

Highland Council

11 February 2010

Agenda Item	
Report No	

**Revenue Budget and Council Tax 2010/11,
Revenue Budget Outlook 2011/12 and 2012/13**

Report by Depute Chief Executive & Director of Finance

Summary

This report sets out information to allow the Council to agree the revenue budget and council tax for 2010/11. **Booklets A to D** are enclosed setting out the Administration's growth, pressure and saving proposals.

The budget outlook relating to 2011/12 and 2012/13 is also considered within the report, and arrangements to progress budget planning for those years over the next few months, leading to consideration of a budget for those years in Autumn 2010.

1. Introduction

1.1 This report provides information to allow the Council to agree a revenue budget and council tax for 2010/11. It also sets out some saving proposals relating to 2011/12 and 2012/13. It is proposed, as described later in this report, that the Council considers a budget for those latter two years, in Autumn 2010.

1.2 This report is produced in support of the Council's corporate governance process, which in turn is designed to support/augment the Council's overall/corporate delivery of all of its obligations in terms of the Single Outcome Agreement.

2. Financial Context

2.1 As members will be well aware, the financial context the Council is currently operating in, and is expected to continue for some years, is one of very challenging financial settlements for local government and the public sector as a whole. The Council's budget planning has taken account of these challenges in terms of improved forward planning for the coming three years, as well as financial planning on the basis of more difficult financial settlements.

2010/11

2.2 In relation to 2010/11, the Council has experienced a lower level of grant support than had been originally notified in December 2007, due primarily to the effect of the £500m reduction in the Scottish Budget as a consequence of the November 2008 UK Pre-Budget Report (PBR). The impact of this funding change has been a £6.081m reduction in revenue funding, from that previously notified. Capital also

took a consequential impact totalling £2.893m.

- 2.3 Taking account of these downward changes to grant, other changes notified by the Scottish Government, and estimates of funding to be notified, the level of grant settlement for 2010/11 is £500.216m. This is an increase on the comparable prior year figure of 3.9%.

2011/12 and beyond

- 2.4 The current spending review period covered the three years 2008/09 to 2010/11. The coming financial year therefore represents the last year for which the Council, and public sector generally, has any firm indication of the levels of financial support available.
- 2.5 Beyond 2010/11, public sector budgets will be determined by the next spending review which will follow the UK election in spring 2010. From the statements made by Governments North and South of the border, and Opposition parties, it is clear that regardless of the outcome of that election, public sector spending is expected to see a significant impact as the UK takes steps to reduce the debt burden which is forecast to rise from its 2007/08 level of £34Bn to £178Bn by the end of 2009/10. (source: HM Treasury).
- 2.6 Within and outwith local government, there has been considerable analysis and commentary on what the consequences for the UK budget and public sector spending may be. Solace and the CIPFA Directors of Finance Section commissioned the Centre for Public Policy for Regions (CPPR) to prepare a report (http://www.cppr.ac.uk/media/media_128833_en.pdf) setting out the prospects for the Scottish Budget. That report, considered by Cosla in September 2009, estimated that based on HM Treasury forecasts, the Scottish Government budget could reduce by 8.5% in real terms over the period 2009/10 to 2013/14. As many commentators view the HM Treasury economic growth forecasts as optimistic, Cosla's view was that a 12% real terms reduction in funding over that period was a realistic planning assumption for local government to make.
- 2.7 To set these figures in context, a 12% real terms reduction over that period equates to a cash year on year reduction in funding of approximately 1%. That contrasts with experience in recent years of an average cash growth in funding of approximately 5% per annum.

2.8 Other Factors

While the implications of the economic position will clearly impact on the resources the Council has to deliver Services, there are other factors relating to the economic position the Council will also have to consider in the budget, including:-

- Prospect of rising inflation, and implications on costs and pay demands.
- Prospect of rising interest rates, either as base rates rise in response to inflationary pressures, or reflecting market trends and borrowing availability.
- Continued demand for and pressure on services relating to the economic impact e.g. money advice, welfare services, homelessness, etc

3. Budget Background and Process

- 3.1 In recognition of the challenging economic position being faced, in summer 2009 the Council commenced its budget planning process for the three-year period 2010/11 to 2012/13.
- 3.2 Initial indications in summer 2009 were that over the 3 year period 2010/11 to 2012/13, savings of £60m would be required to balance the budget. On that basis, Services were advised to prepare saving proposals of 5%, 6% and 6% of their budget over those years, to provide an estimated £80m of saving proposals to give the Council choice and flexibility in considering its budget.
- 3.3 As a result of decisions taken in the setting of the 2009/10 budget, in December 2008 and February 2009, the Council already had a package of savings agreed for 2010/11. As set out later within this report, these total £7.680m, and gave the Council a 'head start' in relation to the saving targets identified.
- 3.4 As agreed by the Council in December 2009, further saving proposals across the next three years totalling £6.216m* also provide further progress towards the level of savings identified.

(* Highland Council 17 December 2009; Planning & Development, Housing and Property, Chief Executive's and Finance saving proposals)

- 3.5 Over the past 6-7 months, budget proposals have been refined by Services, and considered by members, culminating in the proposals to be considered as part of this report on 11th February. Consultation and communication has taken place, to ensure that members, staff, trade unions and the public were briefed on the financial outlook facing the Council, and at the appropriate time the specific proposals being considered.
- 3.6 The proposals set out within this report relate, in the main, to 2010/11. Certain proposals relate to the subsequent two years where they are a consequence of the 2010/11 proposal, or a rationale for early decision at this time was identified.
- 3.7 A complete budget package for 2011/12 and 2012/13 is not set out within this report. Given the scale of the financial challenge faced in 2011/12 and beyond, and the uncertainty pending the outcome of the UK election and timing of the next spending review, it is proposed that the budget for 2011/12 and 2012/13 is considered in Autumn 2010. This timescale will also give further time for planning and consultation in relation to further saving proposals.

4. Funding Assumptions

- 4.1 The funding assumptions under-pinning the information set out within this report are as described below.
- 4.2 In relation to 2010/11, the funding assumptions based on the grant settlement notified, and continuation of the council tax freeze in 2010/11, are as shown below.

	£m	2010/11 £m
Total Revenue Support notified March 2008		503.935
Changes notified in November 2009:-		
- Free Personal Care Funding Addition	1.614	
- Respite Care Funding Addition	0.118	
- Police ICT Transfer	(1.842)	
- ICT Contract LPFS Correction	(1.400)	
- Schools Fund Transfer to Revenue for PPP	3.851	
- Teacher Pensions Funding Addition	0.875	
- SNH Transfer of Funding to Councils	0.291	
- Business Gateway Transfer to Councils	0.882	
- Hostels Grant Reduction	(0.229)	
- Zero Waste Fund & Strategic Waste Fund	1.139	
- PPP2 Additional Funding	2.798	
- Police & Fire Pensions Funding Transfer	(6.393)	
- UK Budget Reduction	(6.081)	
- Other Minor Additions/Adjustments	0.166	(4.211)
Revised Revenue Support Circular 12/2009		499.724
Changes assumed but still to be formally advised:-		
- Adult Support & Protection Addition (est.)	0.500	
- Correction to District Courts Transfer	(0.008)	0.492
Revised Revenue Support for Budget		500.216

4.3 The grant support shown above includes £3.235m conditional upon the Council agreeing to freeze council tax in 2010/11.

4.4 For 2011/12 and 2012/13, in the absence of a formal grant settlement for those years, the Council's planning assumptions are as described below. There may be a requirement to review these assumptions as information becomes clearer in Summer/Autumn 2010 on the 2010 Spending Review.

- 2011/12 – Nil increase in grant compared to 2010/11. Removal of transitional adjustment for schools fund capital to revenue transfer £3.851m.
- 2012/13 – Nil increase compared to 2011/12.

5. Roll Forward Budget 2010/11

5.1 Each year, as part of the budget planning process, a roll forward budget is prepared for the coming financial year(s). This roll forward budget takes account of the adjustments to budgets and costs necessary to re-base the current budget for price increases and any agreed changes to that budget.

5.2 For 2010/11, details of the adjustments made are set out in **annex 1**. In total these changes add £3.250m to the current 2009/10 budget and result in a roll forward budget for 2010/11 of £602.032m. The main adjustments and assumptions made are as described below:-

- Agreed Pay awards. Teaching staff at 2.4% agreed for 2010/11.
- General inflation. Cash freeze assumed. All non pay budgets standstill unless exceptional circumstances apply, in which case considered as a pressure.
- Income inflation. 1.5% increase across all budget headings.
- Energy costs. Provision for contracted or estimated prices for energy. As a result of expected reduction in electricity unit rates from current contract, £2.352m net reduction across all energy budgets.
- Increments. Provision for estimated incremental increase in the paybill for teaching staff, and non-teaching taking account of implications from Job Evaluation re-grading.
- Pensions. Provision for estimated increased costs of employer pension contributions.
- Loan charges. Provision for the estimated costs of loan charges, to meet the borrowing costs of the Council's current capital programme and forecast rises in interest rates, and a strategy to reduce risk on the Council's borrowing portfolio.
- Joint Boards. Provision for requisitions from Police, Fire and Valuation Joint Boards, taking account of pension funding changes for Police and Fire.
- Other roll forward adjustments. To remove any one-off items relating to 2009/10, and to build in the full year effect of 2009/10 decisions, including previously agreed savings.

5.3 After the adjustments to arrive at this base budget position, the Council can then consider what growth and pressure proposals it wishes to agree for the year, and the saving proposals necessary to balance the budget.

5.4 In relation to 2011/12 and 2012/13, budget planning assumptions have been made in arriving at an estimated roll forward budget and likely level of savings necessary in those years. This will be reported to the Council as part of the budget for 2011/12 and 2012/13 to be considered by the Council in Autumn 2010.

6. Administration Budget Proposals

6.1 The following proposals are provided with this report, representing the Administration's growth, pressure and saving proposals for 2010/11 and any consequences for subsequent years.

- Booklet A – Summary statements of previously agreed savings. Provided for information only.
- Booklet B – Summary statements of saving proposals for decision by the Council on 11 February.
- Booklet C – Detailed backing sheets relating to those proposals in booklet B.
- Booklet D – Budget growth and pressures relating to 2010/11.

Savings

6.2 In total, the saving proposals for consideration by the Council (**booklet B and C**) are as follows.

	2010/11 £m	2011/12 £m	2012/13 £m
Education, Culture and Sport	1.646	1.093	0.155
Joint Committee for Children & Young People	0.050	1.055	0.877
Social Work	1.077	1.142	1.187
TEC Services	0.200	-	-
Corporate Savings	0.480	-	-
Total Savings Proposed	3.453	3.290	2.219

6.3 When added to the previously agreed savings, the total savings will be as shown below.

	2010/11 £m	2011/12 £m	2012/13 £m
Total proposed savings as above	3.453	3.290	2.219
Previously agreed 17 December 2009 (paragraph 3.4)	0.870	2.516	2.830
Previously agreed December 2008 and February 2009 (paragraph 3.3)**	7.680	-	-
Previously agreed TECS Committee November 2009	0.050	-	-
Total Savings	12.053	5.806	5.049

** of which £5.677m relates to the Services as set out in booklet A.

Growth and Pressures

6.4 In relation to growth and pressure proposals, these fall into two categories:-

- (a) those proposals presented for decision by the Council on 11 February (**booklet D**).
- (b) an unallocated sum, as shown below, held to allow for future consideration of outstanding matters.

	2010/11 £m
(a) Growth & pressures proposed 2010/11 for decision.	9.103
(b) Unallocated provision for growth and pressures	8.104
Total growth and pressures	17.207

Further information is set out in **booklet D**. Outstanding issues for which the unallocated sum may be required are listed on **annex 2**, and include; Service

pressures, outcome of non-teaching pay negotiations, replenishment of balances, job evaluation appeals and employment tribunals, capital programme review outcomes.

7. Equality Impact Assessment

7.1 Equality Impact Assessments (EQIA) are part of the legal duties on the public sector set out in the Race Relations Amendment Act and are also included under the Disability Equality duty and Gender Equality duty. An Impact Assessment is a pro-active step to ensure wherever possible preventative measures are taken to avoid discrimination or unfairness on any equality grounds before it occurs.

7.2 As part of the budget process, a screening assessment was undertaken to identify if any of the proposed savings could result in less favourable treatment of equality groups, and whether a full EQIA should be carried out on any proposal and identify any mitigating action. Screening of the budget proposals has highlighted some savings where a more detailed assessment has been necessary. In these instances mitigating action has been identified to ensure the Council avoids discriminatory practices.

8. Council Tax 2010/11

8.1 As stated earlier, the grant settlement provides further funding of £3.235m in 2009/10 to support the freezing of council tax at 2009/10 levels. The grant set out at paragraph 4.2, and the Administration's budget proposals, are based upon the freezing of council tax. As a result, the band D council tax for 2010/11 would be £1,163.

Information on the tax for each band is shown below.

Band	£	Band	£
A	775.33	E	1,421.44
B	904.56	F	1,679.89
C	1,033.78	G	1,938.33
D	1,163.00	H	2,326.00

9. Budget Summary

9.1 Taking the proposals set out within this report, together with the funding and roll forward budget assumptions, the proposed budget for 2010/11 would be as follows.

	2010/11 £m
Current Budget 2009/10	598.782
Roll Forward Budget Adjustments (section 5)	3.250
Sub-total: Roll Forward Budget	602.032
Growth and Pressure Proposals (section 6)	17.207
Saving and Efficiency Proposals (section 6)	(12.053)
Total Revenue Budget Proposed	607.186

	2010/11 £m
Revenue Support excl council tax freeze funding	496.981
Funding to support council tax freeze	3.235
Total Revenue Support (section 4)	500.216
Total Council tax income (based upon assumed 97.25% collection level).	106.837
Previously planned use of earmarked balances (for Scotland Excel)	0.133
Total Funding Sources	607.186

9.2 The resulting net budget, including increase/decrease per Service or budget line, is set out on **annex 3**.

10. Risks and Assumptions

10.1 Within any financial year's budget there are a number of inherent assumptions made in arriving at figures and budget provision, and therefore risks that may be faced if costs change or new pressures emerge. In the current difficult economic climate, and the significant emerging issues from that, risk is inevitably greater and more difficult to predict.

10.2 As highlighted earlier in this report, there is considerable uncertainty over the future prospects for public sector spending, pending the outcome of the UK election 2010 and subsequent spending review. It is also unclear if any future UK government would seek to implement an 'emergency budget' which could alter current assumptions relating to 2010/11.

10.3 The following keys risks and issues are highlighted in the context of the budget.

- Uncertainty over grant settlement for 2011/12 and beyond as described earlier.
- Impact of economic downturn on range of factors including; inflation, interest rates, employment, tax and income levels, service demands.
- Settlement yet to be agreed, for non-teaching pay awards.
- Outstanding Job evaluation appeals and employment tribunal claims.
- Costs of implementing change and budget savings over the next 3 years e.g. redundancy and retrial costs arising from proposals, not provided for within budget.
- Extreme weather events, and provision for immediate response as well as longer-term implications.
- Cost pressures exceeding budget estimates
- Non-delivery or late delivery of planned savings
- Declining level of balances

10.4 To mitigate these risks, the budget process and proposals set out within this report take the following steps:-

- Improved forward planning, and early decision for future saving proposals
- Early consideration of budget for 2011/12 and 2012/13 in Autumn 2010.
- Commencement of key reviews into; the school estate (ECS Committee January 2010), business case for five new care homes (Highland Council December 2009), waste collection strategy review (TEC Committee January 2010).
- Unallocated budget provided in 2010/11 for outstanding issues including; service pressures, job evaluation/equal pay, capital review and balances.

11. Balances

- 11.1 The Council must retain an appropriate level of reserves and balances to act as a safeguard in the event budgets are insufficient to meet current or future expenditure. While there is no prescribed sum a Council should retain, it being a matter of local judgement, the Chartered Institute of Public Finance and Accountancy (CIPFA) has a framework of guidance in place relating to reserves and balances. The Council must also ensure that it has clear strategies in place in relation to reserves and balances.
- 11.2 Over the course of 2009/10, events have highlighted the importance of retaining an adequate level of balances. The recent winter weather and costs of addressing that, and the variances against revenue budgets including Social Work, serve as a reminder of the importance of balances as a contingency sum.
- 11.3 Once used, balances must be replenished to avoid undue exposure to risk, hence within the 2010/11 budget provision for an unallocated budget to provide for a range of issues, including the potential to re-instate some General Fund balances.
- 11.4 Information on the reserves and balances held, and their purpose, are set out each year within the Council's Statement of Accounts. The most recent audited statements, relating to 2008/09, are available from the following internet location. The relevant information can be found within the Accounting Policies and Balance Sheet.

<http://www.highland.gov.uk/NR/ronlyres/9F1E5156-1AC4-4204-A0FC-0BDF5AE9D02A/0/auditedaccounts0809.pdf>

12 . Budget Outlook 2011/12 – 2012/13 and Next Steps

- 12.1 As stated earlier within the report, the intention is to continue progress on developing budget proposals for 2011/12 and 2012/13, following agreement of the budget and council tax for 2010/11.
- 12.2 Based upon estimates of resources available in those years, and roll forward budget assumptions, the outlook for these years is as summarised below.

	2011/12 £m	2012/13 £m
Roll forward budget estimate	616.490	613.499
Provision for growth and pressures	12.000	12.000
(A) Budget total before savings	628.490	625.499
Revenue support	496.365	496.365
Council tax income	107.097	107.357
(B) Total estimated resources	603.462	603.722
Budget gap before savings (A) minus (B)	25.028	21.777
Less : Previously agreed savings	(2.516)	(2.830)
Less : Proposed savings (Booklet B)	(3.290)	(2.219)
Updated budget gap	19.222	16.728
Budget gap over two years	35.950	

- 12.3 It is estimated that in total, savings of £47m will be necessary to balance the budget, of which £11m are agreed, or will be agreed as a consequence of the 2010/11 budget.
- 12.4 A consultation process will be developed, with the aim of introducing wide ranging consultation on budget proposals relating to those two latter years. A report will be considered by the Council in March 2010 on the consultation process.
- 12.5 This consultation process will lead up to the consideration of budget proposals for 2011/12 and 2012/13 in Autumn 2010, by which time the outcome of the UK Spending Review, and implications on public spending will possibly be clearer.

Recommendation

Members are asked to consider this report and:-

- (i) agree a council tax freeze for 2010/11, with the council tax at band D for that year being £1,163;
- (ii) note the previously agreed savings set out in **booklet A**;
- (iii) agree the budget savings for 2010/11 – 2012/13 as set out in **booklets B and C**;
- (iv) agree the budget growth and pressures set out in **booklet D**, noting the unallocated sum retained for consideration of other pressures and issues at a future date;
- (v) agree the revenue budget for 2010/11 as set out in the report, and **annexes 1 and 3**;
- (vi) note that consultation proposals will be considered by the Council in March 2010;
- (vii) note that budget proposals for 2011/12 and 2012/13 will be considered by the Council in Autumn 2010.

Signature:

Designation: Depute Chief Executive & Director of Finance

Date: 3 February 2010

Ref:

Background Papers

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**2010/11 Revenue Budget
Roll Forward Budget Adjustments**

	£m	£m
<i>Pay Awards, Increments & Pensions</i>		
Teaching Staff Pay Award at 2.4%	2.946	
Staff Increments – Teaching Staff	1.609	
Staff Increments – Other Staff (Job Evaluation Yr 3 Costs)	3.085	
Pensions – Teaching Staff	0.575	
Pensions – Other Staff	1.049	9.264
<i>General Inflation & Energy Savings</i>		
Cash Freeze on Non Staff Costs Budgets	0.000	
Income Budgets at 1.5%	(1.768)	
Energy Savings (net)	(2.352)	(4.120)
Loan Charges/IORB increase		4.394
Joint Boards (reduction due to pension funding changes)		(7.220)
<i>Other Roll Forward Adjustments</i>		
Reinstatement of IS Contract Extension Savings	0.750	
Remove 2009/10 Social Work Decant Costs	(0.105)	
PPP2 Net Adjustment	(0.265)	
Increase in funding from Fairer Scotland Fund	0.395	
Other Minor Roll Forward Adjustments	0.157	0.932
Total Roll Forward Budget Adjustments		3.250

Annex 2

Outstanding Budget Pressures and Other Matters

The following list sets out budget pressures, and other outstanding matters, presented for information at this time, rather than for decision. This list represents areas where a decision is not appropriate or required at this time, pending further information or clarification on the outcome, cost or timing of the item.

As described within the budget report at paragraph 6.4, an unallocated budget remains for future consideration of these items.

Service	Activity Heading	Description	Estimated Cost, where known £m
ECS	PPP unitary charge - utility costs	The utility "price risk" borne by the Council in relation to both of the annual PPP unitary charge payments.	0.100
	Gaelic Language Act Implementation Fund	The GLAIF grant funding reduces over subsequent financial years. As a result an increased contribution is required from the Council.	0.098
	Teacher staffing - all sectors	As a result of European legislative ruling, staff are entitled to contractual benefits lost during the period of maternity leave. Whilst this ruling applies to all staff.	0.520
P&D	Planning & Buildings Standards	Need to introduce new technology over and above anything which will come with the new ICT contract e.g. tough notebooks for officers to take out while on site to maximise the full benefits of e-Planning.	0.025
SW	Nairn Prime development	Development of joint NHS Highland and Highland Council accommodation in Nairn	0.150
	Older People Care Homes	Decant Costs associated with refurbishment (capital) programme.	tbc
TECS	Flooding	Implementation of Flood Risk (Scotland) Act 2009. Scottish Government funding to implement FRSA expected.	tbc
	Street Lighting	Potential for increase in electricity prices beyond inflation in 2010/11. Extent or impact not currently known.	tbc
	Service-wide	Potential for increase in fuel prices beyond inflation in 2010/11. Extent or impact not currently known.	tbc
	Waste Management	Funding allocated from Zero Waste Fund (£1139k) may be required to fund the implementation of the revised waste management strategy.	tbc
	Roads Maintenance	Repairs to road network following prolonged period of sub-zero temperatures	tbc
CEX	Occupational Health	Estimated additional resources required if Council agrees to enhance OH provision.	0.210
	CCTV monitoring images contract	Withdrawal of £30k per annum funding from Northern Constabulary from 2010-11 as contribution to contract. In addition the service is to be retendered in 2010 and this is expected to lead to increased cost. Review underway to see if in-house delivery would offer better value.	0.044
	Extension of Webcasting	Webcasting pilot is due to complete in June 2010. If members agree to introduce webcasting on a permanent basis there will be an annual charge to the Council for the equipment plus the hours used.	0.020
H&P	Property	Investment in maintenance budgets for retained asset portfolio	tbc
	Property	Provision for sum of £80k would be transferred from PAS to ECS as a contribution to the PPP unitary charge based on the notional historic maintenance budget for schools which have now been replaced under PPP.	0.080
Corporate	Non Teaching Pay Award	Budget provision required subject to the outcome of national negotiations on non-teaching pay awards	tbc
	Non Domestic Rates	Potential pressure resulting from 2010 revaluation	tbc
	Job Evaluation Appeals	Provision for the outcome of the appeals process	tbc
	Employment Tribunal Claims	Provision for the outcome of tribunals	tbc
	Capital programme review	Provision for any costs, over and above those within the budget, for the outcome of the capital programme review.	tbc
	Workstep	DWP Workstep Programme to be replaced by new Workchoice Programme. Council will no longer receive DWP funding for staff employed under the Workstep Programme.	0.131
	Balances	To provide for replenishment of General Fund balances	tbc

Revenue Budget 2010/11

	Budget 2010/11 £m	Increase / (Decrease) £m	Increase / (Decrease) %	
Education, Culture & Sport (Including Gaelic)	241.701	4.039	1.7	
JCCYP	21.746	(0.541)	(2.4)	(a)
Planning and Development	7.705	0.158	2.1	
Social Work	106.765	2.626	2.5	(a)
TEC Services	64.251	(2.446)	(3.7)	(b)
Chief Executive's Service	27.903	(0.569)	(2.0)	
Finance Service	6.344	(0.361)	(5.4)	
Housing & Property Service (including Building Maintenance)	8.192	(0.514)	(5.9)	
Service sub-total	484.607	2.392	0.5	
Joint Board Requisitions (Police, Fire and Valuation)	57.588	(7.220)	(11.1)	
Loan Charges	52.888	3.424	6.9	
Interest on Revenue Balances	(0.180)	0.970	84.4	
Sub-total	594.903	(0.434)	(0.1)	
Affordable Housing (council tax contribution)	2.568	0.000	0.0	
Non Domestic Rate Reliefs	0.460	0.000	0.0	
Unallocated Budget Provision	9.255	8.838	-	(c)
Total Revenue Budget	607.186	8.404	1.4	

a) Social Work budget includes £1.2m budget pressure for learning disability/autism transitions from Children's Services

b) £2.163m of the saving proposals in the TECS budget relates to transfer of structural roads maintenance work from revenue to capital budget

c) Unallocated budget provision will be subsequently allocated against other budget lines as decisions are made i.e. decisions relating to further Service pressures, the outcome of non teaching pay award negotiations, etc.

As per paragraph 6.4	£8.104m
Add central budgets held for specific purposes:-	
staff increments held centrally at this time	£3.085m
2009/10 unallocated budget carried forward	£0.418m
net energy budget reduction unallocated at this time	(£2.352m)
<u>Total unallocated as shown above</u>	<u>£9.255m</u>