

Report to: Cabinet, 3rd February

Report of: Head of Financial Services

Subject: ADDENDUM TO THE REPORT ON BUDGET AND COUNCIL TAX SETTING 2009-10

1. The December Cabinet meeting considered a report on options that were proposed by the Cabinet to address the budget gap and balance the books in 2009-10 (reductions of £3.1m, but totalling £4.3m over the next 5 years).
2. The proposals were agreed for consultation and the report on the Cabinet agenda for the meeting on 3rd February sets out how that consultation has taken place. The full responses will reported to the Cabinet at the meeting.
3. Following discussions between relevant Heads of Service and their Portfolio Holders, this addendum identifies how some of the main outcomes of the consultation might be addressed.
4. The following paragraphs set out proposed amendments to the budget reductions package that was agreed by the Cabinet for consultation at the December meeting.

Amendments to the Budget Reductions Package

Proposed amendments and impact on budget reductions package:					
Items:	09-10 £000's	10-11 £000's	11-12 £000's	12-13 £000's	13-14 £000's
HSSC 17 – Community Centres – reduce maintenance costs contribution at Lyppard Grange - £20K per annum					
Amend to a reduction of £10K per annum (additional cost to council)	10	10	10	10	10
HSSC (various) – management costs of running the Safer and Stronger Service					
Amend to add a further reduction in various management costs	- 10	- 10	- 10	- 10	- 10
HSSC 20 – Arts Grants – reduce Service level Agreements (risks viability of Worcester Arts Workshop) £27K p.a. (£20K in 2009-10)					
Amend in the light of the withdrawal of the Arts Council funding, the Arts Workshop may not be able to continue providing the activities funded by the City's	- 7				

Proposed amendments and impact on budget reductions package:					
Items:	09-10 £000's	10-11 £000's	11-12 £000's	12-13 £000's	13-14 £000's
grant after 31 st March 2009					
HG&CS 2 – CCTV – record only service					
Amend to reflect deferred of the closure till 31 st March 2010	70				
HG&CS 5 – Letting of self contained Wyatt House office					
Amend to reflect additional income from successful marketing of this Building	- 70				
HCGC 10 – Termination of Pest Control Contract – saving £27K per annum					
Amend to allow for deferral of decision for 12 months to allow more consideration of the future of this service	27				
HG&CS 3 – Business Support – full service restructure					
Amend to allow for an additional resource required for the maintenance of the Pest Control Service	7				
HFS 9 – Worcester Wheels – no longer support this service					
Amend to withdraw this proposal	18	18	18	18	18
HFS 10 – Concessionary Travel – Cut peak travel funding saving £40K					
Amend to reflect revised calculation of possible savings arising from this	- 18	- 18	- 18	- 18	- 18
HCGC – various in relation to reductions in Street Scene services					
Amend to make provision for a contingency fund to allow the Head of Service to smooth the impact of the changes and ensure that this process does not adversely affect the level of service	23				
HG&CS 13 – Members - reduce special allowances etc HG&CS 12 – reduce costs of Members / Mayoralty hospitality £3K HG&CS 11 – reduce costs of Mayoralty £21K (£11K in 2009-10)					
Amend to delete reduction in	4.89	4.89	4.89	4.89	4.89

Proposed amendments and impact on budget reductions package:					
Items:	09-10 £000's	10-11 £000's	11-12 £000's	12-13 £000's	13-14 £000's
Mayoralty hospitality (£3K) and add back allowance for transport in lieu of mayoral car (£1,890)					
Amend to increase reduction in members allowances by freezing present levels of allowance	- 4.89	- 4.89	- 4.89	- 4.89	- 4.89
Use of General Reserve of £30K to fund remaining gap after reductions package					
Amend to increase use of balances by £50K in 2009-10 to fund the changes above	- 50				

5. **Comments of Head of Financial Services**

- 5.1 The amended proposals set out above require an additional use of Reserves of £50K in 2009-10. This is considered to be acceptable on the basis that although the overall budget is regarded as having little or no room for manoeuvre, on balance this is considered to be a reasonable funding strategy which if it results in a successful decision and implementation of the budget reductions package should be affordable and make economic sense.

HFS 2009-01-28