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26 January 2011

**SPECIAL POLICY AND RESOURCES COMMITTEE (BUDGET)**

Thursday 3 February 2011 at 6.30 pm  
Council Chamber, Ryedale House, Malton

**ALL MEMBERS OF THE COUNCIL ARE INVITED TO ATTEND THE MEETING**

**Agenda**

**1 Emergency Evacuation Procedure**

The Chairman to inform Members of the Public of the emergency evacuation procedure.

**2 Apologies for absence**

**3 Urgent Business**

To receive notice of any urgent business which the Chairman considers should be dealt with at the meeting as a matter of urgency by virtue of Section 100B(4)(b) of the Local Government Act 1972.

**4 Declarations of Interest**

Members to indicate whether they will be declaring any interests under the Code of Conduct.

Members making a declaration of interest at a meeting of a Committee or Council are required to disclose the existence and nature of that interest. This requirement is not discharged by merely declaring a personal interest without further explanation.

**PART 'B' ITEM - MATTERS REFERRED TO COUNCIL**

**5 Financial Strategy 2011/2012**

(Pages 1 - 40)

**6 Any other business that the Chairman decides is urgent.**

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<b>PART B:</b>	<b>RECOMMENDATIONS TO COUNCIL</b>
<b>REPORT TO:</b>	<b>POLICY AND RESOURCES COMMITTEE</b>
<b>DATE:</b>	<b>3 FEBRUARY 2011</b>
<b>REPORT OF THE:</b>	<b>CORPORATE DIRECTOR (s151) PAUL CRESSWELL</b>
<b>TITLE OF REPORT:</b>	<b>FINANCIAL STRATEGY 2011/2012</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

- 1.1 The report sets out the budget for 2011/12, a proposed Council Tax level, the Financial Strategy, details of balances and reserves and the indicators under the Prudential Code for capital finance as required by the Local Government Act 2003.

### **2.0 RECOMMENDATIONS**

- 2.1 That Council is recommended to approve:
- (i) the Council's Financial Strategy (Annex A) which includes:
    - a. The prudential indicators
    - b. The revised capital programme
    - c. Savings/additional income totalling £1,127k
    - d. Investment in Priorities of £80k;
  - (ii) a Revenue Budget for 2011/2012 of £7,340,470 which represents no increase in the Ryedale District Council Tax of £176.72 for a Band D property (note that total Council Tax, Including the County Council, Fire and Police is covered within the separate Council Tax setting report to Full Council);
  - (iii) approve the special expenses amounting to £48,230; and
  - (iv) members note the financial projections for 2012/2013 and authorise officers to continue to maximise efficiencies through service reviews, income generation and shared services.

### **3.0 REASON FOR RECOMMENDATIONS**

- 3.1 To agree a balanced revenue budget for submission to Council for the financial year 2011/2012, and prepare the Council to deliver the same in 2012/2013 with minimum cuts to services.

#### **4.0 SIGNIFICANT RISKS**

- 4.1 Section 9 of the Financial Strategy outlines the significant risks in the Council's finances and mitigating controls.

### **REPORT**

#### **5.0 BACKGROUND AND INTRODUCTION**

- 5.1 This committee at its meeting on the 30 September 2010 recommended to Full Council the budget strategy with the following parameters:

- (i) Proposals be brought forward for a 2.5% increase in Council tax;
- (ii) Increases in fees and charges to be 3.5% to 4.5% on a cost centre heading basis excluding VAT and only those charges officers recommend above or below this figure to be considered by the relevant policy committee; and
- (iii) Efficiencies to be maximised and identified together with any potential cuts required to services once the draft grant settlement is announced in November/December. These proposals will be considered by the Resources Working Party.

- 5.2 This was subsequently approved at Full Council on the 4 November 2010.

- 5.3 Details of the action taken and savings proposals have been presented to the members through the Resources Working Party on the 23 November 2010, 11 January 2011 and at the Budget Briefing on the 19 January 2011.

#### **6.0 POLICY CONTEXT**

- 6.1 The Financial Strategy is a key strategy document that affects all service delivery. It links to the Corporate Plan and all other strategic plans as well as providing the means for attaining the Council's objectives and priorities.

- 6.2 The Policy and Resources Committee is the Committee designated to make recommendations to the Council relating to the budget and levels of Council Tax. Consequently, recommendations from this Committee will inform the Council and subsequently the Council Tax resolution.

#### **7.0 CONSULTATION**

- 7.1 Budget consultation with the public has taken place through the Budget simulator. Member consultation has been through the member briefing. Summary results of the public budget consultation are attached at annex B and can be seen on the Council's web site at:  
[http://www.ryedale.gov.uk/council\\_and\\_democracy/consultations.aspx](http://www.ryedale.gov.uk/council_and_democracy/consultations.aspx).

#### **8.0 REPORT DETAILS**

- 8.1 The Financial Strategy sets out the Council's financial position in the medium term in detail, including issues around the Local Government Finance Settlement and

efficiencies as well as the principles and procedures adopted by the Council to manage its finances to a high standard.

8.2 Monitoring of the 2010/2011 budget has taken place through the group leaders, Resources Working Party and this Committee who received Revenue Budget Monitoring reports.

8.3 Annex C provides a variance analysis summary of the 2010/2011 budget to the 2011/2012 budget.

#### **Budget and Council Tax for 2011/12**

8.4 Budgets have been drafted in line with Service Delivery Plans and the Budget Strategy. The following budget assumptions have been made in preparing the budget:

- General Inflation 3% plus committed
- Pay Inflation 0% (provision for £250 for those earning under £21k p.a.)
- Council Tax 0%
- Fees and Charges 3.5% to 4.5% (with exceptions considered by Commissioning Board and Council)

8.5 The Financial Strategy appendix A highlights the significant financial pressures, totalling £113k which have had to be accommodated in preparing the budget. This figure is below previous years and has been subject to significant officer analysis.

8.6 Members will be aware of the impact of the spending review on the Council's government grant which has seen a 15.8% reduction for 2011/2012 and 12.8% in 2012/2013. The following table summarises the impact of the draft announcement on the grant:

2010/2011 Grant Received	£4,520k
Adjusted 2010/2011 Grant *	£4,243k
2011/2012 Grant	£3,573k
2012/2013 Grant	£3,115k

\*adjusted for the transfer of responsibility for concessionary fares from District Councils to County Councils in two tier areas and other formula changes.

8.7 The transfer of responsibility for concessionary fares from District Councils to County Councils in two tier areas was a significant issue. Several exemplifications were provided in 2009 which predicted a significant adverse impact on the Council over and above the current net service cost. During a DCLG consultation exercise on potential formula changes in 2010 a further 40 plus exemplifications were provided, again which were not beneficial to RDC. The final option chosen removed current net spend and the specific grant funding. Whilst also removing Council funding for discretionary elements of the scheme overall the result of the transfer was better than had been expected.

8.8 Officers launched the one-11 efficiency programme in October 2009. This followed a series of staff presentations and a member briefing. At that time the estimate was that £1m needed to be saved from the Council's budget to balance the 2011/2012 budget. Savings of that magnitude were well above the Council's usual savings requirement and Gershon efficiency target of £300k.

- 8.9 The one-11 Corporate Efficiency Programme contained a number of elements including:
- Voluntary Redundancy – 20 employees will have left RDC during 2010/2011
  - Service Reviews – several completed during 2010/2011
  - Root and Branch Review – Line by line analysis of existing budgets
  - Additional Income – Explore any additional income sources
  - Review other potential savings
- 8.10 The fundamental criteria in implementing the one-11 programme was to identify cashable efficiencies, that is delivering the same or improved services at a lower cost.
- 8.11 The balanced budget as presented includes only one service cut, the cessation of Ryedale News, which saves £12k. This saving reflects the responses to budget consultation as well as national coverage around free Council newsletters. Officers will continue to mitigate the impact of this cut through use of the Council website, press releases and other publications from the Council to residents.
- 8.12 During 2010/2011 the pension fund underwent its triennial review. The proposals from the administrators North Yorkshire County Council in conjunction with Actuary provide a number of options for individual Authority members. The budget proposed is based on a deficit recovery of 30 years with additional investment returns anticipated. This decision carries risk of higher future increases in contributions at future revaluations. This of course depends on investment performance and any changes which may be made to the scheme and benefits through the ongoing national review.
- 8.13 As part of the spending review the government announced details of the Council Tax Freeze Grant. Authorities which have no increase in Council Tax in 2011/2012 will receive a grant equivalent to 2.5% of Council Tax (£93k in Ryedale's case). The indications in the spending review announcement were that this would be payable for 4 years so that the effect of the grant would not merely be to delay savings required to future years. The government own predictions for council tax increases implicit in the CSR10 announcement are that council tax in the subsequent three years will rise by around 2.5% each year. This level of increase is built into the Medium Term Financial Plan projections.
- 8.14 Given the significant efficiencies already within the proposed budget and Financial Strategy it will be difficult to identify additional robust deliverable efficiency savings for the 2010/2011 budget. Therefore any proposals for additional expenditure will necessitate cuts to existing services.

**Capital Programme**

- 8.15 The Financial Strategy provides a detailed breakdown of the Council's Capital Programme up to 2014/2015 totalling £14.216m. External funding of £2.150m is included, leaving a balance of £12.066m to be financed by the Council's funds and reserves as follows:

Funding Source	£
Capital Fund	4,727k
Capital Receipts	5,269k
Borrowing	2,070k
	12,066k

- 8.16 The principle of the capital plan is that only those schemes which are fully worked up, evaluated and approved by members and as such would not require further member approval to proceed (other than in meeting constitutional requirements) are within the Capital Programme.
- 8.17 Members will note that unallocated capital resources are now identified as £150k. In the absence of significant capital receipts further major capital schemes will not be possible without either removal and/or reduction in existing capital schemes. Given the financial projections and CSR10 announcement further borrowing will not be recommended as affordable and therefore not in line with the prudential code.

### **Special Expenses**

- 8.18 As in previous years, the Council undertakes the management of street lighting in the areas of the former Malton and Norton Urban District Councils and Pickering Rural District Council. Those parishes without street lighting in the former Pickering Rural District Council areas have now been removed from the charges. The special expenses are a specific charge to the Parishes concerned and are estimated as follows:-

<b><u>Town/Parish</u></b>	<b>£</b>
Malton	5,370
Norton	13,920
Pickering Rural	<u>28,940</u>
<b>TOTAL SPECIAL EXPENSES</b>	<b><u>48,230</u></b>

### **National Non-Domestic Rates (NNDR)**

- 8.19 For 2010/11 the NNDR multipliers are: a small business non-domestic rate multiplier of 40.7p and a non-domestic rate multiplier of 41.4p. For 2011/12 the draft multipliers are 42.6p and 43.3p respectively.
- 8.20 It is proposed to consult business ratepayers on the budget by letter only unless individual ratepayers wish to discuss specific issues.

### **Prudential Code**

- 8.21 Under the Local Government Act 2003 it is necessary for the Council to agree a series of prudential indicators mainly related to capital but taking account of affordability of the revenue consequences. Appendix B of the Financial Strategy lists the various indicators.
- 8.22 These indicators can be amended during the year if they are found to be inadequate.

### **Funds & Reserves**

- 8.23 As part of the budget setting process, it is necessary to give Members an indication of the levels of reserves and balances and comment thereon. Appendix C in the Financial Strategy sets out the projected major Funds and Reserve balances.
- 8.24 The Council's revenue budget for 2010/2011 assumes a £100k draw on the General Reserve to support the budget. It is proposed that for 2011/2012 this is increased to £193k to reflect the council tax freeze grant.
- 8.25 No other significant changes to the reserves, other than through capital expenditure, are proposed this year.

### **The 2012/2013 Budget Strategy**

- 8.26 The two year settlement announcement in CSR10 is welcomed and allows the Council to forward plan the 2012/2013 budget with more certainty. It is hoped that announcement for subsequent years are made with good notice.
- 8.27 The Medium Term Revenue Forecast in the attached financial strategy predicts a savings requirement to balance the 2012/2013 budget of approximately £700k based on the draft Government announcement. Members will receive the final details as part of the Council meeting on the 21 February 2011.
- 8.28 Whilst on paper lower than the efficiency savings achieved in the current year, achieving savings from services becomes incrementally harder and the reduced financial base of the Authority means that the challenge is of equal if not greater difficulty than 2011/2012.
- 8.29 Service Reviews will continue in 2011/2012 with the primary services to be reviewed being support services (including Legal, Finance, ICT, Human Resources) and Streetscene services.
- 8.30 Ryedale has made significant savings through its existing shared services, the North Yorkshire Audit Partnership and North Yorkshire Building Control Partnership both of which are hosted by Ryedale. The Council has also received more comprehensive services from these partnerships than it could deliver through its own resources.
- 8.31 Such shared services with other Local Authorities enables the Council to exercise control over service delivery, maintain appropriate governance, ensure greater resilience as well as protect the employees involved in the services and importantly make efficiency savings.
- 8.32 Given this proven track record officers propose to explore further shared services opportunities, particularly in relation to 'back office' support services in order to identify savings which can reduce the need to make service cuts. All proposals will be subject to a properly evaluated comprehensive business case.
- 8.33 The scale of many Ryedale back office services limits the ability to make significant efficiency savings. If the Council chooses not take any opportunities for shared services savings the need to either reduce service levels and/or cut services will increase significantly.

### **Local Government Act 2003 – Section 25 Report**

Section 25 of the Local Government Act 2003 requires the Chief Finance Officer (Section 151 Officer) to report to the Authority when it is making the statutory calculations required to determine its Council tax or precept. The Authority is required to take the report into account when making the calculations. The report must deal with the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides.

What is required is the professional advice of the Chief Finance Officer on these two questions. Both are connected with matters of risk and uncertainty. They are interdependent and need to be considered together. In particular, decisions on the



appropriate level of reserves should be guided by advice based on an assessment of all the circumstances considered likely to affect the Authority.

In each Local Authority the Chief Finance Officer alone must prepare the Section 25 report.

Section 25 requires the report to be made to the Authority when the decisions on the calculations are formally being made (i.e. Council). However, those decisions are the conclusion of a process involving consideration of the draft budget by various parts of the organisation, including the member committees and officers. During this process appropriate information and advice has been given at the earlier stages on what would be required to enable a positive opinion to be given in the formal report.

ODPM guidance states that *“it should be possible to identify the sections of a composite report that are made under section 25, so that the Authority is able to discharge its duty to take account of the statutory report under section 25 (2).”*

### **Section 25 Report (Report of the Chief Finance Officer – Corporate Director (s151))**

In setting the Revenue budget for 2011/12 **I consider that the proposed budget is robust, and reflects a realistic and prudent view of all anticipated expenditure and income.**

The total savings proposals are £1,127k. This level is significantly above any other years savings achieved by this Authority and therefore inherently carries an increased risk. 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. Most savings have been identified through the one-11 programme. As a result many are considered low risk in that several months planning and lead in to the 2011/2012 budget has been possible to embed procedures to secure the savings. However, there inevitably remains a risk in delivering on this level of efficiency savings and there is always potential for delay in achieving savings. Where this occurs, compensating savings will need to be identified. Assumptions are within the 2011/2012 budget that the 3 month moratorium £58k will be delivered.

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.

The Capital Plan and Capital Programme has been regularly reviewed during the year. As a result of the inclusion of several new schemes this year, unallocated capital resources are relatively low and may limit the scope for new schemes until significant capital receipts are received. 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, Trade Waste, Car Parking and Planning to enable action to be taken in year where necessary.

## 9.0 IMPLICATIONS

9.1 The following implications have been identified:

- a) Financial  
Significant financial implications on the Council are detailed in the report and the Financial Strategy.
- b) Legal  
There are no additional legal issues on the Council from the recommendations.
- c) Other  
The proposals within the financial Strategy do impact on the staffing resources of the Authority. Appropriate procedures and plans are in place to manage these issues.

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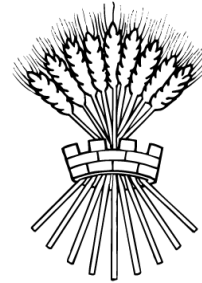
**Background Papers:**

None

**Background Papers are available for inspection at:**

N/a

RYEDALE  
DISTRICT  
COUNCIL



# FINANCIAL STRATEGY

2011 - 2015

# **FINANCIAL STRATEGY**

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### **Main Report**

1. Purpose and Scope
2. Objectives of the Financial Strategy
3. The Current Financial Position
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5. The Revenue Plan 2011 – 2015
6. Development of the Financial Strategy
7. The Capital Plans 2011 – 2015
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**Appendix A:** 2011/2012 Revenue Budget Pressures and Savings

**Appendix B:** Prudential Indicators

**Appendix C:** Reserves and Balances

**Appendix D:** Capital Programme 2011 – 2015

## **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 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.

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 the 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 2010/11 totals £8.280m 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	8,608	9,535	(927)
Cultural & Related Services	3,821	54	3,767
Environmental & Regulatory Services	4,279	1,570	2,709
Planning & Development Services	2,446	998	1,448
Highways & Transport Services	903	1,066	(163)
Housing Services	12,389	11,131	1,258
	32,446	24,354	8,092
General Fund Reserve			(100)
Other Financial Adjustments			288
<b>Net Revenue Budget</b>			<b>8,280</b>
Financed By:			
Government Formula Grant			4,520
Collection Fund Surplus			50
Ryedale District Council Precept			3,710
<b>Total</b>			<b>8,280</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 2011/2012 budget.

Council Tax pays for 51% of the Council's revenue spending. With 49% of the Council's resources come from central government, the financial strategy is to some extent shaped by factors outside the Council's 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:**

**Revenue Support Grant and Capital Financing Settlements-** In December 2010 Government announced the outcome of its Comprehensive Spending Review 2010 (CSR10) a draft 2 year financial settlement for Local Government covering 2011/2012 and 2012/2013. Whilst the Council has previously seen and supported 3-year finance settlements with the current state of national public spending the two year announcement is welcomed. The Council will support lobbying for early announcements of future years. 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.

***Public Spending Plans and National Priorities*** - It is clear from CSR10 that the Authority will see several years of reducing Government grant support. Public services are however under increased pressure from their customers for improved service provision. In addition new legislation proposals may create burdens as well as opportunities for the Council. This financial strategy seeks to ensure national priorities are considered alongside local priorities.

### **Efficiencies**

The requirement to formally record and report efficiencies has now been removed however the achievement of efficiencies will be essential to balancing the Council's budget with minimal impact to front line services with the likely levels of government Grant support.

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, with the continuation of the One-11 programme, will be an essential tool in delivering savings to meet the target and to finance other services within the Authority.

### **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 Councils 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. In addition the national review of public sector pensions being



undertaken by Lord Hutton could impact on future costs facing the Council. The next review will take place during 2013/2014 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

Changes to the above will take place in 2011/2012 with both the North Yorkshire Concessionary Fares Partnership and Moors and Coast Tourism Partnership both ending. Further partnership working maybe sought to secure efficiency savings in future years. Proper governance and security of Council finances will be an important consideration of any such proposals.

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.**

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 and One-11 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 plans following external inspection
- 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 2011-2015**

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. 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 49% 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 2 years starting in 2011/12.

The 2-year finance settlement for the Council identified grant reductions of 15.8% in 2011/2012 and 12.8% reduction in 2012/2013. Proposals beyond this are not known, however predictions are that funding support will continue to be cut.

### ***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 proposed Council Tax increase for 2011/12 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 0% has been included for 2011/12, however provision for a pay rise of £250 for all those earning under £21,000 has been provided in line with Government recommendations. Future years are 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 changes 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

2014/15 - £100,000

In 2011/2012 this provision has been allocated to the extension of plastics recycling and revenue subsidy for the Malton Sports Centre with the remainder to meet unavoidable cost pressures.

Provision is included for years 2012 onwards, to recognise the likelihood of additional burdens/pressures upon the Council.

### ***Efficiency savings***

The Council no longer has efficiency targets set by Government, which are now abolished. The Budget for 2011/2012 includes estimated efficiency and other savings of £1,127k. These have been primarily delivered through the Corporate Efficiency Programme – the One-11 programme.

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, shared services, procurement, trusts and streamlining services.

### ***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 Delivery 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 grants, with other external grants and contributions sought. Council funding in the form of capital receipts, use of reserves, borrowing 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 other than through the sale of Wentworth Street Car Park, approved in November 2010.

### ***(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 B.

#### ***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 D. The programme is split into six sections:

- Asset Management
- Priority Aims
- Major Schemes
- Externally Funded Schemes
- 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 C 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. In addition to the Corporate Risk Register 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 2011/12 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 and review 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 base 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	Major	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	Medium
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 ongoing consultation processes.	Not Likely	Minor
Decision on Pension fund contribution rates create future significant cost pressure	Additional savings/cuts to services required in future years	Likely	Major	Market interest rates and investment returns are expected to improve. National review of Pension scheme could alter benefits and Authority contributions. Next triennial review will take place in potentially improved situation for Grant settlements	Likely/not Likely	Medium

## **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

### 2011/2012 Budget Pressures

		£'000
Local Authority Business Growth Incentive (LABGI)	Cessation of government grant scheme	20
HB/CTB Admin Grant	Reduction in government grant to administer housing benefit and council tax benefit claims	15
Area Based Grant	Net effect of reduction in government grant	8
Car Parks	Loss of ticket and permit income	27
Trade Waste	Reduction in number of contracts	25
Land Charges	Reduction in income	18
<b>Total</b>		<b>113</b>

### 2011/2012 Meeting Priorities

		£'000
Malton Dry Sports Centre	Provision for maximum contribution to running costs of the centre	50
Plastics and Cardboard Recycling	Rollout of kerbside collection district wide during the year	30
<b>Total</b>		<b>80</b>

### 2011/2012 Savings Proposals

Proposal	Savings £'000	Risk L/M/H
<b>Efficiency &amp; Budget Reduction Savings</b>		
One-11 Programme Salary Savings	505	L
One-11 Root and Branch Budget Review -	100	L
External Audit Fees	30	M
Housing Strategy	20	L
Risk Management	10	L
Business Rate Hardship Relief	10	L
Fund Manager Fees	5	L
<b>Income Generation</b>		
Development Control Fees	50	M
Street Naming	25	L
<b>Transfer of Responsibility</b>		
Concessionary Fares	240	L
<b>Other Savings</b>		
Pay Award 2009/2010 (zero)	70	L
Restructure Provision	50	L
<b>Service Cuts</b>		
Distribution of Ryedale news	12	L
<b>Total of Savings</b>	<b>1,127</b>	

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

The actual capital expenditure that was incurred in 2009/10 and the estimates of capital expenditure to be incurred for the current and future years that are recommended for approval are:

	2009-10 Actual £'000	2010-11 Forecast £'000	2011-12 Estimate £'000	2012-13 Estimate £'000	2013-14 Estimate £'000
Total Capital Programme	1,589	4,629	5,802	2,425	680

**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 2009/10 are:

	2009-10 Actual	2010-11 Forecast	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate
Estimate of ratio of financing costs to net revenue stream	-3.05%	-1.35%	-1.50%	-1.21%	-1.71%

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 2010 are:

2009-10 Actual £'000	2010-11 Forecast £'000	2011-12 Estimate £'000	2012-13 Estimate £'000	2013-14 Estimate £'000
0	0	910	2,051	2,008

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 2009/10, 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.

	2010-11 £'000	2011-12 £'000	2012-13 £'000	2013-14 £'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.

	2010-11 £'000	2011-12 £'000	2012-13 £'000	2013-14 £'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 2010 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 2011/12 (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	2011/12 £6.99	2012/13 £10.85	2013/14 £12.76
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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 C**

**Key Reserves and Balances**

	<b>General Reserve</b>	<b>Capital Fund</b>	<b>Capital Receipts</b>	<b>Capital Grants &amp; Conts</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Balance as at 1 April 2010</b>	<b>632</b>	<b>3,524</b>	<b>5,155</b>	<b>-</b>	<b>9,311</b>
<b>Add</b>					
Estimated Income During Year:					
Contribution from General Fund	-	53	-	-	53
Interest on Investment of Balances	-	130	-	-	130
Capital Receipts	-	-	20	-	20
Capital Grants & Contributions	-	-	-	736	736
	<b>632</b>	<b>3,707</b>	<b>5,175</b>	<b>736</b>	<b>10,250</b>
<b>Deduct</b>					
Estimated Expenditure During Year:					
Transfer to General Fund	-85	-	-	-	-85
Capital Expenditure	-	-968	-2,925	-736	-4,629
<b>Estimated Balance 31 March 2011</b>	<b>547</b>	<b>2,739</b>	<b>2,250</b>	<b>-</b>	<b>5,536</b>
<b>Add</b>					
Estimated Income During Year:					
Contribution from General Fund	-	75	-	-	75
Interest on Investment of Balances	-	120	-	-	120
Capital Receipts	-	-	50	-	50
Capital Grants & Contributions	-	-	-	829	829
	<b>547</b>	<b>2,934</b>	<b>2,300</b>	<b>829</b>	<b>6,610</b>
<b>Deduct</b>					
Estimated Expenditure During Year:					
Transfer to General Fund	-193	-	-	-	-193
Capital Expenditure	-	-1,869	-2,194	-829	-4,892
<b>Estimated Balance 31 March 2012</b>	<b>354</b>	<b>1,065</b>	<b>106</b>	<b>-</b>	<b>1,525</b>
<b>Add</b>					
Estimated Income During Year:					
Contribution from General Fund	-	75	-	-	75
Interest on Investment of Balances	-	160	-	-	160
Capital Receipts	-	-	50	-	50
Capital Grants & Contributions	-	-	-	195	195
	<b>354</b>	<b>1,300</b>	<b>156</b>	<b>195</b>	<b>2,005</b>
<b>Deduct</b>					
Estimated Expenditure During Year:					
Transfer to General Fund	-	-	-	-	-
Capital Expenditure	-	-1,020	-50	-195	-1,265
<b>Estimated Balance 31 March 2013</b>	<b>354</b>	<b>280</b>	<b>106</b>	<b>-</b>	<b>740</b>
<b>Add</b>					
Estimated Income During Year:					
Contribution from General Fund	-	75	-	-	75
Interest on Investment of Balances	-	280	-	-	280
Capital Receipts	-	-	50	-	50
Capital Grants & Contributions	-	-	-	195	195
	<b>354</b>	<b>635</b>	<b>156</b>	<b>195</b>	<b>1,340</b>
<b>Deduct</b>					
Estimated Expenditure During Year:					
Transfer to General Fund	-	-	-	-	-
Capital Expenditure	-	-435	-50	-195	-680
<b>Estimated Balance 31 March 2014</b>	<b>354</b>	<b>200</b>	<b>106</b>	<b>-</b>	<b>660</b>

RYEDALE DISTRICT COUNCIL - PROPOSED CAPITAL PROGRAMME 2010/11 TO 2014/15

Cttee	Category / Scheme	2010/11 Rev Est £'000	2010/11 to 2014/15					Total Cost £'000	External Funding £'000	Net RDC Cost £'000	Comments	External Funding Assumptions		Revenue Implications													
			Forecast £'000	Estimate £'000	Estimate £'000	Estimate £'000	Estimate £'000					£'000	Comments	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	Comments								
<b>ASSET MANAGEMENT</b>																											
CB	Car Parks Major Repairs	86	86	30	30	0	0	146	0	146	In accordance with Asset Mgt Plan, Hlth & Safety risk	0	0	0	0	0											
CB	Ryedale Pool Major Repairs	40	40	0	0	0	0	40	0	40	In accordance with Asset Mgt Plan, Hlth & Safety risk	0	0	0	0	0											
CB	Vehicle Replacement Programme	170	0	430	0	0	0	430	50	380	Replacement for recycling and grass cutting services	50	NYCC Recycling Reward Grant	0	0	0	0	0	0								
CB	Derwent Pool Remodel Reception	59	59	0	0	0	0	59	0	59	Revenue savings to be secured from reduction in separate office costs	0		-7	-7	-7	-7	-7				Invest to save					
CB	Public Conveniences Refurbishment	89	89	30	0	0	0	119	0	119	Refurbishment of 3 sites	0		0	0	0	0	0									
CB	Wall Repairs Land Castlegate Malton	150	60	90	0	0	0	150	0	150	Repairs to boundary walls	0		0	0	0	0	0									
CB	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									
CB	Equipment for Plastics and Cardboard Recycling	0	0	135	0	0	0	135	0	135	Rollout of fortnightly plastics and cardboard kerbside collection	0		0	30	80	80	80				80	Operational				
P&R	Energy Efficiency Improvements to Council Property	293	100	218	0	0	0	318	0	318	Efficient energy use, reduce pollution	0		0	0	0	0	0									
P&R	Major Repair & Replacement Programme to RDC Property	105	105	15	0	0	0	120	0	120	Planned maintenance programme in accordance with Asset Mgt Plan	0		0	0	0	0	0									
P&R	ICT Strategy Provision	631	631	180	0	0	0	811	97	714	Investment programme aimed at generating revenue efficiency savings	97	DCLG	0	0	0	0	0									
P&R	Property Condition Survey	208	208	125	125	125	125	708	0	708	Programme of minor capital works to property portfolio	0		0	0	0	0	0									
P&R	Ryedale House Public Areas	100	0	100	0	0	0	100	0	100	Minor capital works to Council reception area	0		0	0	0	0	0									
		<b>1,963</b>	<b>1,410</b>	<b>1,353</b>	<b>155</b>	<b>125</b>	<b>125</b>	<b>3,168</b>	<b>147</b>	<b>3,021</b>		<b>147</b>		<b>-7</b>	<b>23</b>	<b>73</b>	<b>73</b>	<b>73</b>				<b>73</b>					
<b>PRIORITY AIMS - HOUSING</b>																											
CB	Aff Hsg Init - Home Repair Loans	160	160	165	170	170	170	835	0	835	Equity loans to applicants	0		0	0	0	0	0									
CB	Aff Hsg Init - HMO Grant	0	0	30	30	30	30	120	0	120	Improvement/repair work to help owners comply with licensing	0		0	0	0	0	0									
CB	Aff Hsg Init - Empty Property Grant	0	0	30	30	30	30	120	0	120	Bring property back into use; tenancy nomination rights	0		0	0	0	0	0									
CB	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									
CB	PS Renewal - Disabled Facilities Grant	357	357	315	325	325	325	1,647	974	673	Improve access to and within properties for people	974	DCLG	0	0	0	0	0									
CB	Mortgage Rescue Scheme	161	0	161	0	0	0	161	0	161	Scheme in partnership with Registered Social Landlord	0		0	0	0	0	0									
		<b>778</b>	<b>617</b>	<b>701</b>	<b>555</b>	<b>555</b>	<b>555</b>	<b>2,983</b>	<b>974</b>	<b>2,009</b>		<b>974</b>		<b>0</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	550	0	0	550	0	0	550	0	550	Provision for contribution to external scheme	0		0	0	0	0	0									
		<b>550</b>	<b>0</b>	<b>0</b>	<b>550</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>0</b>					
<b>MAJOR SCHEMES</b>																											
CB	Dry Sports Centre Malton School	1500	1500	0	0	0	0	1,500	0	1,500	Grant to Malton School for the provision of leisure facilities for community use	0		0	50	50	50	50				50	Operational				
P&R	A64 Brambling Fields Junction Upgrade	420	210	1000	1160	0	0	2,370	300	2,070	Contribute to upgrade for improvement to traffic management in Malton	300	Developer Contributions	0	0	63	145	145				145	Borrowing				
P&R	Purchase of Stanley Harrison House	0	0	1200	0	0	0	1,200	500	700	Accommodation for RCVA, CAB & NYCC functions	500	NYCC	0	0	0	0	0									
		<b>1,920</b>	<b>1,710</b>	<b>2,200</b>	<b>1,160</b>	<b>0</b>	<b>0</b>	<b>5,070</b>	<b>800</b>	<b>4,270</b>		<b>800</b>		<b>0</b>	<b>50</b>	<b>113</b>	<b>195</b>	<b>195</b>				<b>195</b>					
<b>EXTERNALLY FUNDED SCHEMES AT A HIGH RATE</b>																											
CB	Private Sector Housing Grants	229	229	0	0	0	0	229	229	0	Grant to support Energy Efficiency, Decent Homes, Empty Properties	229	100% DCLG	0	0	0	0	0									
		<b>229</b>	<b>229</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>229</b>	<b>229</b>	<b>0</b>		<b>229</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>				<b>0</b>					
<b>OTHER SCHEMES</b>																											
CB	Helmsley Sports	500	0	500	0	0	0	500	0	500	Grant for the redevelopment of existing sports facilities in Helmsley	0		0	0	0	0	0									
CB	Pickering Flood Defence	200	400	400	0	0	0	800	0	800	Major grant contribution to Environment Agency Scheme	0		0	0	0	0	0									
CB	Ryedale Folk Museum	230	0	230	0	0	0	230	0	230	Grant for the purchase & development of building to house Harrison Collection	0		0	0	0	0	0									
CB	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									
CB	Vale of Pickering Channel Management Pilot	15	15	8	5	0	0	28	0	28	Contribution to joint funded project	0		0	0	0	0	0									
CB	Malton Museum Relocation	0	0	60	0	0	0	60	0	60	Contribution to relocate the Malton Museum to the Derwent Fort site	0		0	0	0	0	0									
P&R	Former Town Hall Malton - Roof Repairs	86	86	0	0	0	0	86	0	86	Work required under terms of lease	0		0	0	0	0	0									
P&R	Former Town Hall Malton - Stonework Repairs	52	52	0	0	0	0	52	0	52	Work required under terms of lease	0		0	0	0	0	0									
P&R	Assembly and Milton Rooms - Preservation Works	350	50	300	0	0	0	350	0	350	Work required under terms of lease to prevent further deterioration of building	0		0	0	0	0	0									
P&R	Householder Flood Resistance Grants Scheme	0	0	50	0	0	0	50	0	50	Facilitate small scale works to reduce impact of flooding to households	0		0	0	0	0	0									
		<b>1,493</b>	<b>663</b>	<b>1,548</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>2,216</b>	<b>0</b>	<b>2,216</b>		<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>				<b>0</b>					
<b>TOTAL OF PROPOSED CAPITAL PROGRAMME</b>																											
		<b>6,933</b>	<b>4,629</b>	<b>5,802</b>	<b>2,425</b>	<b>680</b>	<b>680</b>	<b>14,216</b>	<b>2,150</b>	<b>12,066</b>		<b>TOTAL</b>	<b>2,150</b>	<b>TOTAL</b>	<b>-7</b>	<b>73</b>	<b>186</b>	<b>268</b>	<b>268</b>								

CAPITAL RESOURCES AVAILABLE FOR NEW SCHEMES

£150K

CAPITAL INVESTMENT PLAN - POTENTIAL SCHEMES

	Net Cost RDC £'000	Annual Revenue Implications £'000	
P&R Heart of Malton	n/k	0	Includes Milton Rooms, Assembly Rooms, caretaker house and public realm improvements
P&R Provision for an Economic Development Scheme	750	0	Site acquisition & infrastructure works
P&R Regeneration Schemes Pickering / Kirkbymoorside	500	0	Contribution to development & design costs and minor public realm improvements
P&R Livestock Market	1,000	0	Contribution to relocation
P&R Milton Rooms Phase 2	650	0	Work required under terms of lease
CB Relocation of Bridge House	100	0	Contribution to RSL scheme
CB Recreational Open Space Development Phase 2	30	0	Implement further improvements to open space areas
<b>PROVISION FOR INVESTMENT OPPORTUNITIES</b>			
P&R Land and Property Acquisitions	N/A	N/A	Possible acquisitions
CB Environmental Improvement Schemes	N/A	N/A	Mitigation against adverse environmental impact

CAPITAL PROGRAMME 2010/11 TO 2014/15 - SUMMARY OF FUNDING

Source of Funding	2010/11 Rev Est Funding £'000	2010/11 Forecast Funding £'000	2011/12 Estimate Funding £'000	2012/13 Estimate Funding £'000	2013/14 Estimate Funding £'000	2014/15 Estimate Funding £'000	Total Estimate Funding £'000	Scheme
<b>External Grants and Contributions</b>								
Department Constitution & Local Government (DCLG)	200	200	189	195	195	195	974	Private Sector Renewal - Disabled Facilities Grant
Department Constitution & Local Government (DCLG)	229	229	0	0	0	0	229	Private Sector Housing Grant
Department Constitution & Local Government (DCLG)	0	97	0	0	0	0	97	ICT Strategy
North Yorkshire County Council (NYCC)	50	0	550	0	0	0	550	Vehicle replacement programme £50k, Acquisition of Stanley Harrison House Norton £500k
Developers Contributions	0	210	90	0	0	0	300	A64 Brambling Fields Junction Upgrade
<b>Total External Grants and Contributions</b>	<b>479</b>	<b>736</b>	<b>829</b>	<b>195</b>	<b>195</b>	<b>195</b>	<b>2,150</b>	
<b>Ryedale DC Funding of Schemes</b>	<b>6,454</b>	<b>3,893</b>	<b>4,973</b>	<b>2,230</b>	<b>485</b>	<b>485</b>	<b>12,066</b>	

TOTAL FUNDING OF CAPITAL PROGRAMME	6,933	4,629	5,802	2,425	680	680	14,216

# Ryedale District Council - Budget Consultation 2010

## 1. Introduction

The Council has a number of statutory responsibilities to fulfill by engaging with its communities on the setting of the Council Tax and on the Financial Strategy and is considered to be an experienced practitioner in cost effective and innovative community engagement and this has been validated through various external inspections. The recent development of the citizens panel has provided the Council with the capacity to undertake more cost effective and regular engagement activity with and feedback from members of our communities. The Council manages this panel using resources entirely available in-house and is utilized by all of the councils services.

The outcomes we wanted to achieve through the budget consultation this year included:

- For the public understand the technicalities and the choices around budget-setting in an environment of diminishing resources and austerity
- To give people the greatest chance to influence the final decision
- To continue to develop the culture of engaging our communities in strategic policy and budget setting decision making

## 2. Key Findings

The Service areas featuring in the top 5 ranking for the lowest levels of cut were:

- 1 Tackling Crime and Anti-social behaviour
- 1 Waste Collection and Recycling
- 2 Street Cleaning
- 2 Public Conveniences
- 3 Supporting Voluntary and Community Sector
- 3 Homelessness and Housing Options
- 3 Playgrounds and open spaces

And the areas receiving the highest levels of cuts were:

- Supporting democracy
- Communications and information

Service areas most frequently chosen for:

-  Increase in funding = **Tackling crime and Anti Social Behaviour**
-  Decrease in funding = **Communication and Information (on line) and Supporting Democracy (off line)**
-  No change to current level of funding = **Playgrounds and Open Spaces**

These results, along with comments made, tell us that people continue to value the low levels of crime in Ryedale, the lowest in North Yorkshire, a County with one of the lowest crime rates in the Country. There is a strong emphasis expressed for services which maintain the quality of the immediate environment in which people live and that they experience every day. Once the immediate environment is resourced the focus appears to move towards the needs of those who are more vulnerable within our communities, with support for the voluntary and community sector, homelessness and playgrounds and open spaces. The focus for savings is clearly upon the way the council communicates and the way it runs as a local authority.

## 3. Methodology

People could use the online budget simulator to tell us how they think money should be allocated to different council services, whilst making an overall saving of 10% on the Councils total revenue budget of £8million.

The Budget Simulator explained the different services provided by the council and their share of the total budget. Respondents could then select how much they would like to spend on each service by increasing or decreasing the budget of particular services. The budget simulator then told respondents how their choices could impact on services and what it could mean for residents. The simulator required each participant to make a total saving of 10% on the total budget. The simulator was not used to test the tolerance for changes

to the level of Council Tax given the clear policy statements made prior to this exercise by the government in relation to freezing of council tax levels for 2011/12.

174 people responded and we thank them for their views. Submissions could be made online and by returning a paper offline version. These were also available through area offices and on request. The offline submissions were uploaded to the simulator for inclusion in the final results. The results from the budget simulator clearly show where peoples' priorities lie, and this information and the detailed comments submitted, will be used to support the budget decision this year and also to redesign services over the next 12 months, in order to meet the financial challenges facing the council in 2012/13. This report presents the results from this exercise and also findings from previous engagement activities which compliment this particular exercise.

We ran the simulator with a group of 50 business leaders from the tourism sector in Ryedale in a workshop environment and included these results in the final analysis.

The address for this public simulator is [www.budgetsimulator.com/ryedale](http://www.budgetsimulator.com/ryedale) and this will run until April 2011.

### 3. Summary of Results Gathered

Results gathered through the simulator were analysed in two ways:

1. The level of savings selected based on mean values ranked from lowest levels to highest
2. The frequency with which service areas are selected for reduction, increase or no change to the level of spending.

The tables below illustrate the results gathered through the simulator from the different groups.

#### The level of savings selected based on mean values ranked from lowest levels to highest

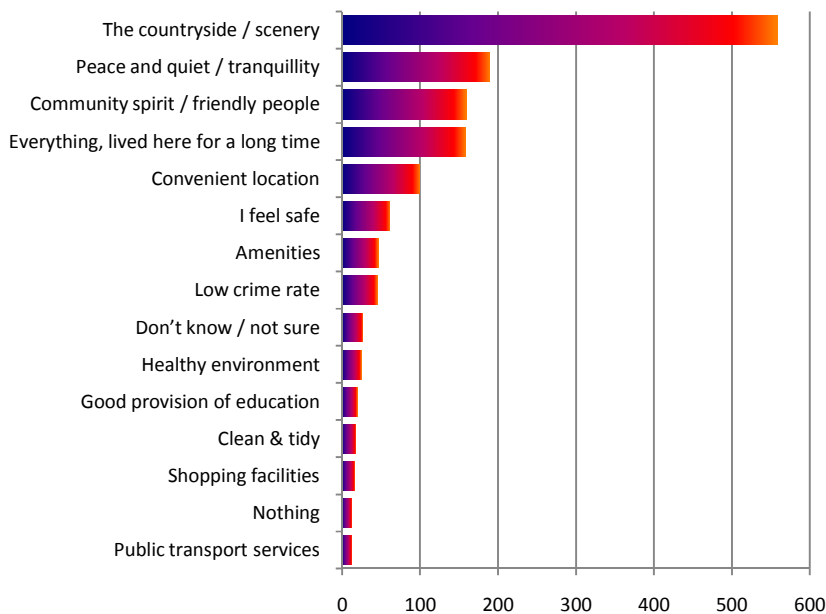
Citizens Panel Online (26)	%	Residents Online (56)	%	Citizens Panel All (118)	%
Tackling Crime and Anti-social behaviour	-2.5	Car Parking	-3.2	Tackling Crime and Anti-social behaviour	2.7
Waste Collection and Recycling	-6	Tackling Crime and Anti-social behaviour	-4.7	Waste Collection and Recycling	0.3
Car Parking	-6	Waste Collection and Recycling	-5.8	Public Conveniences	-0.3
Homelessness and Housing Options	-6.3	Supporting the Voluntary and Community Sector	-5.9	Street Cleaning	-0.9
Street Cleaning	-6.7	Public Conveniences	-6	Playgrounds and open spaces	-1.4
Public Conveniences	-7.1	Homelessness and Housing Options	-6.1	Supporting the local economy	-1.7
Playgrounds and open spaces	-7.3	Supporting the local economy	-7.1	Other Housing Services	-1.9
Environmental Health	-7.3	Street Cleaning	-7.8	Environmental Health	-2.2
Supporting the Voluntary and Community Sector	-7.5	Environmental Health	-8.1	Sport and Leisure	-2.4
Supporting the local economy	-7.5	Housing and Council Tax Benefit	-8.4	Homelessness and Housing Options	-2.6
Other Housing Services	-8.8	Playgrounds and open spaces	-8.8	Car Parking	-2.8
Sport and Leisure	-9.4	Other Housing Services	-9	Housing and Council Tax Benefit	-4.6
Housing and Council Tax Benefit	-10	Planning Policy - LDF	-10.4	Supporting the Voluntary and Community Sector	-4.7
Planning Applications and Development Management	-10.8	Sport and Leisure	-10.6	Planning Policy - LDF	-5.7
Planning Policy - LDF	-11.3	Customer Services	-10.9	Customer Services	-6
Customer Services	-13.5	Development Management	-11.9	Development Management	-6.8
Supporting Democracy	-15.6	Supporting Democracy	-17	Supporting Democracy	-9.1
Communications and Information	-16.7	Communications and Information	-18.7	Communications and Information	-9.7

The Service areas featuring in the top 5 ranking for the lowest levels of cut were:

- 1 Tackling Crime and Anti-social behavior, Waste Collection and Recycling
- 2 Street Cleaning, Public Conveniences
- 3 Supporting Voluntary and Community Sector, Homelessness and Housing Options, Playgrounds and open spaces

These results, along with comments made, tell us that people continue to value the low levels of crime in Ryedale, the lowest in North Yorkshire, a County with one of the lowest crime rates in the Country. Also there is a strong emphasis expressed for services which maintain the quality of the immediate environment in which people live and that they experience every day. Interestingly once their immediate environment is resourced the focus appears to move towards the needs of those who are more vulnerable within our communities, with support for the voluntary and community sector, homelessness and playgrounds and open spaces.

**What do you like best about living in Ryedale?**



This is supported by the results of one of the first questions asked of all 1100 members of the citizens panel upon recruitment in July 2010, the results of which are illustrated below. We asked people what they like best about living in Ryedale and the quality of the natural environment was a clear favourite with over 500 respondents choosing that answer.

**The frequency with which service areas were selected:**

The distinction needs to be made when comparing the results between the online submissions and others, this is because all online respondents were required to achieve an overall reduction in spending of at least 10%. Offline (or paper submissions) could not fulfill this requirement.

**Service areas most frequently chosen for:**

- ↑ Increase in funding = **Tackling crime and Anti Social Behaviour**
- ↓ Decrease in funding = **Communication and Information (on line) and Supporting Democracy (off line)**
- ↔ No change to current level of funding = **Playgrounds and Open Spaces**

A third of all respondents chose Tackling Crime and Anti Social Behaviour to receive some level of increase and all but one of the online submissions chose communication and information as an area for reduction in spending. The comments focussed on council publications such as the Ryedale News as being an appropriate target for saving money.

**3. Previous Budget Consultation Outcomes**

Please find below the topline results from a number of engagement exercises carried out over the past years, which provide further insight into the views of members of the public in Ryedale on those areas of service which are of highest value and merit increased resources if available. These results support those of the Budget Simulator and amount to the views of over 1000 residents.

**a. Delib Budget Simulator 2006**

The services which were prioritised for additional investment through the Budget Simulator exercise undertaken in 2006 were:

- 1 Housing;
- 2 Young People;
- 3 Economic Development
- 4 The Environment.

**b. Simalto 2007**

The Council conducted public consultation using the Simalto process in autumn in 2007, 111 people completed the survey. The survey tested a range of services and service levels. To achieve a budget that would maximise satisfaction the following re-prioritisation was desirable:

#### **Enhancements Causing Increased Satisfaction**

- **Waste recycling** – add plastics and cardboard
- Job creation
- **Homelessness**
- Tourism promotion
- **Voluntary grants**
- **Community safety**

Again these results are compatible with those received this year with the areas of consistency in each area emboldened.

#### **c. Budget Consultation 2008**

In 2008 the Council undertook consultation through the Place Survey, analysis of Parish Plans, workshops with Parish Councils and members of harder to reach groups. The results of the consultation were used to inform the development of the Council Plan and the financial strategy for 2009-2013 and are summarised below.

##### **The Place Survey 2008**

In response to the place survey, a questionnaire completed by over 1300 residents, it became clear that of those things for which the Council has direct responsibility or some influence the following were identified as the things that most needing improving:

- affordable decent housing,
- shopping facilities and job prospects,
- clean streets,
- wage levels and the cost of living

##### **A Plan for Every Parish**

The issues raised most frequently in Parish Plans are:

- traffic and road safety,
- improvements to and maintenance of the local Environment,
- community facilities and communication.

The priorities expressed by communities for their communities are consistent with those expressed by individuals in the budget simulator exercise.

#### **d. Budget Consultation 2009**

In December 2009 we circulated a survey to every household in Ryedale in the winter edition of the Ryedale News. We received 155 responses to this survey and the results were as follows.

##### **Below are the Council's main priorities. What order of priority do you think they should be in?**

###### **Rank**

- 1 Housing, Active & Safe
- 3 Environment
- 4 Economy
- 5 Transforming the Council

##### **Which services do you think should be given extra resources if funds were available?**

<b>Affordable housing</b>	(51.9%)
<b>Recycling</b>	(45.5%)
<b>Community safety</b>	(44.8%)
<b>Clean streets</b>	(39.0%)
<b>Public toilets</b>	(38.3%)
<b>Crime reduction</b>	(31.2%)

Whilst the question is in effect the reverse of the one posed through the budget simulator this year, the effect is the same – which services receive additional resources or which service receive the lowest level of cut. The outcome is similar as you will see above (in bold), the top six items are the same as those items receiving the lowest levels of cut through the simulator.



# Agenda Item 5

## ANNEX C

### REVENUE BUDGET 2011/12 - VARIANCE ANALYSIS SUMMARY

	£'000	£'000
<b>Original Estimate 2010/11 Net Expenditure</b>		<b>8280</b>
<b>Cost Increases</b>		
Provision for Pay Increase & General Inflation (net)	116	
Budget Pressures - Financial Strategy Appendix A	113	
Meeting Priorities - Financial Strategy Appendix A	80	
<b>Total Cost Increases</b>		<b>309</b>
<b>Savings</b>		
Efficiency and Budget Reduction Savings	-680	
Income Generation	-75	
Transfer of Responsibility	-240	
Other Savings	-120	
Service Cuts	-12	
<b>Total Savings</b>		<b>-1127</b>
<b>Other Movements in Costs and Savings (net)</b>		<b>-29</b>
		<b>7433</b>
<b>Movement on General Reserve - Council Tax Freeze</b>		<b>-93</b>
<b>Original Estimate 2011/12 Net Expenditure</b>		<b>7340</b>

<b>Financed By:</b>	<b>£'000</b>
External Government Support	3573
Council Tax ( 0% increase)	3715
Collection Fund Surplus	52
	<u><b>7340</b></u>

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