

## **CABINET MEETING – 7<sup>th</sup> October 2009**

### **EXECUTIVE SUMMARY SHEET – PART I**

**Title of Report:**

Budget Planning Framework 2010/2011

**Author(s):**

Chief Executive and Director of Financial Resources

**Purpose of Report:**

To report the proposed budget planning framework which will guide the preparation of the Revenue Budget for 2010/2011 and will inform the setting of cash limits within which Directors are required to prepare draft budgets.

**Description of Decision:**

Cabinet is requested to agree the proposed budget planning framework summarised at paragraph 9.3 which will guide the preparation of the Revenue Budget for 2010/2011 and will inform the setting of cash limits within which Directors are required to prepare draft budgets.

**Is the decision consistent with the Budget/Policy Framework?**

Yes

**If not, Council approval is required to change the Budget/Policy Framework****Suggested reason(s) for Decision:**

To enable adequate preparation to be made to inform the setting of the Council's Revenue Budget in March, 2010 in accordance with statutory requirements.

**Alternative options to be considered and recommended to be rejected:**

There are no alternative options recommended. These are considered to be the optimum arrangements to enable the Revenue Budget for 2010/2011 to be prepared in accordance with statutory requirements.

**Is this a "Key Decision" as defined in the Constitution?**

No

**Is it included in the Forward Plan?**

No

**Relevant Scrutiny Committee:**

Management

**Cabinet 7<sup>th</sup> October 2009**

## **Budget Planning Framework 2010/2011**

### **Report of the Chief Executive and Director of Financial Resources**

#### **1. Introduction**

- 1.1. This report sets out the proposed budget planning framework which will guide the preparation of the Revenue Budget for 2010/2011 and will inform the setting of cash limits within which Directors are required to prepare draft budgets.

#### **2. Description of Decision**

- 2.1 Cabinet is requested to agree the proposed budget planning framework summarised at paragraph 9.3 which will guide the preparation of the Revenue Budget for 2010/2011 and will inform the setting of cash limits within which Directors are required to prepare draft budgets.

#### **3. National Financial Outlook**

- 3.1 In considering the budget planning framework for 2010/2011 there is a need to consider:
- the national economic position and various key economic indicators;
  - the impact of those key indicators on the Council's financial position;
  - how the Council needs to respond both in the short and medium term in order to continue to meet the Council's priorities taking into consideration the wide range of uncertainties.

##### **Factors contributing to the national position**

- 3.2 The following key economic indicators seek to illustrate the overall national economic position and outlook:

##### **Government Borrowing**

- 3.2.1 The financial crisis has led to a significant increase in borrowing as a result of the government injecting additional resources to support financial institutions and to seek to stimulate the economy. The latest government forecasts show:
- total borrowing is estimated to increase from £526 billion at the end of 2008/2009 to £1,370 billion in March 2014;
  - in year borrowing is estimated to increase from £35 billion in 2008/2009 to £175 billion in 2009/2010;
  - debt servicing costs are set to increase from £25.6 billion to £50.7 billion by 2013/2014.

In addition to the costs of debt servicing there will also be pressure on the government to repay debt in order to reduce the level of debt to a more sustainable level in the longer term.

### **Inflation**

- 3.2.2. There have been significant reductions to the measures of inflation over the last eighteen months particularly in respect of energy prices. Within that overall reduction, there has been significant volatility e.g. energy, and some increases e.g. food. The low level of inflation currently being experienced and the latest forecasts for next year are set out below:

#### **Current Rates**

- Consumer Price Index (CPI) - 1.6%
- Retail Price Index (RPI) – 1.3%

#### **Average of Forecasts 2010/2011**

- Consumer Price Index (CPI) - 0.2%
- Retail Price Index (RPI) – (0.4%)

The position remains uncertain and forecasts continue to be regularly reviewed and revised. The outlook beyond 2010/2011 will be largely dependent upon actions taken by the government to address the overall national economic position and associated changes in the global economy.

### **Interest Rates - Base Rate**

- 3.2.3 The impact of the global financial crisis on interest rates can be demonstrated by the movement in rates since last summer:

- 4.5% October 2008
- 0.5% March 2009
- 0.5% September 2009

The all time low Bank Base Rate is estimated to set to continue for the rest of 2009/2010 with views varying as to when an increase in interest rates will occur. Clearly major factors will include, the future approach of the Monetary Policy Committee, and the levels of growth and inflation within the overall economic position.

### **Public Sector Spending Plans**

- 3.2.4 In the Chancellor's Budget Report of 2009, Public Sector growth was revised to an average of 0.7% real terms increase each year between the period 2011/2012 to 2013/2014. In comparison with previous years these increases represent a very significant reduction and this position will be exacerbated to the extent that services such as Health and Overseas Aid are protected, although this position is still under review by the government.

### **Banking Sector**

- 3.2.5 Despite government intervention to attempt to introduce liquidity into the system the reaction of the banking sector has led to:
- A continuation of curtailment of credit;
  - An increase in credit margins;
  - the banks focussing on improving their balance sheets as opposed to taking action to stimulate economic recovery.

### **Housing Market**

- 3.2.6 The Housing market has been severely affected by the lack of credit available and the impact of the economic crisis on property prices. Whilst, the latest situation shows some positive signs with limited increases in mortgage activity over recent months, the vast majority of development is still on hold.

### **Impact on the Council's financial position**

- 3.3 The above factors are considered likely to impact on the Council's financial position in the following ways:
- significant real terms reductions in government grant settlements from 2011/2012 for an uncertain period but likely to extend for at least five years;
  - interest receipt levels from deposits are likely to be low for some time;
  - capital receipts generated from the disposal of surplus assets are likely to continue to be stalled, or if realised will be at significantly reduced values until market conditions improve;
  - the impact on the local economy will continue to bring additional pressures on key services.

## **4. Estimated Resources – Local Level**

### **4.1 General Grant Settlement for 2010/2011**

The next financial year, 2010/2011, is the third year of the first three year settlement announced as part of the Comprehensive Spending Review (CSR 2007), in October 2007. When the CSR 2007 was announced, the formula grant settlement for Sunderland for 2010/2011 was an increase of 1.84% compared to that for 2009/2010.

Despite the overall economic position, at this stage the settlement remains intact however, there have already been some announcements about reductions to certain specific and special grants which will reduce the anticipated resources available to the Council, and, in light of experience to date, it is considered that more reductions may be made to other specific and special grants as the government revisits and reviews its funding and spending plans for 2010/2011.

The main beneficiaries of the CSR 2007 were the Education Service and the NHS which left limited flexibility to increase resources in real terms for other local government services and other public services provided by other bodies.

#### **4.2 General Grant Formula Funding Review**

In finalising the CSR 2007 and the government grant settlement for 2008/2009, the Government made some changes to the formulae used to distribute Revenue Formula Grant based upon the options consulted upon in the formula grant review carried out in the autumn of 2007.

The Government removed the damping arrangements within the Social Services Relative Needs Formula Block for both Children's and Younger Adults which was introduced in 2006/2007 to smooth the impact of formula changes made as part of the 2004 grant formula review. This benefited metropolitan authorities generally and many authorities across the North East. However there still remains significant scaling back of the benefit that would have accrued to the Council to provide funding to other authorities that would otherwise not have received the prescribed minimum increase (known as the 'floor'). The Council would have gained a further £1.3million per annum in grant had the scaling back not been in place.

In the light of the recession and the need to deal with a difficult domestic economic position, the government has decided to delay the next Comprehensive Spending Review (originally scheduled for July, 2009) until the middle of next year (after the General Election). It is considered likely that the settlement for 2011/2012 will be for one year only, given the economic uncertainties. In the normal course of events, the grant Formula Review was planned to be effective from 2011/2012. The delay to the next Comprehensive Spending Review brings some doubt as to whether the formula review will be undertaken in time to be implemented in 2011/2012.

Whilst this is a fully understandable approach, it does increase the uncertainties around the future grant funding of local government beyond next year.

#### **4.3 Amounts Raised Locally through Council Tax**

The Government has used its reserved powers to cap Council Tax rises in the years 2004/2005, 2005/2006, 2006/2007, 2008/2009 and 2009/2010 by both nominating and designating local authorities as appropriate.

Given the economic climate it is anticipated that the Government will issue tougher guidance than hitherto received (past guidance states that the government expects council tax rises of substantially below 5%).

#### 4.4 Schools Funding

##### **Current Settlement**

- 4.4.1 Schools funding is separate from the General Formula Grant system and is funded through the ring fenced Dedicated Schools Grant (DSG). However, non-Schools Education services (Local Authority Central Education Functions) are still financed through the General Grant Formula system. A three year settlement was announced with 2010/2011 being the final year of that settlement. The headline increases confirmed within the announcement for next year were:

	<b>2010/2011</b>
<b>National</b>	
DSG	4.3%
Per Pupil Increase	4.3%
<b>Local</b>	
DSG	2.0%
Per Pupil Increase	4.2%

The DSG for Sunderland is forecast to increase in cash terms by 2.0% in 2010/2011 as part of the three year settlement. The DSG increases locally reflect the falling school rolls experienced in Sunderland Schools. The 'per pupil' increases are, however, much nearer to the national average increases, with an increase for 2010/2011 of 4.2%.

- 4.4.2 The Government has prescribed a Minimum Funding Guarantee (MFG) at school level based on a percentage uplift per pupil. The MFG reflects average cost pressures and an assumed efficiency gain of 1.0% for each of the three years of the settlement. The MFG for all schools was set at 2.1% for each of the three years.

The application of the MFG of 2.1% was also been applied to the majority of School Based Grants. In addition, to protect Authorities with sharply falling school rolls a minimum cash increase in DSG of 2% was established.

##### **Efficiency Savings**

- 4.4.3 Despite the settlement figures announced for schools as set out in 4.4.1 above it is anticipated that given the economic position greater pressure will be placed on schools to ensure that efficiency savings can be maximised.

#### **Funding Changes for 16-19 year olds**

- 4.4.4 'Machinery of Government' changes planned for April 2010 will transfer statutory responsibilities from Learning and Skills Council to local authorities for funding of commissioning of learning for 16-19 year olds in General Further Education colleges and sixth forms. Priorities and commissioning intentions will need to be considered at a local level and then integrated into sub regional and regional planning groups. Funding from April 2010 will be received from Skills Funding Agency and Young People's Learning Agency on agreement of commissioning priorities.

The detail on how the new arrangements will operate in practice are still to be received and this will be the subject of a separate Cabinet report in the future.

#### **4.5 Area Based Grant Funding**

There are a number of external funding streams supporting programmes, projects and initiatives, which are allied to Council mainstream funding and address the strategic priorities set out in the Sunderland Strategy.

As part of the first 3 year Local Government Finance Settlement (for the period 2008/2009 to 2010/2011), the Government introduced an Area Based Grant (ABG) allocation for each council which relaxed the controls over a number of its previous specific grants so that councils have more freedom and flexibility to use this funding as they deem appropriate. The provisional ABG allocation for 2010/2011 is £39.0 million but at this stage the government has not yet confirmed the final allocation for 2010/2011.

In light of a reducing resource level it is proposed that a review of the use of all Area Based grants and specific grants be undertaken with the objective of achieving better use of resources and realising efficiency gains.

#### **4.6 Summary of Estimated Resources 2010/2011 and over the Medium Term**

There are a range of uncertainties, both short and medium term in respect of the period beyond 2010/2011, which is dependent on the outcome of the Spending Review 2010 as detailed below:

- the length and depth of the economic downturn and financial crisis leading to severe public expenditure restraint over the medium to long term and therefore impact on the Council's finances;
- the level of specific grants over the period including any transfers of responsibilities and funding from / to local authorities and any adjustment to the Area Based Grant;
- government directions on the council tax levels;
- the level of interest receipts from investments in the light of low inflation levels;
- the level of capital receipts from asset disposals as a result of the economic downturn;
- the recognition or otherwise of any exceptional costs by government outside of the Spending Reviews e.g. equal pay.

The outlook is clearly one of a significant tightening of the economic position.

#### **5. Spending Commitments and Pressures**

It is proposed to take into account the following spending commitments in the Budget Planning Framework for 2010/2011, however, at this stage the position is uncertain and will be subject to review and refinement throughout the budget setting process:

##### **5.1 Pay and Pensions**

###### **Pay Awards**

At this stage it is difficult to be firm regarding the projected pay levels as the position regarding inflation is uncertain, and whilst an initial application has been received from Unison in relation to the green book pay award, there will be pressure applied, in terms of the effect on the public finances to restrict the pay award to nil. In light of these uncertainties, a prudent assumption has been made for future pay awards.



## Single Status

Phase 1 of the Single Status Agreement was implemented with effect from 1st October 2005 (up to Scale 3).

The position with regard to the implementation of Phase 2 (Scale 4 and above of Green Book employees) of the Single Status Agreement is subject to review. The potential financial implications will be kept under review as the budget is prepared and plans for the implementation of phase 2 of the Single Status Agreement are firmed up.

## Pensions

The next actuarial review is planned for 31st March 2010, the results of which will be implemented in 2011/2012. At this stage it is difficult to determine with any certainty whether further increases in pension costs may occur. Factors to take into account are the phased financial impact of the introduction of the new pension arrangements, increasing mortality age and the current volatility of investment performance in financial markets.

### 5.2 Prices

Current inflation levels are low as set out in paragraph 3.2.2 and whilst this is forecast to continue into next year, the position remains uncertain. However individual budgets such as energy costs remain volatile. Prudent provision has been earmarked at this stage and will be updated as necessary as the preparation of next year's budget proceeds.

In addition, prudent provision for increases in contract prices has been made. This includes additional provision in respect of fees for independent providers of care services which were agreed as part of a two year settlement in 2009/2010.

### 5.3 Fees and Charges

The policy of assuming an increase of fees and charges in cash limits to provide an incentive to maximise resources from this source is long standing. It has resulted in a significant increase in income over recent years. However, where it has been demonstrated that, due to market conditions, it is not possible to generate an increase, exemptions from this requirement have been agreed.

For all other areas it is proposed that there will be a presumption of a 2.0% increase on the basis that where a 2.0% increase is proven to be unachievable in certain areas other reductions must be made to compensate either through increasing income elsewhere or by reducing costs.

### 5.4 Passenger Transport Levy

Initial indications regarding the levy for 2010/2011 suggest an increase of 1.5%.

### **5.5 Debt Charges and Interest Receipts**

Whilst increases in debt charges are not anticipated for 2010/2011, the impact of base rates on the Council's ability to generate interest receipts will be severely curtailed in 2010/2011. It will therefore be necessary to provide for a reduced level of income from investments for 2010/2011.

### **5.6 Landfill Tax and Waste Disposal**

Provision is included for increasing landfill tax by £8 per tonne per annum – assuming that the effect of existing recycling measures is maximised, and the impact of the replacement of the black recycling box.

The reviewed Waste Disposal Strategy was approved at Cabinet in October 2007 and the Council approved an application to seek PFI credits to support a Strategic Waste Disposal solution in January, 2008 as part of a long term collaboration with Gateshead MBC and South Tyneside MBC. The solution is planned to be operational in 2013/2014. In the meantime, the Council plans to maximise the effectiveness of its existing measures to recycle and thereby minimise landfill tax liability and the need to purchase Landfill Allowance Trading Permits.

### **5.7 Carbon Reduction Commitment (CRC)**

The Carbon Reduction Commitment (CRC) is a mandatory carbon trading scheme, due to come into effect in April 2010. Participation will be a legal requirement for organisations that used a minimum of 6,000 MegaWatt hours of electricity during 2008. Currently, Sunderland City Council, like many Local Authorities, will be required to participate in the scheme. The Council will be required to purchase up front 2 years worth of carbon allowances in April 2011 at £12 per tonne. For Sunderland, this could equate to £1.4m (£700,000 per annum). Whilst the CRC will be broadly revenue neutral overall at a national level, it will not be cost neutral to individual participants and the Council is currently evaluating its approach to CRC to seek to ensure that there are no costs borne by the council.

## **5.8 Economic Downturn**

Whilst significant resources have already been earmarked to support service pressures and supporting actions in response to the economic downturn as part of the 2009/2010 budget, given the continuing uncertainties this will need to be kept under review and appropriate provision made throughout the budget preparation process.

## **6. Spending Priorities**

- 6.1 Given the potential scale of public spending reductions, spending commitments and the uncertainties in relation to the size of the liabilities which may need to be faced in 2010/2011 and future years e.g. equal pay implications, the scope to address spending priorities will be limited in 2010/2011.

Nevertheless, it is appropriate to examine areas of need and priority. Factors which the Council takes into account in determining priorities are:

- the relative importance of each Strategic Priority in any one year given changing circumstances;
- the need to address the Corporate Improvement Objectives;
- the results of corporate and service based consultation with the public and other stakeholders;
- local priorities identified by Elected Members and Officers of the City Council;
- national performance indicators and requirements;
- inspection implications including service based assessments;
- the extent to which ring fenced funds are providing resources to address Strategic Priorities.

## **6.2 Outcome of Public Consultation including the Annual Residents Survey**

A review of consultation undertaken through Ipsos/MORI has identified the following areas as key priorities for improvement by the public:

- Activities for Teenagers;
- Clean Streets - Rubbish, Litter, Dog Fouling;
- Road and Footpath Maintenance;
- Level of Crime /Community Safety;
- Services to help people live in their own homes for as long as possible.

The areas identified have featured as high priorities for a number of years. The Council has taken action to address these issues in recent years, in some cases through extensive action. Some of these actions are in the process of being implemented and until that occurs the public perception for the need for improvement will remain e.g. implementation of the Extra Care Schemes, Enforcement Officers, Youth Commissioning.

There are a number of other spending priorities emerging either as a result of separate consultation exercises or as a result of a need to improve performance. They include:

- Community Cohesion;
- City Centre Developments;
- Seafront;
- Invest to Save projects – supporting a longer term approach to the generation of efficiency savings, through for example, investment in ICT.

In addition, whilst Waste Disposal and Recycling has been identified as a Spending Commitment, it is also a Spending Priority, given feedback from consultation and the council's leadership role in relation to sustainability.

### **6.3 Consultation**

It is proposed that the issues and themes highlighted in paragraphs 6.1 to 6.2 above form the basis for budget consultation, the process and approach for which was approved by Cabinet at its last meeting.

## **7. The Council's Proposed Response to the significantly tighter Financial Environment**

### **Sunderland Way of Working**

- 7.1 In light of the severe expenditure restraint in prospect in the short, medium and long term the need for a more challenging approach to ensure best use of resources has never been more evident.
- 7.2 Whilst the Council's approach to improving services through service modernisation programmes, corporate efficiency projects and business improvement programmes has over recent years resulted in high levels of performance and achieved good or very good levels of satisfaction, it is clear that to move to an even better level of performance and address the challenge of the future outlook for public finances, a new impetus and approach is required.

7.3 The new Sunderland Way of Working includes four key programmes:

- Community Leadership Programme;
- Economic Regeneration Programme;
- Business Improvement Programme;
- Directorate Programmes.

7.4 The underlying objectives of the Sunderland Way of Working are to:

- review services to:
  - o challenge what we are doing, how we are doing it and how effective it is in meeting customer needs;
  - o ensure that the most efficient and effective processes and structures are in place supported by the right people to secure the development and improvement of the Council and services it delivers;
- organise in a way that maximises value for money and protects front line services.

7.5 The Sunderland Way of Working is predicated upon a new organisational approach which analyses Council activity into four key areas:

- Strategic Services
- Shared Services
- Customer Back Office Services
- Front Line Service Delivery

7.6 Cabinet will recall that approval has previously been given to the appointment of a strategic partner to support the process and enable expertise, capacity, external challenge and appropriate ambition is brought to the reviews.

7.7 Initial work that has been undertaken and which is currently being developed will result in a number of high level business cases for changes to be made in respect of the following key strands of business:

- Service Delivery Improvement - to include Commissioning. This strand will include gaining a comprehensive understanding of customer need and how best that need can be delivered in the most efficient and effective manner;
- Procurement – this strand will build on existing arrangements and realising existing plans for securing significant efficiency savings;
- Customer Contact – this strand is to include how best we can meet customer needs through organising ourselves to:
  - o maximise resolution at the first point of contact;
  - o avoiding unnecessary contact;
  - o further develop transactional website functionality;

- Strategic and Shared Services
  - Strategic Services - key considerations include:
    - organising services to support, enable, and regulate the Council;
    - improving asset management – ensuring the maximum contribution is being made to achieving the city's regeneration objectives, improving utilisation and rationalising assets to meet organisational needs.
  - Shared Services - key considerations include:
    - dealing with all transactional services in the same way in one place where it is most efficient and effective to do so and rationalising and improving processes to reduce cost and improve effectiveness.
- ICT – this strand will include the need to rationalise the number of ICT systems and organise the ICT infrastructure in the most efficient and effective way to meet the needs of the business.

Following completion of the high level business cases, the projects that will emerge will result in potential investment requirements but with the intention of realising significant efficiency savings into the future, which should position the Council as well as possible in meeting the financial challenges it faces into the future.

- 7.8 In making the transition to the new Sunderland Way of Working, it is recognised that it is important to ensure that existing modernisation strategies and approaches to achieving improvement and efficiency savings are continued at least in the short term and then either subsumed within the Council's overall Improvement Agenda or else replaced with new Improvement Initiatives.

## **8. Efficiency Strategy**

- 8.1 The Efficiency Strategy 2009/2010 to 2013/2014 which is reported elsewhere on today's agenda has been updated to reflect the latest expectations for achieving efficiency within the public sector and importantly reinforces the direction that the Council is already taking through the Sunderland Way of Working.
- 8.2 Given the anticipated significant long term pressure on public finances and the fact that resources available for local government over the medium to long term will be significantly reduced from 2011/2012 onwards there is a need to plan for savings over a longer period. It is therefore proposed that efficiency targets and planning should cover a four year period in order to ensure timely action is taken as necessary to assist to maximise efficiency savings. The following targets are proposed;

<b>Year</b>	<b>%</b>
2010/2011	4
2011/2012	5
2012/2013	6
2013/2014	6

8.3 The identification of efficiency savings for inclusion in the 2010/2011 Budget will be tackled through a combined approach of:

- realising emerging efficiency savings from the new Sunderland Way of Working;
- specific efficiency savings from Corporate / Cross Cutting Projects;
- efficiency savings arising from modernisation strategies, and policy and service reviews.

## **9. Budget Planning Framework 2010/2011**

### **9.1 Options for Savings**

In accordance with the efficiency strategy set out in paragraph 8, Directors have been asked to explore, and to bring forward options for savings, equivalent to 4%, 5%, 6% and 6% for the next four years respectively, of their net delegated budgets. These should be in priority order i.e. beginning with those efficiency savings which could be implemented without policy implications. Whilst a longer term approach to planning to generate efficiency savings is being recommended, only the first year's efficiency savings will be firm in this early part of the planning period. Proposals for 2011/2012 onwards will increasingly draw on the outputs and outcomes of the Sunderland Way of Working as set out at section 7 above.

### **9.2 Balances**

A Statement of General Fund Balances is attached at Appendix A. Uncommitted balances provisionally stand at £8.057m at 31<sup>st</sup> March 2010. At this stage it is anticipated that balances will increase beyond that level to reflect one off underspendings on debt charges in 2009/2010 as a result of debt restructuring and reprofiling of capital expenditure. The position will be kept under review as clearly there are a number of budget pressures, both one off and ongoing and the scope to utilise balances temporarily to support these will be considered during the budget preparation process. The level of General Balances will be risk assessed nearer to the finalisation of the budget.

### 9.3 Summary of the Budget Planning Framework

The following budget planning framework for 2010/2011 is proposed:

- that provision for spending commitments be included at this stage on the basis set out at paragraph 5 and kept under review as the preparation of the budget progresses;
- that the spending priorities detailed at section 6 be included at this stage for the purposes of consultation;
- that budgets be prepared on the basis that all spending pressures not specifically identified above as commitments be accommodated within Directorate cash limits;
- that a review of Area Based Grants and Specific Grants be undertaken with the objective of identifying 4% efficiency savings;
- that, taking into account the Sunderland Way of Working and existing modernisation strategies and efficiency initiatives, Directors be requested to bring forward proposals to identify efficiency savings, wherever possible without service or policy implications, amounting to 4% of their net delegated budgets;
- that Directors be requested to prepare longer term efficiency plans to identify efficiency savings, wherever possible, without service or policy implications, covering a further three year period based on the following targets:

Year	%
2011/2012	5
2012/2013	6
2013/2014	6

- that commitments against general balances be noted and the scope to utilise balances temporarily be considered.

## 10. Reason for Decision

- 10.1 To enable adequate preparation to be made to inform the setting of the Council's Revenue Budget in March 2010 in accordance with statutory requirements.

## 11. Alternative Options

- 11.1 There are no alternative options recommended. These are considered to be the optimum arrangements to enable the Revenue Budget for 2010/2011 to be prepared in accordance with statutory requirements.

## 12. Background Papers

Various Government statements and announcements over the past year.



## Appendix A

### Statement of General Fund Balances

	£000	£000
<b>Balance as at 31st March, 2009</b>		<b>11,553</b>
<b>Use of Balances 2009/2010</b>		
Approved Contribution to Revenue Budget	(431)	
Approved Contribution to fund the Capital Programme	(3,065)	(3,496)
<b>Estimated Balances 31<sup>st</sup> March 2010</b>		<b>8,057</b>