year capital plan.

The plans will be reviewed annually and rolled forward by a year. The process, from the start of the review of the financial plans through to the approval and allocation of budgets, spans the whole year.

One of the key features of the budget processes is the linkage between the corporate financial requirements and the operational needs and demands of the Council. This will be done through the Service Plans that identify funding requirements for the revenue and capital budget, performance outcome expectations and risk assessments.

### **Consultation and Communication**

There is a need for this Strategy to be effectively communicated to staff and key stakeholders. In addition, it is important that in the development of the Strategy, allocations of resources, and the setting of Council Tax that there are effective consultation mechanism in place.

Looking ahead the following broad actions are planned to ensure effective communication and consultation:-

- Budget Consultation – working with Parish Council's and meeting with harder to reach groups.
- Regular communication with staff at all levels, and with unions

### **Budget Monitoring arrangements**

It is essential that the financial plan is regularly monitored, with the progress being reported to Members. This will be done through the issuing of monthly revenue and capital monitoring reports to Corporate Management Team, and quarterly financial and performance monitoring reports to the Resources Working Party and then onto the Policy and Resources Committee.

The monitoring process focuses on high risk budgets and involves:

- Regular reviews/dialogue between finance staff and service managers with timely and accurate budget monitoring information
- Quarterly service level performance review boards incorporating budgets and financial performance.

The process requires budget holders to explain the reasons for any significant variances and Heads of Service to identify ways in which such variances can be managed within their total resources available. This is one of the key principles underlying this strategy – that growth items are wherever possible accommodated from existing resources. To achieve this requires a culture of financial awareness within the authority and this is seen as a key priority.

## **7. CAPITAL PLANS**

The Capital Strategy is the key vehicle for developing long term change to deliver the key priorities and corporate objectives.

### ***a) Prioritisation methodology***

The Council has developed a prioritisation process that allows members and officers to focus on corporate priorities when formulating spending proposals and ensures that any resources available can be allocated in the context of the Council's priority needs.

This prioritisation methodology will be applied to all proposals, regardless of the source of funding, prior to any decision being made to apply for external capital support such as grant funding, so that the Council can ensure that they form part of an overall capital investment strategy.

### ***b) Engagement with partners of the community***

The Council is committed to seeking out innovative partnership and funding opportunities in order to deliver the capital strategy and achieve best value.

The Council has worked closely with funding partners (particularly Yorkshire Forward and Government Office). Future projects will continue to be developed through partnership working. The Council also recognises the importance of increased community engagement and participation as fundamental to the quality of public services and the health of community life. The Council will therefore seek to develop major projects with the full involvement of local communities and ensure appropriate consultation prior to scheme approval.

### ***c) Affordability of funding***

#### **Financing the Capital Programme for the Future**

Resources to fund capital spending are provided from central government in the form of specific grants. In addition other external grants and contributions are sought. Council funding in the form of capital receipts, use of reserves and from revenue sources make up the balance of resources. However, grants provided by central government and resources from other external agencies are often specific to an individual scheme and cannot be used for any other purpose by the Council. The Council has limited scope to generate significant capital receipts.

### ***(d) Integration of Capital and Revenue Decision-Making***

#### ***The Prudential Code***

Under the Prudential Regime, which has operated since April 2004, the Council has the responsibility to demonstrate that its capital investment

programme is affordable, prudent and sustainable. The Prudential Code requires that this is done by calculating specific indicators for capital expenditure and financing and by setting borrowing limits. The indicators and borrowing limits for the current and next two years are set out at Appendix C.

### ***Revenue Implications***

The revenue implications of funding the capital programme are built into the medium term financial forecasts.

### ***(e) Framework for Managing and Monitoring the Capital Programme***

The Corporate Director (s151) has overall responsibility for the preparation and monitoring of the Council's capital programme and for reporting the outcome to members. The process involves:

- Reviewing the capital programme annually.
- Reviewing the current and estimated future availability of external earmarked funding and other opportunities for obtaining or bidding for additional capital resources.
- Prioritising and appraising any new proposals against agreed corporate criteria.
- Preparing the Council's capital programme, strategy and consultation process.
- Monitoring progress in achieving the capital programme objectives.
- Ensuring that the outcomes of investment are reported to members.
- Ensuring there are effective arrangements for project planning and project evaluation.
- Issuing corporate guidance to ensure that there is a consistent approach across all service areas.
- Reviewing and monitoring the Council's capital resources and asset disposal programme.

Full details of the programme together with funding streams are attached at Appendix E. The programme is split into six sections:

- Asset Management
- Priority Aims
- Major Schemes
- Externally Funded Schemes
- Investment Opportunities
- Other

Schemes relating to Asset Management comprise all those that will result in the Council's assets being improved. These can include works to land and buildings or IT upgrades of either hardware or software.

Schemes under Priority Aims are those where the Council has taken a deliberate decision that these will help satisfy its corporate objectives/key priorities.

## **8. BALANCES AND RESERVES**

The Local Government Act 2003 places a specific duty on the Chief Finance Officer, i.e. the Corporate Director (s151), to make a report to the authority when it is considering its budget and the level of the Council Tax. This report must deal with the robustness of the estimates and the adequacy of reserves allowed for in the budget proposals. The Council must have regard to this report in making their decisions.

The Council also has a fiduciary duty to local taxpayers and the Corporate Director (s151) must be satisfied that the decisions taken on the level of balances and reserves represent the proper stewardship of funds.

In assessing the adequacy of the contingencies, balances and reserves, the Director takes account of the key financial assumptions underpinning the budget, together with an assessment of the Council's financial management arrangements. This assessment will include a review of past performance and external influences on the financial plan, and full consideration of the risks and uncertainties associated with the plan, their likelihood and potential impact.

The Council's policy is to maintain its contingencies, balances and reserves at levels that are prudent but not excessive.

Appendix D details the position on the Councils Reserves

## **9. IMPACT/RISK ASSESSMENT**

This section recognises the challenges and risks that have implications for the Council's financial position in the medium term. This assessment of risk is an essential element of the budget process; it is used to inform decisions about the appropriate levels of contingencies and reserves that may be required and to indicate priorities for financial monitoring.

Managing Risk is an important part of the Financial Strategy. Each service maintains its own risk register and these will be reported to the Overview and Scrutiny Committee during the forthcoming year.

The key risks identified for 2010/11 and in the medium term are listed below, together with comments on how they will be managed:

<b>Issue/Risk</b>	<b>Consequences if allowed to happen</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation</b>	<b>Mitigated Likelihood</b>	<b>Mitigated Impact</b>
Fluctuations in inflation, Government grants, and changes in Government legislation	Council unable to set a balanced budget without significant cuts to services and service quality, adverse external inspection, excessive call on Council reserves	Very Likely	Major	Keep under review through the financial strategy. Consider fully any changes in legislation. Ensure minimum reserves are maintained to mitigate the risk. Ensure authorities interests are represented through the LGA/other groups. Ensure Longer Term plans for significant variations are in place.	Very Likely	Medium
Budgets are overspent	Unplanned use of reserves which may impact on future year Council Tax, adverse external inspection	Not Likely	Major	Robust budget setting, challenging budget provision. Regular monitoring with corrective actions. Develop a culture of financial awareness. Effective project planning and management. Ensure sufficient contingency sums. Review of any material overspends	Not Likely	Minor
Savings are not achieved	If compensating savings not identified unplanned use of reserves, potential for cuts to services or service levels	Likely	Major	Regular budget monitoring to identify issues at an early stage. Corporate efficiency programme. Detailed scrutiny of all savings proposals.	Not Likely	Minor

Changes in demand/usage levels affecting income from fees and charge	Unplanned use of reserves with potential to impact on future Council Tax levels or requiring cuts to services or service levels	Very Likely	Major	Ensure regular monitoring Review trends Take appropriate action Ensure income budgets are realistic	Likely	Medium
Budget does not reflect corporate priorities	Council fails to achieve Corporate plan with consequent impact on Community Plan. Adverse external inspection.	Not Likely	Major	Ensure corporate involvement in the process. Early consideration of budget pressures and legislation changes. Regular reporting to members. Approved scoring criteria for prioritising capital schemes	Not Likely	Minor
The capital programme is not affordable	Council may need to remove existing planned schemes from the programme or use reserves earmarked for other purposes. Adverse External inspection.	Likely	Disaster	Schemes are monitored and reported on a regular basis. Financing profile based on realistic assumptions. Ensure only fully evaluated schemes are included within the programme with sufficient contingency sums.	Not Likely	Minor
Poor budget planning with decisions being made without proper consideration/consultation	Council fails to meet community needs, adverse impact on Corporate and Community Plan. Adverse external inspection	Likely	Major	Develop a long-term financial strategy. Set out a clear budget timetable. Regular updates to Members. Effective consultation processes.	Not Likely	Minor

## **10. CONCLUSION**

This Financial Strategy sets out a range of proposals regarding the future management of resources and delivery of priorities.

The Strategy is underpinned by nine key Objectives, which are set out within section 2.

The process of developing the Financial Strategy is ongoing. Although there is a considerable amount of work to be done, and further improvements to be made, the Council has put in place the framework for ensuring a strong financial base that delivers priorities. This strong financial base has been previously commented upon within External Audit reports, with the Council receiving high scores for its financial management and reporting.

As far as possible, the plan anticipates future needs and recognises the financial uncertainties, risks and challenges faced by the Council. The Council has in place rigorous financial monitoring and aims to ensure it hold balances and reserves that are considered adequate without being excessive.

Consequently, Ryedale now has in place a sound Financial Strategy and a robust financial plan that is designed to support the delivery of the targets in the Corporate Plan and meet the Council's Objectives.



## APPENDIX A

### 2010/2011 Budget Pressures

		£'000
Malton Market Place	Net loss of car parking and market income following termination of lease agreement	65
Transport Costs	Increase in cost of fuel and new lease agreements for replacement of vehicles	45
Audit Fees	Increase in external auditors fees	25
Housing Benefit Grant	Reduction in government grant to cover the cost of benefits administration	23
Planning Costs	Restatement of advertising budget and shortfall of income from planning advice service	16
Car Park Machines	Replacement of pay machines through lease arrangements	16
Benefit Fraud	Contract to cover for maternity leave	10
Elections	Reduction in Government Grant towards election costs	10
NYNET Broadband	Additional costs from necessary change in supplier	10
North Yorkshire Credit Union	One off contribution approved February 2008	5
<b>Total</b>		<b>225</b>

### 2010/2011 Meeting Priorities

		£'000
Provision for Restructure	Resource to implement organisational changes	100
Hardship Relief	Provision for Business Rates Hardship Relief scheme	10
<b>Total</b>		<b>110</b>

### 2010/2011 Savings Proposals

Proposal	Efficiency £'000	Other £'000	Risk L/M/H
<b>Efficiency &amp; Budget Reduction Savings</b>			
Revenues & Benefits System	75		Medium
Community Leisure	42		Low
Community Safety	27		Low
Concessionary Fares	25		Low
Winter Monthly Garden Waste Collection	24		Low
Transport Management	15		Low
Development Control Student Placement	13		Low
Members Teas	10		Low
<b>Income Generation</b>			
Recycling Incentive Bonus		29	Medium
Land Charges Income		15	Medium
Street Cleaning Diversion Credits		10	Medium
<b>Service Cuts</b>			
Withdrawal of the Festival of Fun		13	
<b>Total of Savings</b>	<b>231</b>	<b>67</b>	

**APPENDIX B**

**Medium Term Revenue Budget Forecast**

<b>Committee</b>	<b>2009/10 Estimate £'000</b>	<b>2010/11 Projection £'000</b>	<b>2011/12 Projection £'000</b>	<b>2012/13 Projection £'000</b>	<b>2013/14 Projection £'000</b>	<b>Notes</b>
Base Budget and Inflation						
Base Budget		8128	8280	7918	8013	1
Pay Increase & General Inflation		93	145	148	151	2
		8221	8425	8066	8164	
Add Future Cost Increases						
Budget Pressures		225	285	50	50	3
Meeting Priorities		110	100	100	100	4
Capital Programme Borrowing		0	163	0	0	5
Deduct Future Savings						
Efficiency & Other Savings (net)		-298	-1055	-203	-204	6
Other Net Movements		22	0	0	0	
Movement to / from Reserves		0	0	0	0	
Net Revenue Budget	8128	8280	7918	8013	8110	
Financing						
Government Grant Settlement	4385	4520	4068	4068	4068	7
Collection Fund Surplus	56	50	40	40	40	8
Council Taxpayers	3687	3710	3810	3905	4002	8
Budget Requirement	8128	8280	7918	8013	8110	

## APPENDIX B (continued)

### Medium Term Revenue Budget Forecast

#### NOTES

1. The base budget is updated each year to take account of inflation and growth factors in the previous year.
2. The budget for 2010/11 includes a pay award provision of 1%. An increase of 1% has also been used for the following three years. A provision is included for annual increments to cover the progress up the salary grade of new starters. General Inflation is included only for known increases of expenditure for 2010/11 and 3% for subsequent years. It is netted off with anticipated increases in income at the inflation level.
3. Provision is included for the likelihood of additional spending pressures. They include the impact of further reduction of government grant, increased contributions to the Pension Fund and the transfer of the Concessionary Fares scheme to the North Yorkshire County Council.
4. The existing policies and planned priorities such as the provision of a Sports Centre for the community use at Malton School will have revenue implications and there is provision for the costs of restructure to achieve the savings necessary to meet the anticipated reduction in government grant income in 2011/12.
5. Members have agreed to include in the Capital Programme the A64 upgrade at the Brambling Fields junction and the realignment of the A170 at Vivis Lane Pickering on the understanding that borrowing may be required to finance these schemes.
6. Further efficiency and other savings will be required to balance the budget. The government has set local authorities a target of 9.3% cashable efficiency savings over a three-year period.
7. Proposals for Formula Grant from Central Government for 2011/12 are not known yet but the latest indications are that CSR10 will considerably reduce the grant the Council receives. Projections are made for a 10% cut in grant in 2011/12 and a standstill for the two subsequent years.
8. Council Tax levels are assumed to be no increase for 2009/10, whilst future years Council Tax rises are predicted at 2.5%. An adjustment has been made for a small increase in the council tax base. The Collection Fund Surplus is estimated to be £40,000 each year.

**Prudential Indicators****Capital Expenditure**

The actual capital expenditure that was incurred in 2008/09 and the estimates of capital expenditure to be incurred for the current and future years that are recommended for approval are:

	2008-09 Actual £'000	2009-10 Forecast £'000	2010-11 Estimate £'000	2011-12 Estimate £'000	2012-13 Estimate £'000
Total Capital Programme	1,694	2,246	5,624	3,163	715

**Ratio of Financing Costs to Net Revenue Stream**

Estimates of the ratio of financing costs to net revenue stream for the current and future years, and the actual figures for 2008/09 are:

	2008-09 Actual	2009-10 Forecast	2010-11 Estimate	2011-12 Estimate	2012-13 Estimate
Estimate of ratio of financing costs to net revenue stream	-11.27%	-2.92%	-2.42%	-1.79%	-3.48%

The ratio of financing costs to net revenue stream is negative, reflecting the fact that interest on investments is making a contribution to the income & expenditure account.

**Capital Financing Requirement**

Estimates of the Capital Financing Requirement for the Authority for the current and future years and the actual Capital Financing Requirement at 31 March 2009 are:

2008-09 Actual £'000	2009-10 Forecast £'000	2010-11 Estimate £'000	2011-12 Estimate £'000	2012-13 Estimate £'000
0	0	0	2,396	2,339

The Capital Financing Requirement (CFR) measures the authority's underlying need to borrow for a capital purpose.

CIPFA's' Prudential Code for Capital Finance in Local Authorities' includes the following as a key indicator of prudence:

*"In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing*

*does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and the next two financial years.”*

The Corporate Director (s151) reports that the authority had no difficulty meeting this requirement in 2008/09, nor are any difficulties envisaged for the current or future years. This view takes into account current commitments, existing plans, and the proposals in this budget report.

### **Authorised Limit for External Debt**

In respect of its external debt, it is recommended that the Council approves the following authorised limits for its total external debt gross of investments for the next three financial years, and agrees the continuation of the previously agreed limit for the current year since no change to this is necessary. These limits separately identify borrowing from other long-term liabilities such as finance leases. The Council is asked to approve these limits and to delegate authority to the Corporate Director (s151), within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long term liabilities, in accordance with option appraisal and best value for money for the authority. Any such changes made will be reported to the Council at its next meeting following the change.

	2009-10 £'000	2010-11 £'000	2011-12 £'000	2012-13 £'000
Borrowing	20,000	20,000	20,000	20,000
Other Long Term Liabilities	0	0	0	0
Authorised Limit	20,000	20,000	20,000	20,000

The Corporate Director (s151) reports that these authorised limits are consistent with the Authority's current commitments, existing plans and the proposals in this budget report for capital expenditure and financing, and with its approved treasury management policy statement and practices. The Corporate Director (s151) confirms that they are based on the estimate of most likely, prudent but not worst case scenario, with in addition sufficient headroom over and above this to allow for operational management, for example unusual cash movements. Risk analysis and risk management strategies have been taken into account; as have plans for capital expenditure, estimates of the capital financing requirement and estimates of cashflow requirements for all purposes.

### **Operational Boundary for external debt**

The Council is also asked to approve the following operational boundary for external debt for the same time period. The proposed operational boundary for external debt is based on the same estimates as the authorised limit but reflects directly the Corporate Director's (s151) estimate of the most likely, prudent but not worst case scenario, without the additional headroom included within the authorised limit to allow for example for unusual cash movements, and equates to the maximum of external debt projected by this estimate. The

operational boundary represents a key management tool for in year monitoring by the Corporate Director (s151). Within the operational boundary, figures for borrowing and other long-term liabilities are separately identified. The Council is also asked to delegate authority to the Corporate Director (s151); within the total operational boundary for any individual year; to effect movement between the separately agreed figures for borrowing and other long term liabilities, in a similar fashion to the authorised limit. Any such changes will be reported to the Council at its next meeting following the change.

	2009-10 £'000	2010-11 £'000	2011-12 £'000	2012-13 £'000
Borrowing	5,000	5,000	5,000	5,000
Other Long Term Liabilities	0	0	0	0
Operational Boundary	5,000	5,000	5,000	5,000

The Council's actual external debt at 31 March 2009 was nil. It should be noted that actual external debt is not directly comparable to the authorised limit and operational boundary, since the actual external debt reflects the position at one point in time.

In taking its decisions on this budget report, the Council is asked to note that the Authorised Limit determined for 2010/11 (see above) will be the statutory limit determined under section 3(1) of the Local Government Act 2003.

### **Estimate of Incremental Impact of Capital Investment**

The estimate of the incremental impact of capital investment decisions proposed in this budget report, over and above capital investment decisions that have previously been taken by the Council are:

For the Band D Council Tax	2010/11	2011/12	2012/13
	£4.39	£15.46	£8.44

These forward estimates are not fixed and do not commit the Council.

### Consideration of options for the capital programme

In considering its programme for capital investment, the Council is required within the Prudential Code to have regard to:

- affordability, e.g. implications for Council Tax
- prudence and sustainability, e.g. implications for external borrowing
- value for money, e.g. option appraisal
- stewardship of assets, e.g. asset management planning
- service objectives, e.g. strategic planning for the authority
- practicality, e.g. achievability of the forward plan.

A key measure of affordability is the incremental impact on the Council Tax, and the Council could consider different options for its capital investment programme in relation to their differential impact on the Council Tax.

## APPENDIX D

Key Reserves and Balances

	General Reserve	Capital Fund	Capital Receipts	Capital Grants & Conts	Total
	£'000	£'000	£'000	£'000	£'000
Balance as at 1 April 2009	500	4,111	5,140	-	9,751
<b>Add</b>					
Estimated Income During Year:					
Contribution from General Fund	-	58	-	-	58
Interest on Investment of Balances	-	265	-	-	265
Transfer from Capital Contingency Fund	150	-	-	-	150
Capital Receipts	-	-	-	-	-
Capital Grants & Contributions	-	-	-	618	618
	650	4,434	5,140	618	10,842
<b>Deduct</b>					
Estimated Expenditure During Year:					
Transfer to General Fund	-240	-	-	-	-240
Capital Expenditure	-	-1,578	-	-618	-2,196
<b>Estimated Balance 31 March 2010</b>	<b>410</b>	<b>2,856</b>	<b>5,140</b>	<b>-</b>	<b>8,406</b>
<b>Add</b>					
Estimated Income During Year:					
Contribution from General Fund	-	53	-	-	53
Interest on Investment of Balances	-	220	-	-	220
Capital Receipts	-	-	50	-	50
Capital Grants & Contributions	-	-	-	458	458
	410	3,129	5,190	458	9,187
<b>Deduct</b>					
Estimated Expenditure During Year:					
Transfer to General Fund	-100	-	-	-	-100
Capital Expenditure	-	-	-5,166	-458	-5,624
<b>Estimated Balance 31 March 2011</b>	<b>310</b>	<b>3,129</b>	<b>24</b>	<b>-</b>	<b>3,463</b>
<b>Add</b>					
Estimated Income During Year:					
Contribution from General Fund	-	75	-	-	75
Interest on Investment of Balances	-	330	-	-	330
Capital Receipts	-	-	50	-	50
Capital Grants & Contributions	-	-	-	189	189
	310	3,534	74	189	4,107
<b>Deduct</b>					
Estimated Expenditure During Year:					
Transfer to General Fund	-	-	-	-	-
Capital Expenditure	-	-450	-74	-189	-713
<b>Estimated Balance 31 March 2012</b>	<b>310</b>	<b>3,084</b>	<b>-</b>	<b>-</b>	<b>3,394</b>
<b>Add</b>					
Estimated Income During Year:					
Contribution from General Fund	-	75	-	-	75
Interest on Investment of Balances	-	490	-	-	490
Capital Receipts	-	-	50	-	50
Capital Grants & Contributions	-	-	-	195	195
	310	3,649	50	195	4,204
<b>Deduct</b>					
Estimated Expenditure During Year:					
Transfer to General Fund	-	-	-	-	-
Capital Expenditure	-	-470	-50	-195	-715
<b>Estimated Balance 31 March 2013</b>	<b>310</b>	<b>3,179</b>	<b>-</b>	<b>-</b>	<b>3,489</b>

## APPENDIX E

### RYEDALE DISTRICT COUNCIL - PROPOSED CAPITAL PROGRAMME 2009/10 TO 2013/14

Cttee	Category / Scheme	2009/10 Rev Est £'000	2009/10	2010/11	2011/12	2012/13	2013/14	Total	External	Net RDC	Comments	External Funding Assumptions		Revenue Implications														
			Forecast £'000	Estimate £'000	Estimate £'000	Estimate £'000	Estimate £'000	Cost £'000	Funding £'000	Cost £'000		£'000	Comments	2009/10	2010/11	2011/12	2012/13	2013/14	Comments									
<b>ASSET MANAGEMENT</b>																												
CS	Car Parks Major Repairs	56	56	30	30	30	0	146	0	146	In accordance with Asset Mgt Plan, Hlth & Safety risk	0	0	0	0	0	0											
CS	Ryedale Pool Major Repairs	50	50	0	0	0	0	50	0	50	Replace air handling unit	0	0	0	0	0	0											
CS	Vehicle Replacement Programme	0	0	170	260	0	0	430	50	380	Replacement for recycling and grass cutting services	50	0	0	0	0	0											
CS	Derwent Pool Remodel Reception	71	71	0	0	0	0	71	0	71	Revenue savings to be secured from reduction in separate office costs	0	-7	-7	-7	-7	Invest to save											
CS	Public Conveniences Rosedale	76	76	0	0	0	0	76	0	76	Toilet facilities to meet Disability Discrimination Act	0	0	0	0	0	0											
CS	Public Conveniences Refurbishment	60	60	30	30	0	0	120	0	120	Refurbishment of 3 sites	0	0	0	0	0	0											
CS	Wall Repairs Land Castlegate Malton	5	5	0	0	0	0	5	0	5	Repairs to boundary walls	0	0	0	0	0	0											
CS	Recreational Open Space Development	32	32	0	0	0	0	32	0	32	Implement improvements identified in ILAM report	0	0	0	0	0	0											
P&R	Energy Efficiency Improvements to Council Property	318	75	293	25	0	0	393	0	393	Efficient energy use, reduce pollution	0	0	0	0	0	0											
P&R	Major Repair & Replacement Programme to RDC	24	24	105	15	0	0	144	0	144	Planned maintenance programme in accordance with Asset Mgt Plan	0	0	0	0	0	0											
P&R	ICT Strategy Provision	400	200	600	180	0	0	980	0	980	Investment programme aimed at generating revenue efficiency savings	0	0	0	0	0	0											
P&R	Property Condition Survey	125	125	125	125	125	125	625	0	625	Programme of minor capital works to property portfolio	0	0	0	0	0	0											
P&R	Ryedale House Public Areas	282	182	100	0	0	0	282	0	282	Programme of minor capital works to Civic Suite and Council Reception	0	0	0	0	0	0											
		<b>1,490</b>	<b>956</b>	<b>1,453</b>	<b>665</b>	<b>155</b>	<b>125</b>	<b>3,354</b>	<b>50</b>	<b>3,304</b>		<b>50</b>	<b>0</b>	<b>-7</b>	<b>-7</b>	<b>-7</b>	<b>-7</b>											
<b>PRIORITY AIMS - HOUSING</b>																												
CS	Aff Hsg Init - Home Repair Grant	78	50	0	0	0	0	50	0	50	Facilitate internal/external repairs, insulation,	0	0	0	0	0	0											
CS	Aff Hsg Init - Home Repair Loans	77	0	160	165	170	170	665	0	665	Equity loans to applicants	0	0	0	0	0	0											
CS	Aff Hsg Init - HMO Grant	30	0	0	30	30	30	90	0	90	Improvement/repair work to help owners comply with licensing	0	0	0	0	0	0											
CS	Aff Hsg Init - Empty Property Grant	30	0	0	30	30	30	90	0	90	Bring property back into use; tenancy nomination rights	0	0	0	0	0	0											
CS	Aff Hsg Init - Exception Sites Land Purchase	100	100	0	0	0	0	100	0	100	Contribution to RSL land acquisitions	0	0	0	0	0	0											
CS	PS Renewal - Disabled Facilities Grant	317	317	305	315	325	325	1,587	952	635	Improve access to and within properties for people	952	0	0	0	0	0											
CS	Mortgage Rescue Scheme	88	83	78	0	0	0	161	0	161	Scheme in partnership with Registered Social Landlord	0	0	0	0	0	0											
		<b>720</b>	<b>550</b>	<b>543</b>	<b>540</b>	<b>555</b>	<b>555</b>	<b>2,743</b>	<b>952</b>	<b>1,791</b>		<b>952</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>											
<b>PRIORITY AIMS - JOBS</b>																												
P&R	Provision for Managed Workspace Facilities	0	0	550	0	0	0	550	0	550	Provision for contribution to Yorkshire Forward scheme	0	0	0	0	0	0											
		<b>0</b>	<b>0</b>	<b>550</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>550</b>	<b>0</b>	<b>550</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>											
<b>MAJOR SCHEMES</b>																												
CS	Dry Sports Centre Malton School	1000	0	1500	0	0	0	1,500	0	1,500	Grant to Malton School for the provision of leisure facilities for community	0	0	0	50	50	50 Operational											
P&R	A64 Brambling Fields Junction Upgrade	0	0	0	1950	0	0	1,950	0	1,950	Contribute to upgrade for improvement to traffic managem't in Malton	0	0	0	130	130	130 Borrowing											
		<b>1,000</b>	<b>0</b>	<b>1,500</b>	<b>1,950</b>	<b>0</b>	<b>0</b>	<b>3,450</b>	<b>0</b>	<b>3,450</b>		<b>0</b>	<b>0</b>	<b>180</b>	<b>180</b>	<b>180</b>												
<b>EXTERNALLY FUNDED SCHEMES AT A HIGH RATE</b>																												
CS	Private Sector Housing Grants	275	300	225	0	0	0	525	525	0	Grant to support Energy Efficiency, Decent Homes, Empty Properties	525	100% DCLG	0	0	0	0	0										
		<b>275</b>	<b>300</b>	<b>225</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>525</b>	<b>525</b>	<b>0</b>		<b>525</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>											
<b>OTHER SCHEMES</b>																												
CS	Helmsley Sports	0	0	500	0	0	0	500	0	500	Grant for the redevelopment of existing sports facilities in Helmsley	0	0	0	0	0	0											
CS	Market Improvements	25	10	0	0	0	0	10	0	10	Renewal of market stalls	0	0	0	0	0	0											
CS	Ryedale Folk Museum	125	50	200	0	0	0	250	0	250	Grant for the purchase & development of building to house Harrison	0	0	0	0	0	0											
CS	Environmental Improvements Norton	60	60	0	0	0	0	60	0	60	Enhancement to basic scheme e.g. street furniture	0	0	0	0	0	0											
CS	Castle Gardens Malton	4	4	0	0	0	0	4	0	4	Creation of new public park in Malton	0	0	0	0	0	0											
CS	Vale of Pickering Channel Management Pilot	0	0	15	8	5	0	28	0	28	Contribution to joint funded project	0	0	0	0	0	0											
P&R	Malton Town Centre Physical Improvements Works	153	153	0	0	0	0	153	26	127	Initial phase of implementation of Malton Town Centre Strategy	26	NYCC, Malton Estate Company	0	0	0	0	0										
P&R	Former Town Hall Malton - Roof Repairs	87	1	86	0	0	0	87	0	87	Work required under terms of lease	0	0	0	0	0	0											
P&R	Former Town Hall Malton - Stonework Repairs	52	0	52	0	0	0	52	0	52	Work required under terms of lease	0	0	0	0	0	0											
P&R	Conservation Area Partnership Scheme	180	154	0	0	0	0	154	102	52	Grant for structural repair to eligible historic buildings	102	NYCC, English Heritage	0	0	0	0	0										
P&R	A64 Brambling Fields Junction Upgrade - Design	0	8	0	0	0	0	8	0	8	Contribution to design of upgrade	0	0	0	0	0	0											
P&R	Realignment of A170 / Vivis Lane Pickering	0	0	500	0	0	0	500	0	500	Contribution to improvement of junction	0	0	0	33	33	33 Borrowing											
		<b>686</b>	<b>440</b>	<b>1,353</b>	<b>8</b>	<b>5</b>	<b>0</b>	<b>1,806</b>	<b>128</b>	<b>1,678</b>		<b>128</b>	<b>0</b>	<b>0</b>	<b>33</b>	<b>33</b>	<b>33</b>											
<b>TOTAL OF PROPOSED CAPITAL PROGRAMME</b>												<b>4,180</b>	<b>2,246</b>	<b>5,624</b>	<b>3,163</b>	<b>715</b>	<b>680</b>	<b>12,428</b>	<b>1,655</b>	<b>10,773</b>	<b>TOTAL</b>	<b>1,655</b>	<b>TOTAL</b>	<b>0</b>	<b>-7</b>	<b>206</b>	<b>206</b>	<b>206</b>



## APPENDIX E (continued)

CAPITAL RESOURCES AVAILABLE FOR NEW SCHEMES		£3042k	
CAPITAL INVESTMENT PLAN - POTENTIAL SCHEMES	Net Cost RDC £'000	Annual Revenue Implication £'000	
Heart of Malton Project (incl. Milton Rooms)	1,000 minimum	0	Includes Milton Rooms, Assembly Rooms & Caretaker House delaps
Pickering Flood Defence	972	0	Contribution to potential DEFRA scheme
Provision for an Economic Development Scheme	750	0	Site acquisition & infrastructure works
Regeneration Schemes Pickering / Kirkbymoorside	500	0	Contribution to development & design costs and minor public realm improvements
Plastics Recycling Rollout	75	150+	Additional equipment to implement fortnightly
<b>PROVISION FOR INVESTMENT OPPORTUNITIES</b>			
Customer Centre in Malton/Norton	N/A	N/A	Possible joint scheme with NYCC
Land and Property Acquisitions	N/A	N/A	Possible acquisitions
Environmental Improvement Schemes	N/A	N/A	Mitigation against adverse environmental impact

### CAPITAL PROGRAMME 2009/10 TO 2013/14 - SUMMARY OF FUNDING

Source of Funding	2009/10 Rev Est Funding £'000	2009/10	2010/11	2011/12	2012/13	2013/14	Total	Scheme
		Forecast Funding £'000	Estimate Funding £'000	Estimate Funding £'000	Estimate Funding £'000	Estimate Funding £'000	Estimate Funding £'000	
<b>External Grants and Contributions</b>								
Department Constitution & Local Government	190	190	183	189	195	195	952	Private Sector Renewal - Disabled Facilities Grant
Department Constitution & Local Government	275	300	225	0	0	0	525	Private Sector Housing Grant
North Yorkshire County Council (NYCC)	83	74	50	0	0	0	124	Malton Town Centre £23k, Conservation Area Partnership £51k, Vehicle replacement programme
English Heritage	60	51	0	0	0	0	51	Conservation Area Partnership
Other Organisations	3	3	0	0	0	0	3	Malton Town Centre Physical Improvements Works
<b>Total External Grants and Contributions</b>	<b>611</b>	<b>618</b>	<b>458</b>	<b>189</b>	<b>195</b>	<b>195</b>	<b>1,655</b>	
<b>Ryedale DC Funding of Schemes</b>	<b>3,569</b>	<b>1,628</b>	<b>5,166</b>	<b>2,974</b>	<b>520</b>	<b>485</b>	<b>10,773</b>	
<b>TOTAL FUNDING OF CAPITAL PROGRAMME</b>	<b>4,180</b>	<b>2,246</b>	<b>5,624</b>	<b>3,163</b>	<b>715</b>	<b>680</b>	<b>12,428</b>	

**REVENUE**

**BUDGET**

**2010-2011**

**COUNCILLOR C R WAINWRIGHT**

Chairman of the Policy & Resources Committee

**P D CRESSWELL**

Corporate Director (s151)

# REVENUE BUDGET 2010–2011

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**GENERAL FUND  
SUMMARY**

**GENERAL FUND SUMMARY**

<b>2008/09 Actual £</b>	<b>2009/10 Original Estimate £</b>	<b>2009/10 Revised Estimate £</b>	<b>Service</b>	<b>2010/11 Original Estimate £</b>
			<b>CENTRAL SERVICES</b>	
809,909	856,730	895,580	Central Services to the Public	907,120
1,234,825	1,424,950	1,464,710	Corporate & Democratic Core	1,471,810
274,209	66,760	80,610	Non Distributed Costs	82,540
-910,507	-1,239,020	-1,660,500	Other Operating Income & Expenditure	-3,193,190
<b>1,408,436</b>	<b>1,109,420</b>	<b>780,400</b>	<b>Total</b>	<b>-731,720</b>
			<b>CULTURAL ENVIRONMENTAL REGULATORY &amp; PLANNING SERVICES</b>	
1,582,677	1,570,660	1,654,730	Cultural & Related Services	3,754,280
2,691,583	2,667,260	2,693,010	Environmental & Regulatory Services	2,709,490
1,367,736	1,601,640	1,870,480	Planning & Development Services	1,448,300
<b>5,641,996</b>	<b>5,839,560</b>	<b>6,218,220</b>	<b>Total</b>	<b>7,912,070</b>
-126,021	-218,330	-144,120	<b>HIGHWAYS &amp; TRANSPORT SERVICES</b>	-158,170
1,096,512	1,397,450	1,273,600	<b>HOUSING SERVICES</b>	1,257,880
<b>8,020,923</b>	<b>8,128,100</b>	<b>8,128,100</b>	<b>NET EXPENDITURE</b>	<b>8,280,060</b>

<b>2008/09 Actual £</b>	<b>2009/10 Original Estimate £</b>	<b>2009/10 Revised Estimate £</b>	<b>Service by Committee</b>	<b>2010/11 Original Estimate £</b>
5,065,996	5,136,510	5,401,140	<b>COMMUNITY SERVICES &amp; LICENSING COMMITTEE</b>	7,338,090
2,954,927	2,991,590	2,726,960	<b>POLICY &amp; RESOURCES COMMITTEE</b>	941,970
<b>8,020,923</b>	<b>8,128,100</b>	<b>8,128,100</b>	<b>NET EXPENDITURE</b>	<b>8,280,060</b>

**NOTES**

The preparation of this budget is in compliance with the Best Value Accounting Code of Practice and it is presented using the mandatory division of service headings stipulated in the Code.

A further subdivision of the expenditure is analysed under discretionary headings and is shown for the Community Services & Licensing Committee on pages 37 and 38 and for the Policy & Resources Committee on pages 43 and 44.

**COMMUNITY SERVICES  
&  
LICENSING COMMITTEE**

**COMMUNITY SERVICES & LICENSING COMMITTEE  
DETAIL OF NET EXPENDITURE**

<b>2008/09 Actual £</b>	<b>2009/10 Original Estimate £</b>	<b>2009/10 Revised Estimate £</b>	<b>Division / Subdivision of Service</b>	<b>2010/11 Original Estimate £</b>	<b>Line Ref</b>
			<b>CENTRAL SERVICES TO THE PUBLIC</b>		
71,346	70,660	70,660	<b>Emergency Planning</b> Emergency Relief Work	83,610	1
76,797	81,010	87,410	<b>General Grants Bequests &amp; Donations</b> Grants	87,040	2
<b>148,143</b>	<b>151,670</b>	<b>158,070</b>	<b>Total Central Services to the Public</b>	<b>170,650</b>	
			<b>CULTURAL &amp; RELATED SERVICES</b>		
241,909	345,150	273,150	<b>Culture &amp; Heritage</b>	564,280	3
880,063	751,240	903,480	<b>Recreation &amp; Sport</b>	2,725,350	4
128,817	112,120	115,950	<b>Open Spaces</b>	104,480	5
			<b>Tourism</b>		
165,471	170,310	170,310	Tourism	183,300	6
166,417	191,840	191,840	Tourist Information Centres	176,870	7
331,888	362,150	362,150	<b>Sub Total</b>	360,170	
<b>1,582,677</b>	<b>1,570,660</b>	<b>1,654,730</b>	<b>Total Cultural &amp; Related Services</b>	<b>3,754,280</b>	
			<b>ENVIRONMENTAL &amp; REGULATORY SERVICES</b>		
80,450	70,930	70,930	<b>Community Safety (Crime Reduction)</b>	48,780	8
29,894	32,090	32,090	<b>Community Safety (CCTV)</b>	35,190	9
9,039	5,240	5,240	<b>Community Safety (Safety Services)</b>	5,170	10
40,620	20,980	20,980	<b>Flood Defence &amp; Land Drainage</b>	39,630	11
			<b>Regulatory Services</b>		
160,983	155,190	155,190	Pollution Reduction	162,210	12
53,554	40,670	40,670	Pest Control	39,590	13
53,253	64,980	64,980	Dog Control	61,150	14
183,554	189,900	189,900	Food Safety	200,610	15
169,100	180,140	180,140	Public Health	185,360	16
286,418	281,360	280,810	Public Conveniences	276,250	17
-2,146	-5,070	-4,780	Cesspool Emptying	-4,600	18
14,746	6,160	6,160	Hackney Carriage & Private Hire Vehicles Licensing	10,930	19
-5,246	18,800	18,800	Licences	20,820	20
914,216	932,130	931,870	<b>Sub Total</b>	952,320	
360,463	355,190	357,250	<b>Street Cleansing</b>	354,960	21
646,288	569,390	587,180	<b>Waste Collection</b>	557,240	22
-37,534	-55,130	-60,650	<b>Trade Waste</b>	-54,610	23
648,147	736,440	748,120	<b>Recycling</b>	770,810	24
<b>2,691,583</b>	<b>2,667,260</b>	<b>2,693,010</b>	<b>Total Environmental &amp; Regulatory Services</b>	<b>2,709,490</b>	

**COMMUNITY SERVICES & LICENSING COMMITTEE**

**DETAIL OF NET EXPENDITURE (CONTINUED)**

<b>2008/09 Actual £</b>	<b>2009/10 Original Estimate £</b>	<b>2009/10 Revised Estimate £</b>	<b>Division / Subdivision of Service</b>	<b>2010/11 Original Estimate £</b>	<b>Line Ref</b>
			<b>PLANNING &amp; DEVELOPMENT SERVICES</b>		
			<b>Building Control</b>		
27,336	24,390	24,390	Street Naming	25,330	25
190,408	196,260	308,260	<b>Environmental Initiatives</b>	195,430	26
			<b>Economic Development</b>		
157,552	180,960	280,960	Economic Development Support	180,720	27
-26,984	-29,410	-23,300	Economic Development - Properties	-17,480	28
-45,417	-45,910	-48,770	Markets	-41,190	29
85,151	105,640	208,890	<b>Sub Total</b>	122,050	
<b>302,895</b>	<b>326,290</b>	<b>541,540</b>	<b>Total Planning &amp; Development Services</b>	<b>342,810</b>	
			<b>HIGHWAYS &amp; TRANSPORT SERVICES</b>		
			<b>Parking Services</b>		
-470,934	-577,040	-502,830	Car Parks	-484,200	30
<b>-470,934</b>	<b>-577,040</b>	<b>-502,830</b>	<b>Total Highways &amp; Transport Services</b>	<b>-484,200</b>	
			<b>HOUSING SERVICES</b>		
150,360	141,260	141,260	<b>Housing Strategy</b>	120,190	31
35,934	137,210	137,210	<b>Housing Enabling</b>	38,390	32
65,178	70,440	70,440	<b>Housing Advice</b>	78,700	33
347,397	451,490	295,490	<b>Private Sector Housing Renewal</b>	398,240	34
135,231	144,840	158,290	<b>Homelessness</b>	177,640	35
			<b>Other Council Property</b>		
18,726	19,240	19,240	Travellers Site, Malton	19,790	36
			<b>Welfare Services</b>		
58,806	33,190	34,690	Ryecare Lifeline Service	12,110	37
<b>811,632</b>	<b>997,670</b>	<b>856,620</b>	<b>Total Housing Services</b>	<b>845,060</b>	
<b>5,065,996</b>	<b>5,136,510</b>	<b>5,401,140</b>	<b>NET EXPENDITURE FOR COMMITTEE</b>	<b>7,338,090</b>	



**COMMUNITY SERVICES & LICENSING COMMITTEE BUDGET VARIATIONS**

PAGE 37/38 LINE REF	DETAIL				NOTES
	<b>Original 2009/10 to Probable Outturn 2009/10</b>				
		£'000	£'000	£'000	
	<b>Original Estimate 2009/10 Net Expenditure</b>			<b>5,136</b>	
	Additional Costs:				
4	Recreation & Sport Grant	120			1
5,21,22,23,24	Transport Costs	22			
21,22,23,24	Streetscene Services	27			
27	Business Grants	100			2
30	Car Parks	74			3
35	Homelessness	13			
	Community Investment Fund Grants:				
3	Culture & Heritage	2			4
4	Recreation & Sport	27			4
5	Parks & Open Spaces	<u>1</u>			4
			386		
	Cost Reductions and Savings:				
21,22,24	Efficiency Savings (net)		-21		
	Other Movements in Costs and Savings			14	
	Capital Financing Adjustments:				
3,26,34	Revenue Exp Funded from Capital Under Statute (REFCUS)	21			
3,5,26,34	Grant Income for REFCUS	<u>-135</u>			
			-114		
	Net Movement of Expenditure			<u>265</u>	
	<b>Revised Estimate 2009/10 Net Expenditure</b>			<b><u>5,401</u></b>	

**COMMUNITY SERVICES & LICENSING COMMITTEE BUDGET VARIATIONS**

PAGE 37/38 LINE REF	DETAIL	£'000	£'000	£'000	NOTES
	<b>Original 2009/10 to 2010/11</b>				
		£'000	£'000	£'000	
	<b>Original Estimate 2009/10 Net Expenditure</b>			<b>5,136</b>	
	Inflation:				
	Provision for Pay Increase & General Inflation (net)		39		
	Additional Costs:				
	Budget Pressures:				
21,22,23,24	Transport Costs	45			
29 & 30	Malton Market Place	65			3
30	Car Park Pay Machines	<u>16</u>			
			126		
	Cost Reductions and Savings:				
See Financial (	Efficiency & Budget Reduction Savings	-108			5
Strategy (	Income Generation	-39			5
Appendix A (	Service Cuts	<u>-13</u>			5
			-160		
	Other Movements in Costs and Savings		47		
	Capital Financing Adjustments:				
	Capital Charges	73			6
3,4,11,32,34	Revenue Exp Funded from Capital Under Statute (net)	<u>2,077</u>			7
			2,150		
	Net Movement of Expenditure			2,202	
	<b>Original Estimate 2010/11 Net Expenditure</b>			<b><u>7,338</u></b>	

## **BUDGET VARIATION NOTES**

1. The Council have agreed to pay additional grant to the operator of its leisure facilities, CLL, as an invest to save initiative. This will realise future annual savings of £35k.
2. In response to the economic downturn the Council introduced a business grants scheme to assist local businesses.
3. The Malton Estate has terminated the lease arrangement for the Malton Market Place and as a consequence there has been a significant reduction in income.
4. Community Investment Grants are provided for revenue and capital projects that contribute to the Council Plan priorities. The funding of this grant is made through the Community Investment Fund. This grants programme is scheduled to finish in 2009/10.
5. The Comprehensive Spending Review 2007 (CSR 07) requires local authorities to realise cashable efficiencies of 9.3% over a three-year period. The corporate efficiency programme to find the savings has been formed and the details of the efficiency savings and budget reductions included in the 2010/11 budget are listed in Appendix A of the Financial Strategy.
6. The capital charges for the write-down of depreciation for fixed assets are notional and a contra credit entry is shown under the Policy & Resources budget to make neutral the effect on local taxation.
7. The overall increase of grant related schemes in the Capital Programme has increased the Revenue Expenditure Funded from Capital Under Statute (REFCUS) charged to service accounts. A contra entry in the General Financial Provisions heading in the Policy and Resources Committee budget negates the bottom line impact on the Council's Budget Requirement and Council Tax.

**POLICY & RESOURCES  
COMMITTEE**

POLICY & RESOURCES COMMITTEE

DETAIL OF NET EXPENDITURE

2008/09 Actual £	2009/10 Original Estimate £	2009/10 Revised Estimate £	Division / Subdivision of Service	2010/11 Original Estimate £	Line Ref
			<b>CENTRAL SERVICES TO THE PUBLIC</b>		
			<b>Local Tax Collection</b>		
336,069	356,020	365,170	Cost of Rate/Council Tax Collection	345,670	1
-19,144	-15,000	-15,000	Council Tax Benefits Payments	-16,000	2
95,899	113,380	116,760	Council Tax Benefits Administration	140,880	3
412,824	454,400	466,930	<b>Sub Total</b>	470,550	
			<b>Elections</b>		
18,505	71,860	76,710	Conducting Elections	112,900	4
108,394	116,170	112,580	Registration of Electors	89,760	5
126,899	188,030	189,290	<b>Sub Total</b>	202,660	
56,488	-9,050	-19,490	<b>Local Land Charges</b>	-18,420	6
			<b>General Grants Bequests &amp; Donations</b>		
65,555	71,680	100,780	Rate Relief	81,680	7
<b>661,766</b>	<b>705,060</b>	<b>737,510</b>	<b>Total Central Services to the Public</b>	<b>736,470</b>	
			<b>CORPORATE &amp; DEMOCRATIC CORE</b>		
640,668	753,830	760,710	<b>Democratic Representation &amp; Management</b>	772,440	8
594,157	671,120	704,000	<b>Corporate Management</b>	699,370	9
<b>1,234,825</b>	<b>1,424,950</b>	<b>1,464,710</b>	<b>Total Corporate &amp; Democratic Core</b>	<b>1,471,810</b>	
			<b>NON DISTRIBUTED COSTS</b>		
			<b>Non Distributed Costs</b>		
259,000	39,000	39,000	Retirement Benefits	41,000	10
15,209	27,760	41,610	Costs of Unused Shares of Assets	41,540	11
274,209	66,760	80,610	<b>Sub Total</b>	82,540	
<b>274,209</b>	<b>66,760</b>	<b>80,610</b>	<b>Total Non Distributed Costs</b>	<b>82,540</b>	
			<b>OTHER OPERATING INCOME &amp; EXPENDITURE</b>		
			<b>Precepts &amp; Levies</b>		
69,358	71,440	73,460	Drainage Boards Levies	73,460	12
-956,784	-355,000	-265,000	<b>Interest &amp; Investment Income</b>	-230,000	13
			<b>Extraordinary Items &amp; Prior Year Adjustments</b>		
-1,051,180	-1,564,560	-2,079,590	General Financial Provisions	-3,648,930	14
876,000	500,000	500,000	<b>Pensions Interest Cost &amp; Expected Return on Assets</b>	500,000	15
			<b>Other Corporate Costs</b>		
106,187	58,490	58,490	Other Employee Related Costs	58,490	16
45,912	50,610	52,140	Customer Liaison & Marketing	53,790	17
152,099	109,100	110,630	<b>Sub Total</b>	112,280	
<b>-910,507</b>	<b>-1,239,020</b>	<b>-1,660,500</b>	<b>Total Other Operating Income &amp; Expenditure</b>	<b>-3,193,190</b>	

POLICY & RESOURCES COMMITTEE

DETAIL OF NET EXPENDITURE (CONTINUED)

2008/09 Actual £	2009/10 Original Estimate £	2009/10 Revised Estimate £	Division / Subdivision of Service	2010/11 Original Estimate £	Line Ref
			<b>PLANNING &amp; DEVELOPMENT SERVICES</b>		
57,274	73,430	76,080	<b>Building Control</b>	43,580	18
366,368	463,790	472,110	<b>Development Control</b>	511,680	19
381,721	564,520	514,520	<b>Planning Policy</b>	377,490	20
58,240	10,770	88,390	<b>Economic Development</b> Non-Industrial Premises & Land	1,710	21
201,238	162,840	177,840	<b>Community Development</b>	171,030	22
<b>1,064,841</b>	<b>1,275,350</b>	<b>1,328,940</b>	<b>Total Planning &amp; Development Services</b>	<b>1,105,490</b>	
			<b>HIGHWAYS &amp; TRANSPORT SERVICES</b>		
344,913	358,710	358,710	<b>Public Transport</b> Transport Support	326,030	23
<b>344,913</b>	<b>358,710</b>	<b>358,710</b>	<b>Total Highways &amp; Transport Services</b>	<b>326,030</b>	
			<b>HOUSING SERVICES</b>		
9,475	43,000	48,000	<b>Housing Benefits Payments</b>	51,000	24
275,405	356,780	368,980	<b>Housing Benefits Administration</b>	361,820	25
<b>284,880</b>	<b>399,780</b>	<b>416,980</b>	<b>Total Housing Services</b>	<b>412,820</b>	
<b>2,954,927</b>	<b>2,991,590</b>	<b>2,726,960</b>	<b>NET EXPENDITURE FOR COMMITTEE</b>	<b>941,970</b>	

**POLICY & RESOURCES COMMITTEE BUDGET VARIATIONS**

PAGE 43/44 LINE REF	DETAIL	£'000	£'000	£'000	NOTES
	<b>Original 2009/10 to Probable Outturn 2009/10</b>				
		£'000	£'000	£'000	
	<b>Original Estimate 2009/10 Net Expenditure</b>			<b>2,992</b>	
	Additional Costs:				
1,3,9,25	Audit Fees	35			1
1,8,11,25	Office Fixtures & Fittings	27			
7	Business Rates Hardship Relief	29			
9	Yorkshire Day	15			
21	Community House	75			1
22	Community Investment Fund Grants	<u>7</u>			
			188		
	Cost Reductions and Savings:				
6	Land Charges	-10			
14 & 19	Efficiency Savings (net)	<u>-58</u>			2
			-68		
	Other Movements in Costs and Savings		-4		
13	Reduction in Investment Income		90		3
	Capital Financing Adjustments:				
20	Revenue Exp Funded from Capital Under Statute (REFCUS)	-50			4
14	Capital Adjustment Account (net)	<u>164</u>			
			114		
	Financial Adjustments:				
	Contribution to / (from) Balances:				
14	Increase Contribution from General Reserve	-140			5
14	Reduced Contribution to Capital Fund	-97			3
14	Contribution from ICE Fund	-184			6
14	Contribution from Operational Reserve	-127			6
14	From Community Investment Fund to Finance Grants	<u>-37</u>			6
			-585		
	Net Movement of Expenditure			<u>-265</u>	
	<b>Revised Estimate 2009/10 Net Expenditure</b>			<b><u>2,727</u></b>	

**POLICY & RESOURCES COMMITTEE BUDGET VARIATIONS**

PAGE 43/44 LINE REF	DETAIL	£'000	£'000	£'000	NOTES
	<b>Original 2009/10 to 2010/11</b>				
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
	<b>Original Estimate 2009/10 Net Expenditure</b>			<b>2,992</b>	
	Inflation:				
	Provision for Pay Increase & General Inflation (net)		54		
	Additional Costs:				
	Budget Pressures:				
3,9,25	Audit Fees	25			1
3 & 25	Housing Benefit Grant	23			1
4	Elections	10			
19	Planning Costs	16			
22	North Yorkshire Credit Union	5			
25	Benefit Fraud	10			
	NYNet Broadband	10			
	Meeting Priorities:				
7	Business Rates Hardship Relief	10			7
14	Provision for Restructure	<u>100</u>			7
			209		
See Financial (	Cost Reductions and Savings:				
Strategy (	Efficiency & Budget Reduction Savings	-123			2
Appendix A (	Income Generation	<u>-15</u>			2
			-138		
	Other Movements in Costs and Savings		7		
13	Reduction in Investment Income		125		3
	Capital Financing Adjustments:				
	Capital Charges	143			8
14	Capital Charges – Recharge	-216			8
20	Revenue Exp Funded from Capital Under Statute (net)	-185			4
14	Capital Adjustment Account - REFCUS (net)	-1,892			4
14	Revenue Contributions to Capital Outlay	<u>-2,265</u>			9
			-4,415		
	Financial Adjustments:				
	Contribution to / (from) Balances:				
14	Reduced Contribution to Capital Investment	2,265			9
14	Reduced Contribution to Capital Fund	-147			3
14	Contribution from Operational Reserve	<u>-10</u>			6
			2,108		
	Net Movement of Expenditure			<u>-2,050</u>	
	<b>Original Estimate 2010/11 Net Expenditure</b>			<b><u>942</u></b>	



## BUDGET VARIATION NOTES

1. Spending pressures in 2009/10 include costs associated with changes of tenancy at the Community House Malton and for 2009/10 and 2010/11 an increase in the regulatory fees charged by the Council's external auditor. In 2010/11 there are further pressures due to the reduction in government grant for Housing Benefit administration and election costs.
2. The Comprehensive Spending Review 2007 (CSR 07) requires local authorities to realise cashable efficiencies of 9.3% over a three-year period. The corporate efficiency programme to find the savings has been formulated and the details of the efficiency savings and budget reductions included in the 2010/11 budget are listed in Appendix A of the Financial Strategy. Further work will be undertaken to meet the Government's savings target and balance the budget.
3. The economic recession has resulted in interest rates remaining at record low levels and as a consequence has significantly reduced the interest receipts that the Council receives from its investments to fund the Capital Programme.
4. There is reduction of grant related schemes in the Capital Programme for this committee, which has reduced the Revenue Expenditure Funded from Capital Under Statute (REFCUS) charged to the service accounts. However, the contra entry for all REFCUS reflected in the General Financial Provisions (line 14) heading has increased due to the effect of the Community Services Committee grant related schemes.
5. Due to an increase in unplanned additional costs it is expected that there will be an extra contribution required from the Council's General Reserve for 2009/10.
6. The heading General Financial Provisions (line 14) includes movements on the Council's reserves, other funds and financial provisions. Details of the movement in the Council's key reserves are shown in Appendix D of the Financial Strategy.
7. One-off costs will be incurred to implement the Restructure of the Council to meet the savings required for 2011/12. A provision has been included in the budget for the granting of Business Rates Hardship Relief under the Council's scheme.
8. The capital charges for the write-down of depreciation for fixed assets and the amortisation of intangible assets are notional. A contra credit entry is shown in the capital adjustment account under General Financial Provisions (line 14) to make neutral the effect on local taxation.
9. The main funding stream for the Capital Programme for 2009/10 is from the Council's Capital Fund. The financing strategy for 2010/11 will be to use the Council's balance of capital receipts from the sale of assets.

# **SERVICE UNITS**

## SERVICE UNITS HOLDING ACCOUNTS

### SUMMARY OF NET EXPENDITURE

Service Units	Employees £	Running Expenses £	Support Services £	Capital Financing Costs £	Income £	2010/11 Original Estimate £
<b>SUPPORT SERVICE UNITS</b>						
Corporate Management Team & Support	378,820	101,760	57,480	-	-	538,060
Legal Services	183,730	53,040	37,330	-	-10,880	263,220
Transformation	208,030	58,960	48,440	-	-	315,430
Finance & Revenue Services	640,540	126,130	95,600	-	-11,070	851,200
Customer Services & Benefits	687,310	146,220	121,800	-	-1,000	954,330
Human Resources	178,020	35,770	39,220	-	-3,060	249,950
ICT Services	238,720	-	-	-	-	238,720
<b>Total</b>	<b>2,515,170</b>	<b>521,880</b>	<b>399,870</b>	<b>0</b>	<b>-26,010</b>	<b>3,410,910</b>
<b>DIRECT SERVICE UNITS</b>						
Facilities & Emergency Planning	239,530	53,430	103,960	1,730	-	398,650
Democratic Services	155,980	36,920	78,040	-	-720	270,220
Economic & Community Services	541,370	88,790	123,820	-	-	753,980
Housing Services	452,930	83,840	109,710	-	-	646,480
Development	603,180	101,860	135,940	3,700	-1,050	843,630
Forward Planning	356,870	55,040	91,830	-	-	503,740
Streetscene - Admin	450,080	124,530	179,900	5,990	-	760,500
Streetscene - Operational	1,258,580	52,750	-	-	-	1,311,330
Health & Environment	559,240	76,130	124,050	4,620	-	764,040
<b>Total</b>	<b>4,617,760</b>	<b>673,290</b>	<b>947,250</b>	<b>16,040</b>	<b>-1,770</b>	<b>6,252,570</b>
<b>NET EXPENDITURE</b>	<b>7,132,930</b>	<b>1,195,170</b>	<b>1,347,120</b>	<b>16,040</b>	<b>-27,780</b>	<b>9,663,480</b>

### NOTES

These estimates provide for the cost of employees, office equipment and accommodation and other technical and support service costs for all Service Units (SUs). Costs directly associated with Council Services are charged straight to the appropriate service head. SUs are categorised as either those that include a support service role (Support Service Units) or those that provide direct services only (Direct Service Units).

**SERVICE UNITS HOLDING ACCOUNTS**

**SUMMARY OF CHARGES TO SERVICE USERS**

<b>Service Units</b>	<b>General Fund Services</b>	<b>Holding Accounts</b>	<b>Service Units</b>	<b>Other Accounts</b>	<b>2010/11 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>SUPPORT SERVICE UNITS</b>					
Corporate Management Team & Support	325,460	2,660	209,940	-	538,060
Legal Services	70,190	-	193,030	-	263,220
Transformation	169,760	2,560	143,110	-	315,430
Finance & Revenue Services	597,550	16,800	236,850	-	851,200
Customer Services & Benefits	792,950	81,570	79,810	-	954,330
Human Resources	36,430	13,860	199,660	-	249,950
ICT Services	-	234,670	4,050	-	238,720
<b>Total</b>	<b>1,992,340</b>	<b>352,120</b>	<b>1,066,450</b>	<b>0</b>	<b>3,410,910</b>
<b>DIRECT SERVICE UNITS</b>					
Facilities & Emergency Planning	284,620	77,400	-	36,630	398,650
Democratic Services	270,220	-	-	-	270,220
Economic & Community Services	726,290	-	-	27,690	753,980
Housing Services	646,480	-	-	-	646,480
Development	843,630	-	-	-	843,630
Forward Planning	503,740	-	-	-	503,740
Streetscene - Admin	647,860	112,640	-	-	760,500
Streetscene - Operational	1,209,780	101,550	-	-	1,311,330
Health & Environment	764,040	-	-	-	764,040
<b>Total</b>	<b>5,896,660</b>	<b>291,590</b>	<b>0</b>	<b>64,320</b>	<b>6,252,570</b>
<b>NET EXPENDITURE</b>	<b>7,889,000</b>	<b>643,710</b>	<b>1,066,450</b>	<b>64,320</b>	<b>9,663,480</b>

**PARISH & TOWN  
COUNCILS  
PRECEPT REQUIREMENTS**

**PARISH & TOWN COUNCILS PRECEPT REQUIREMENTS 2010/11**

<b>Parish/Town</b>	<b>Number of Band D Equivalents</b>	<b>Precept Requirement £</b>	<b>£ per Band D Equivalent</b>
Acklam	71.85	2,000	27.84
Aislaby, Middleton & Wrelton	313.45	2,300	7.34
Allerston & Wilton	197.87	1,500	7.58
Amotherby	150.60	2,700	17.93
Ampleforth	360.95	14,500	40.17
Appleton-le-Moors	95.35	1,800	18.88
Appleton-le-Street	54.14	-	-
Barton-le-Street	82.25	700	8.51
Barton-le-Willows	90.73	900	9.92
Barughs Ambo	89.20	100	1.12
Beadlam	101.75	1,700	16.71
Birdsall	81.03	100	1.23
Bransdale	29.50	-	-
Brawby	63.79	-	-
Broughton	80.47	-	-
Bulmer	96.08	1,400	14.57
Burythorpe	116.23	1,900	16.35
Buttercrambe	40.68	-	-
Byland with Wass & Oldstead	115.12	1,450	12.60
Cawton, Coulton & Grimstone	95.61	447	4.68
Claxton & Sand Hutton	204.52	3,950	19.31
Cold Kirby	49.42	-	-
Coneythorpe	41.53	-	-
Cropton	114.17	828	7.25
Ebberston & Yedingham	253.94	3,200	12.60
Edstone	60.20	-	-
Fadmoor	54.02	-	-
Farndale East	46.93	350	7.46
Farndale West	47.58	-	-
Flaxton	153.34	2,500	16.30
Foston & Thornton-le-Clay	128.02	1,000	7.81
Foxholes with Butterwick	89.58	2,600	29.02
Ganton with Potter Brompton	91.74	2,000	21.80
Gate Helmsley & Upper Helmsley	143.73	1,900	13.22
Gillamoor	69.25	500	7.22
Gilling East	102.11	1,403	13.74
Habton	133.49	400	3.00
Harome	119.77	2,500	20.87
Hartoft	31.27	-	-
Harton	37.54	-	-
Hawnby	89.68	600	6.69
Helmsley	734.12	48,500	66.07

**PARISH & TOWN COUNCILS PRECEPT REQUIREMENTS 2010/11 (CONTINUED)**

<b>Parish/Town</b>	<b>Number of Band D Equivalents</b>	<b>Precept Requirement £</b>	<b>£ per Band D Equivalent</b>
Henderskelfe	25.45	-	-
Heslerton	162.79	3,060	18.80
Hovingham & Scackleton	230.71	3,086	13.38
Howsham	62.83	-	-
Hutton-le-Hole	94.31	2,000	21.21
Huttons Ambo	127.40	2,000	15.70
Kirbygrindalythe	118.66	1,000	8.43
Kirby Misperton	136.26	1,600	11.74
Kirkbymoorside	1,219.40	98,000	80.37
Langton	42.22	-	-
Lastingham	63.34	200	3.16
Leavening	140.22	1,200	8.56
Levisham	50.24	-	-
Lillings Ambo	75.80	200	2.64
Lockton	126.17	1,750	13.87
Luttons	159.20	375	2.36
Malton	1,855.42	82,340	44.38
Marishes	56.46	-	-
Marton	98.81	420	4.25
Nawton	251.97	5,000	19.84
Newton-on-Rawcliffe & Stape	125.63	2,000	15.92
Normanby	67.67	205	3.03
Norton	2,445.15	96,000	39.26
Nunnington	123.31	850	6.89
Old Byland & Scawton	72.54	-	-
Oswaldkirk	126.03	1,122	8.90
Pickering	2,686.54	119,000	44.29
Pockley	42.91	-	-
Rievaulx	40.44	300	7.42
Rillington	410.77	13,000	31.65
Rosedale East & West	173.63	4,070	23.44
Salton	36.11	-	-
Scagglethorpe	99.45	1,379	13.87
Scampston with East & West Knapton	130.37	1,750	13.42
Scrayingham with Leppington	80.07	1,228	15.34
Settrington	145.51	3,250	22.34
Sherburn	293.13	11,110	37.90
Sheriff Hutton with Cornborough	448.41	14,188	31.64
Sinnington	146.11	1,100	7.53

**PARISH & TOWN COUNCILS PRECEPT REQUIREMENTS 2010/11 (CONTINUED)**

Parish/Town	Number of Band D Equivalents	Precept Requirement £	£ per Band D Equivalent
Slingsby	260.18	5,105	19.62
Southolme & Fryton	35.65	515	14.45
Spaunton	35.49	-	-
Sproxtun	57.48	-	-
Stonegrave	44.30	-	-
Swinton	209.65	2,650	12.64
Terrington	239.69	2,935	12.24
Thixendale	77.84	700	8.99
Thornton-le-Dale	812.60	21,165	26.05
Thorpe Bassett	48.64	200	4.11
Warthill	115.74	600	5.18
Weaverthorpe	124.15	4,000	32.22
Welburn (Kirkbymoorside)	34.87	-	-
Welburn (Malton)	223.24	4,000	17.92
Westow	145.56	1,650	11.34
Wharram	42.47	-	-
Whitwell-on-the-Hill & Crambe	97.89	400	4.09
Willerby & Staxton	237.07	7,000	29.53
Wintringham	77.45	3,500	45.19
Wombledon	158.03	5,549	35.11
Council Tax Base	20,992.03		
Aggregate of Parish Requirements		638,480	