

Council Three Year Plan

Part B - Revision of the Three Year Financial Plan for 2010/11

1. 2010/11 will be the last year of the three year plan.
2. In last year's plan revised projections were given of the original assumptions made in paragraph 40 of the original plan which projected that the Council would be able to set a budget of £217.54m in 2010/11 to be financed by Assembly Government Grant of £170.89m and an anticipated increase of 4% in the council tax which would generate £46.65m.
3. As a result we would need to reduce the budgetary requirement from £222.09m which we anticipated we would need by finding budgetary savings of £4.55m.
4. There has been some significant change in the position for 2010/11 with the anticipated 2.3% increase in Assembly Government grant reducing to 0.8% largely as a result of the start of the public sector spending squeeze.
5. This means that we have received an increase £2.3m less than we had anticipated when reviewing the plan last year.
6. Fortunately however, we also saw a significant decrease (£3.7m) in the sums which we have to provide to meet the costs of inflation, including a lower increase than anticipated in workers salaries in 2009/10 and a lower provision made for 2010/11 as a result of lower inflationary pressures.
7. The overall effect of these two changes along with other minor adjustments were that we were able to revise the £4.55m savings that we originally envisaged that we would need down to £3.2m.
8. In making the original projections in February 2008 therefore we anticipated that by 2010/11 we would have a budget of £217.6m available to meet the Council's aims and that in order to keep within those figures we would have to find savings of £11.88m (see paragraph 40 of the original plan).
9. We also noted our policy of keeping council tax increases to within +1% / -1% of the Welsh average each year.
10. We now see that the actual budget available to us in 2010/11 is £217.2m and that we have had to find savings of £12.2m to keep within this figure.
11. Moreover, we have also been able to keep the increase in council tax close to the Welsh average as promised with an increase 0.1% higher than the average in 2008/9; exactly on average in 2009/10 and 0.2% higher than average in 2010/11.
12. In view of the likely constraint on public expenditure for an extended period, the Council has now completed its comprehensive review of how it is going

to meet this threat and has identified a list of savings amounting to nearly £16m in order to be prepared for the eventuality.

13. The Council has also completed the work of forming an Asset Management Strategy which allows us to take a longer term view of capital investment ensuring that it is consistent with our strategic priorities and the available resources.
14. This year's improvements include a number which will lead to a reduction in our cost base by establishing different ways of working. By the time we will have used up the whole of the £16m already identified, the hope is that a number of these schemes will be available to assist with any further savings which will be required in order to lessen the effect which the financial squeeze will have on the services which we provide for our citizens.
15. These two developments will allow us to plan the next three year plan in a measured way allowing us to establish what we would like to achieve without having to respond in a hasty and irrational manner to the problem of extreme financial constraint.