

CABINET MEETING 4TH FEBRUARY 2009

LIBERAL DEMOCRAT AND LABOUR GROUP BUDGET PROPOSALS – ADVICE OF THE SECTION I51 OFFICER

The proposals from the Liberal Democrat Group were presented to CPR Overview & Scrutiny Panel on 2 February and Cabinet on 4 February.

The proposals for 2009/10 take the form of an variation to the report before Cabinet. The proposals balance in the first year albeit they rely on yet to be identified savings in the same year of about £0.5 million. If these savings are not forthcoming, or if they are delayed, there is a contingency reserve available. On that basis I am content the amendment, if agreed, would give rise to a legal budget for 2009/10 although the following points need to be taken into account:

- The proposal creates additional ongoing budget pressures to the extent any year one items turn into ongoing commitments and assumes this would be the case for the free transport initiative. The additional net expenditure in 2010/11 and 2011/12, of £2.3 million and £1.4 million respectively, give rise to additional savings targets worth about 1.9% and 1.1% of the Council's net spend. These will be challenging and are in addition to the existing funding gaps, expressed as savings targets of £1.3 million and £1.5 million in the medium term plan.
- The proposal would result in annual pensions contributions in anticipation of the next actuarial review in 2010 being £1 million lower. The further increases in pensions contributions in future years use the same assumptions as the budget and medium term plan proposed by Cabinet.
- The 'one off' proposals contained in the Cabinet's resolutions (Appendix 2, Annex 2) cannot be funded at the same time as the Liberal Democrat 'one off' proposals totalling £1.2 million. They rely on the same source of funding.

The proposals from the Labour Group were also presented to the CPR Overview & Scrutiny Panel on 2 February and Cabinet on 4 February.

These proposals contain no significant additional items of expenditure for 2009/10, that are not incorporated in the revised budget resolutions being presented by Cabinet. I am therefore content they would, if accepted, give rise to a legal budget.