

**Northumberland County Council
Council Meeting – 24th February 2010**

Proposed Amendment to the Administration's Budget Proposals:

A) "That the following savings proposals be deleted from the Schedule of Savings in Appendix I:

- **Green waste - £60k (no increase in charge)**
- **Free school meals recharge - £70k**
- **Community wardens - £170k (service retained)**
- **Concessionary taxi travel scheme - £35k (i)**
- **Floral displays- £145k (ii)**
- **Public transport subsidies - £60k (iii)**
- **Grants - £70k – further reduction to 10% in grants to BVAL & NCL (iv)**
(NB: this holds the reduction in grant at 7.5%)
- **Grants - £8.5k - further reduction to 10% in grants to theatres & arts groups (v)**
(NB: this holds the reduction in grant at 7.5%)
(NB: The above 8 changes were originally tabled to Council on 10th February 2010)
- **£80k – Grants to Voluntary & Community Groups (vi)**
- **£500k - Commissioning Budget Review (vii)**

This will reduce the savings target by £1,198,500 which will be funded as follows:

- **revised increased Council Tax receipts of £105k**
- **an anticipated £500k saving accrued from the proposed DECATS* whole organisational review to be completed in 2010/11. (The DECATS review will produce recurring savings of at least £500k in future years, but those savings will be covered during 2010/11 by non-recurring vacancy control measures.)**
- **An anticipated increased under-spend on the 2009/10 budget in the order of £600k.**

B) In addition the Capital Programme (Appendix M) will be amended by £3m to reflect an increase in the 2010/11 Local Transport Plan (LTP) to £18m. This will be additional borrowed capital to be funded by utilising £120k from the recently agreed additional £1.5m revenue investment in roads maintenance for 2010/11.

C) In addition the Administration is minded to increase revenue expenditure on Highways Asset Management (i.e. roads maintenance) by up to £500k should there be sufficient flexibility in the General Fund once the final out-turn figures for 2009/10 are known at the end of June."

Moved by: Andrew Tebbutt
Executive Member for Corporate Resources

As part of the Administration's response to widespread consultation these specific recommendations on the 2010/11 budget have been the subject of discussion with other political parties in recent weeks as possible changes to the budget. As a result the package has been examined by the Senior Management Team, and has the approval of the Head of Paid Service and the Section 151 Officer. At Risk Appraisal Panel on 22nd February the first 8 items of reduced savings received approval. The

subsequent additions of reduced savings on Voluntary & Community Grants, the reduction in savings from the Adult Services Commissioning Budget Review, and the increased capital allocation to the LTP have been fully examined by the Head of Paid Service, the relevant Executive Directors and the Section 151 Officer and received their approval. The budget papers as set out in the Agenda for 10th February are otherwise un-amended and are presented as a viable & sustainable budget.

***DECATS – Delivery of Efficient Corporate & Transactional Services** – a National Project already implemented in 11 councils producing significant savings. It involves an initial 20 weeks intensive information gathering process. The estimated recurring savings is based on a cautious approach; in reality it could be more than £500k per annum.

Notes of Explanation as to the changes & consequences:

- The **Green Waste** saving is reinstated following the Council decision of 3rd February 2010 not to raise the annual charge from £20;
- the **School Meals Recharge** saving is reinstated because it was deemed not possible to claim the extra charge from the DSG which was already making savings.
- The **Community Safety Warden** service is reinstated but will be the subject of review during 2010/11
- (i) The **Concessionary Taxi Travel Scheme** will be the subject of an urgent “Value for Money” review to implement a revised scheme within the available funding.
- (ii) The reinstatement of £145k for **floral displays** means a 33% reduction in 2010/11. The Administration is to hold discussions with parish & town councils across Northumberland about future partnership working on floral displays.
- (iii) **Public Transport subsidies**. The savings reduction will give the Council more flexibility in considering the extent of the public transport network which is subsidised and minimise reductions to this network.
- (iv) **Grants to BVAL & NCL**. The savings will have an impact on the Leisure Trusts, but at 7.5% these will be more likely to manifest themselves as reductions in services rather than activities or services being withdrawn completely. The Trusts are aware of the savings being proposed and have increased prices, or are considering price increases above inflation, to take account of the fact that they will need to increase income.

Tees Active won the contract for Berwick very recently in a competitive tendering situation. The Leisure Connection contract (Castle Morpeth) was awarded several years ago, but the subsidy at these facilities is low compared with other facilities. Both contracts are legally binding & the subsidy cannot be reduced.

- (v) **Grants to Arts**. The arts venues in Northumberland have commissioned a study to look at ways in which they can work together more effectively to make efficiencies and lessen the impact of the grant reduction of 7.5%. This study is being supported by the Council and Arts Council England.

A meeting has been arranged with the venues for 25th February, to discuss how grants will be allocated in 2010/11 in the light of the Council decision on

24th February. It is likely that there will be an agreed baseline position with the venues so that they can plan for 2010/11, on the understanding that the venues study may suggest alternative savings which would result in a change to the allocations, with the venues' agreement. The result of this meeting will be reported to the Executive in April.

- **Voluntary & Community Sector Grants.** The £80k reflects two changes; the creation of a £30k fund (£10k per Area) for grants to individuals (not previously allowed under the Community Chest) + £50k into contingencies to allow for unforeseen or unexpected applications.

It is further proposed that the Deputy Leader and the 3 Area Chairs will oversee the allocation of all aspects of the budget as set out in Appendix J (as amended by this report) although decision making will be delegated appropriately.

- **Adult Services – Commissioning Budget Review reduction of expected saving to £1.5m.** The Executive Director will carry out the review in relation to the remaining £0.5m as part of the normal annual review process rather than a previous expectation that reviews would all be completed in the first 3 months of 2010/11. The consequent reduction of £0.5m on a non-recurring basis will be met from increased under-spend already identified in the 2009/10 Adult Services budget projections.

24th February 2010