

## **CORPORATE FINANCIAL REPORT**

### 1.0 INTRODUCTION

1.1 This report reviews the financial position of the Council for the current financial year 2009/10. The Corporate Financial Report is currently produced bi-monthly and this report provides an updated position and covers the period 1 October 2009 to 30 November 2009.

### 2.0 REPORT STRUCTURE

2.1 The main elements of the report are contained in the attached Commentary on the Council's Financial Position which contains the following Sections:-

<u>Section</u>	<u>Content</u>
A	Capital Programme 2009/10 to 2011/12 latest position
B	Revenue Budget 2009/10 latest position
C	Levels of Reserves and Balances including movements
D	Treasury Management Review including activity in the period, adherence to the agreed strategy and the current levels and range of risks being run
E	Efficiency Plan 2009/10 latest position

### 3.0 RECOMMENDATIONS

It is recommended that the Executive recommends Council to:-

- (i) approve the latest Capital Programme as shown at Annex A including the increased capital allocation (£610k) in relation to the former UGB site;
- (ii) approve the revised General Fund Budget for 2009/10 (Annex B) ;
- (iii) note the Treasury Review and the latest Efficiency Plan; and
- (iv) note the latest capital receipts and reserves & balances position.

Ian Roberts,  
Assistant Chief Executive (Finance)

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Background documents open to inspection in accordance with Section 100D of the Local Government Act 1972:-  
Monitoring Group papers

## COMMENTARY ON THE COUNCIL'S FINANCIAL POSITION

### SECTION A : CAPITAL PROGRAMME

- 1.1 The latest detailed three year Capital Programme is attached at Annex A. The Table below represents a summary of the movements in spending and funding in 2009/10 since the last Corporate Financial Report and shows a net decrease of £7.988m over the last approved figure:-

	<u>Previous Estimate</u> £000	<u>Latest Position</u> £000	<u>Variance</u> £000
<u>PORTFOLIO SPENDING:</u>			
Children and Young People	34,625	33,379	1,246-
Adult Social Care & Health	588	490	98-
Urban Regeneration and Housing	13,261	9,660	3,601-
Environmental Protection	13,505	12,418	1,087-
Culture, Sport & Heritage	3,956	1,853	2,103-
Corporate Services & External Affairs	708	708	0
Safer Communities	1,267	1,414	147+
	<b>67,910</b>	<b>59,922</b>	<b>7,988-</b>

#### FINANCED BY:

Borrowing	11,326	9,008	2,318-
Grants & Other Contributions	49,364	43,962	5,402-
Capital Receipts	4,811	4,626	185-
Revenue Contribution	2,409	2,326	83-
	<b>67,910</b>	<b>59,922</b>	<b>7,988-</b>

#### New Schemes

- 1.2 The following new schemes have been added to the Council's three year Programme since the last report:-
- (a) **Chalon Way Car Park Improvements** - urgent works required to Level 2 of Chalon Way Car Park in order to protect the integrity of the decking structure and provide a waterproof membrane, funded from capital receipts (£25k)
  - (b) **Air Quality Monitoring** – the Council has been awarded £34k grant funding from DEFRA to provide air quality monitoring equipment.

#### Other Variations

- 1.3 The more significant variations (other than new schemes) since the last Corporate Report are highlighted below whilst detailed changes are included in Annex A:-

### Children & Young People

- (i) Re-phasing of £175K Supported Borrowing and £806k Grant Funding in relation to the **Primary Capital Programme** from 2009/10 to 2010/11 in accordance with the latest expenditure profiles according to the recently developed Framework Agreement through which the individual schemes are being procured.
- (ii) The rephasing of £40k and £61k Unsupported Borrowing from 2009/10 to 2010/11, in relation to **Schools Access Initiative** and **Modernisation** respectively. No new schemes are planned for 09/10, therefore the resources are uncommitted and will be utilised during 10/11.
- (iii) **Maintenance of Childrens Centres:** expenditure of £34k will be rephased from 2009/10 to 2010/11. This is mainly due to a delayed agreement in connection with the works to be undertaken at a particular site. The works will now be completed during 10/11.

### Safer Communities

- (i) Further resources have been allocated to cover the additional cost of the refurbishment work on **Grange Valley Youth Centre**. The grant allocation from Youth Capital Plus of £452k and Aiming High £41k, does not meet the full cost of the project and additional funding of £106k via Service Modernisation Fund has been approved.

### Environmental Protection

- (i) Additional grant monies have been awarded from DEFRA in relation to **Contaminated Land** (£89k).
- (ii) Following the completion of the **Hardshaw Brook Depot Wall** scheme, it was identified that the scheme came in under budget and as a result £30k unused capital receipts have been returned for corporate reallocation

### Transport

- (i) Land issues and claims surrounding the **Blackbrook Diversion** scheme (£850k), **St.Helens Linkway** (£155k), **Atlas Street** (£82k) and **Junction Lane Bridge** (£93k) have been protracted resulting in slippage into 2010/11

### Culture, Sport and Heritage

- (i) Due to the delay on works beginning on **Queens Park Leisure Centre**, cashflows have been delayed and as a result £2.1m Unsupported Borrowing has been slipped from 09/10 to 10/11. It is anticipated that a large proportion of spend will occur in the first quarter of 2010/11.

### Urban Regeneration

- (i) Due to the economic climate, there has been a poor take up of residential grants. Therefore £120k Grant in relation to **Planning Delivery Grant** has been rephased from 09/10 to 10/11. It is planned that the rephased resources will be used for commercial grants in the town centre.

## Housing

- (i) Additional contributions have been received from the following Housing Associations – Arena (£42k), Riverside (£25k) and Maritime (£40k). The funding will be used to fund the **Housing Assistance Grants** programme.
- (ii) Slippage of £2.433m **Regional Housing Pot Grant** from 09/10 to 10/11, has occurred to allow for a structured programme to be developed. In addition, the high level of slippage has been a conscious decision taken within the Housing team due to the possibility of a large capital scheme at Somerset Park upcoming at the same time as a possible reduction in funding of up to 40%. Further information on this matter will be reported when appropriate.
- (iii) Spend on the **Gypsy and Traveller Sites** has been delayed due to the need to obtain Compulsory Purchase Orders. Therefore £1.155m has been rephased from 09/10 to 10/11.

## Adult Social Care and Health

- (i) £98k grant in relation to **Social Services Accommodation** has been rephased from 09/10 to 10/11. This grant will be used for the Windle Pilkington House, which will be subject to an Executive Decision.

1.4 There is no significant overall impact on the Council's financial position as a result of the above.

## Former United Glass Site

1.5 A report elsewhere on the Agenda outlines the latest costings in relation to the constituent elements of the **UGB Site Renovation** scheme and highlights the need for additional investment particularly in relation to increased costs associated with the footbridge construction. It is recommended that these costs (£610k) be added to the Capital Programme and funded by way of capital receipts.

## **SECTION B : GENERAL FUND REVENUE BUDGET**

2.1 The current year's Revised Estimate is shown in Annex B and has been updated since the last report to take account of the following issues:-

- (i) changes to the required Revenue Contribution to Capital resulting from changes to the Capital Programme;
- (ii) the effects of Executive/Administrative decisions taken in the period;
- (iii) relevant contributions from Earmarked Balances in respect of (i) and (ii) above;
- (iv) technical and accounting changes; and
- (iv) virements undertaken in accordance with Financial Procedure Rule 2.
- (v)

2.2 In addition, the following have had an impact on the overall financial position of the Council

### **Area Based Grant Schemes**

2.3 The ongoing monitoring of those schemes funded by way of Area Based Grant (ABG) has flagged up a number of issues in the second quarter and has identified the following potential budget savings in relation to certain schemes:-

<b>Potential Savings</b>	<b>2009-10 £000's</b>	<b>2010-11 £000's</b>	<b>Total £000's</b>	
<b><u>Adult Social Care and Health</u></b>				
Community Food Project	-22	0	-22	Staff Saving – two posts not filled
<b><u>Children &amp; Young People</u></b>				
Connexions	-67	0	-67	Staff Saving – Head of Integrated Youth Support and monitoring arrangements due to commence 01-01-10
Support and provision for Behaviour Improvement	-87	0	-87	Staff savings - following implementation of final Behaviour Improvement Strategy
Narrowing the Gap	-16	0	-16	Staff Saving – delays in recruitment
Teenage Pregnancy and Sexual Health	-20	0	-20	Staff savings
Extended Rights to Free Travel	-16	0	-16	Staff savings due to delays in recruitment
Child Death Overview Panel	-6	0	-6	Staff savings – delays in recruitment

<b>Potential Savings</b>	<b>2009-10 £000's</b>	<b>2010-11 £000's</b>	<b>Total £000's</b>	
<b>Environmental Protection</b>				
Neighbourhood Environmental Wardens	-10	0	-10	Staff Saving – one post vacant until November
Recycling Services Improvements	-14	0	-14	Staff vacancies
<b>Safer Communities</b>				
Alcohol Harm Reduction	-103	0	-103	Staff savings – delays in recruitment
<b><u>Urban Regeneration and Housing</u></b>				
Supporting People Programme	-752	0	-752	Staff saving £58k, balance relates to underoccupancy
LEGI	-296	0	-296	Underspend relating to 6 LEGI programmes
<b>Corporate Services</b>				
Support for the delivery of the LSP, Community Plan and LAA	-18	0	-18	Staff savings – post not filled
<b>Total Potential Savings</b>	<b>-1,427</b>	<b>0</b>	<b>-1,427</b>	

It is recommended that these savings be “clawed back” on the basis that the funds are no longer required.

- 2.4 In addition, the Council has recently been notified of the following additional and/or new grants which form part of the 2009/10 ABG allocation:-

	£000
Working Neighbourhoods Fund	441
Education Health Partnerships	40
Designated Teacher Funding	10
Care Matters Grant	7
Community Call for Action	2
Social Care Checks	<u>1</u>
TOTAL	<u>501</u>

**Performance Reward Grant**

- 2.5 Members may recall that the Council entered into Local Public service Agreement with central government some three years ago which involved the setting of “stretch” performance targets for a number of key indicators. In return for achieving these improved outcomes the Council was to be rewarded by way of Performance Reward Grant. The Agreement period has now elapsed and a grant claim in the sum of £3.294m has been submitted based on our achievements.

- 2.6 A summary of the current financial position and variations since the last Corporate report is shown in the Table below:-

	<u>Previous Estimate</u> £000	<u>Latest Position</u> £000	<u>Variance</u> £000	
Children & Young People	39,328	39,130	198-	
Adult Social Care & Health	51,728	51,706	22-	
Urban Regeneration & Housing	10,120	9,108	1,012-	
Environmental Protection	24,490	24,491	1+	
Culture, Sport & Heritage	7,919	7,919	0	
Corporate Services & External Affairs	7,005	6,987	18-	
Safer Communities	6,307	6,204	103-	
<b>TOTAL PORTFOLIO SPENDING</b>	<b>146,897</b>	<b>145,545</b>	<b>1,352-</b>	<b>(a)</b>
Levies	24,364	24,364	0	
Revenue Contribution to Capital	2,409	2,326	83-	(b)
Investment Interest	-3,186	-3,326	140-	(c)
Servicing of Debt	11,835	11,835	0	
Capital Charges	-8,314	-8,314	0	
Contribution to(+)/from (-) Earmarked Balances	-2,572	497	3,069+	(d)
Performance Reward Grant	0	-3,294	3,294-	(e)
VAT Refund	-435	-435	0	
<b>NET BUDGET</b>	<b>170,998</b>	<b>169,198</b>	<b>1,800-</b>	<b>(d)</b>

**Notes:**

	£000	£000
(a) (i) Increased spending funded from Earmarked Balances approved by Executive/Delegated Executive/Admin. Decision:-		
Somerset Park Neighbourhood Renewal Assessment	3+	
Textile Recycling	25+	
Markets Restructure Costs	<u>33+</u>	61+
(ii) Reductions in Portfolio budgets to fund capital schemes ( reversal in respect of Willow Tree underspend)		14+
(iii) Reductions in Portfolio budgets in respect of clawback of ABG project budgets (see 2.3 above)		<u>1,427-</u> <u>1,352-</u>
(b) Contributions to Capital schemes funded from:-		
(i) Portfolio Budgets ( see (a)(ii) above)	14-	
(ii) Earmarked Balances		
Junction La./Atlas St. slippage	175-	
Grange Valley Youth Centre	106+	<u>83-</u>
(c) Latest Treasury forecasts		<u>140-</u>
(d) Contributions to/from Earmarked Balances in the period:-		
(i) To fund Revenue expenditure (see (a)(i) above)		61-
(ii) To fund Capital expenditure (see (b)(ii) above)		69+
(iii) Set aside of Rainhill High balances for BSF works		61+
(iv) Set aside for Care Services Transitional Demand Fund ( see Section 3.5 below)		<u>3,000+</u> <u>3,069+</u>
(e) Performance Reward Grant (see 2.5 above)		<u>3,294-</u>

2.7 Annex B contains a more detailed analysis of the effect of changes in the period on individual services within each Portfolio.

## **SECTION C : RESERVES AND BALANCES**

3.1 The Council's Reserves and Balances ( sometimes referred to as "Distributable Reserves") consist of the following:-

- (i) Usable Capital Receipts
  - generated from the sale of surplus Council assets, the repayment of loans and a proportion of receipts from Helena Housing under the "Right to buy" initiative. These are generally available to support capital investment (in accordance with certain principles governing such use) or to invest.
- (ii) General Balances
  - held to protect the Council's financial position from unforeseen events, their level represents a prudent amount based on an ongoing risk assessment.
- (iii) Schools Balances
  - held by Governors under delegated scheme arrangements. These can only be spent on Education services.
- (iv) Other Earmarked Balances
  - set aside and designated for specific purposes with different processes governing their utilisation.

### **Usable Capital Receipts**

3.2 The current position in terms of available capital receipts is as follows:-

	£000
Available Capital receipts b/fwd at 1.4.09	54,722
Receipts generated in year to end Nov.2009 :	
- Preserved Right to Buy receipts	420
- Sale of Council assets	993
Required to fund Capital Programme 09/10 to 11/12	(10,694)
Earmarked for Building Schools (PFI)	<u>(3,000)</u>
Current Available Balance	<u>42,441</u>

### **General Balances**

3.3 The estimated unallocated balances position as at 31 March 2010, taking account of variations highlighted in Section B above, is £11.208m, which is an increase of £2.301m over the last reported position. The level of balances will be reviewed as part of the risk assessment exercise to be undertaken as part of the Medium Term Budget Strategy process.

### Schools Balances

3.4 Schools Balances are estimated to be £4.5m at the end of the current financial year which represents a reduction of £2.1m from the opening balance. This continues the recent trend which saw Schools Balances reduced by £1.6m during 2008/09.

### Earmarked Balances

3.5 The current position in relation to Earmarked Balances is highlighted below:-

	Balance at 1.4.09 £000	To be set aside in 2009/10 £000	To be utilised in 2009/10 £000	Balance at 31.3.10 £000
Service Modernisation Fund	11,540	803	-2,506	9,837
Service Development Fund	2,088	1,600	-196	3,492
ICT Fund	57	0	-43	14
Capital Challenge	176	0	0	176
Affordable Housing	120	0	0	120
Gershon Efficiencies	899	0	-271	628
Care Services Transitional Demand Fund	0	3,000	0	3,000
Building Schools for the Future - Preliminary costs	1,557	0	-832	725
Building Schools for the Future - Works	920	60	-920	60
Commuted Sums	789	0	0	789
Insurance Fund	3,465	0	-198	3,267
TOTAL	21,611	5,463	-4,966	22,108

The Care Services Transitional Demand Fund is to be set up in 2009/10 to be utilised in future years in order to mitigate the implications of short term demand fluctuations within the Care Services.

## **SECTION D : TREASURY MANAGEMENT REVIEW**

- 4.1 This Section aims to provide Members with more detailed and more frequent information about treasury activity to provide information on the full range of risks being run as a result of the Council's ongoing borrowing and investment dealings.
- 4.2 The Treasury Management training for Members was provided in identical sessions arranged on 26 & 27 November. The feedback, as contained in the Training Validation Report, indicates that the Learning Outcomes were very successfully delivered and that Member understanding has been significantly enhanced as a result.

### **Investments**

- 4.3 As detailed in the Council's Annual Investment Strategy (which is incorporated into the Annual Treasury Management Strategy) the Council's investment priorities are the security of capital and the liquidity of investments. The Council's investment dealings in the period, therefore, have been undertaken in order to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity and having properly assessed all inherent risks.
- 4.4 In the current economic climate it is considered ever more appropriate to ensure that all investments are placed with highly credit rated financial institutions in line with the Council's authorised Counterparty List. As detailed in previous Corporate Financial Reports, under authorities delegated to the Assistant Chief Executive (Finance), revisions to the counterparty criteria have been made to provide additional certainty in the investment decision making process.
- 4.5 During November 2009, additional criteria was implemented that introduced a maximum limit for the sums that may be invested in individual countries at the time of making the investment.
- 4.6 The limit for sums that may be invested in other Local Authorities was also increased from £15m to £30m to reflect the security of such deposits., though in reality it is expected that the opportunity to invest to such an extent in other Local Authorities will be extremely rare.
- 4.7 There continues to be an increasing number of institutions whose independent credit ratings have fallen and who no longer figure on the Council's lending list and, accordingly, Officers have found it increasingly difficult to securely invest the surplus monies of the Council. This has been particularly so where investments are maturing with counterparties who no longer carry sufficient ratings to enable further deposits to be made.
- 4.8 Those three Money Market Funds (MMF's) that were reported in the last Corporate Financial Report as having been identified for use, are now operational, and investments have commenced from October 2009 as part of the overall management of surplus monies. Members will recall that these MMF's are of extremely high security (AAA rated), and during the period, rates obtainable on the funds were in excess of those available on the Council's historic call accounts.
- 4.9 The Table overleaf details the Council's investments as at 30 November 2009:-

Counterparty	Sum Invested (£000)	Maturity Date	Interest Rate %	Comments
<b>Call Accounts</b>				
Abbey National	120	Call Account	0.80	
Bank of Scotland	10,065	Call Account	0.75	
Nat West	5,295	Call Account	0.80	
Svenska Handelsbanken	1	Call Account	0.25	Minimum balance to keep account open
<b>Banks</b>				
Abbey National	10,000	17/09/2010	1.19	
Barclays Bank	7,000	16/06/2010	6.85	
Barclays Bank	7,000*	06/12/2011	3.65	Deal restructured and extended by 1 year. Rate converts to 2.00% on 4/12/09 then annual calls
Barclays Bank	6,000	19/01/2012	3.07	
Bank of Scotland	5,000	15/10/2010	1.80	
Clydesdale Bank	6,000	03/12/2009	1.39	
Clydesdale Bank	5,000	15/12/2009	1.35	
HSBC Bank	7,000	12/05/2010	1.04	HSBC have option to repay on 12/02/2010
HSBC Bank	5,000	14/05/2010	0.95	HSBC have option to repay on 15/02/2010
Irish Life & Permanent	5,000	04/12/2009	4.175	
Lloyds TSB	6,000	19/01/2012	3.02	Lloyds have semi annual option to repay from 19/01/2011
Lloyds TSB	6,000	03/12/2009	1.45	
Lloyds TSB	5,000	15/10/2010	1.80	
Royal Bank of Scotland	5,000**	23/09/2011	0.9118	Rate has transferred from 7.10% to LIBOR plus 0.35% from 23/09/2009
Royal Bank of Scotland	9,380***	04/12/2012	4.55	Deal restructured and extended by 1 year. Rate converts to 3.10% on 4/12/09 then annual calls
Royal Bank of Scotland	5,000	27/04/2012	4.10	
<b>Building Societies</b>				
Nationwide	3,000	21/01/2010	1.18	
Nationwide	3,000	22/01/2010	1.16	
<b>Money Market Funds</b>				
Prime Rate	20,000	MMF deposit		Rate determined at end of each investment day
<b>Total Investments held</b>	<b>146,641</b>			

It should be noted that :

- \* Barclays Bank had the option to flip the rate from 3.65% to LIBOR+0.50% from 4/12/2009. This deal has since been restructured and extended by one year with 2.00% being agreed

until at least 6/12/2010 when there is the annual option to change the rate to LIBOR plus 0.50%.

\*\* Royal Bank of Scotland have, as anticipated, exercised the option on the £5m deposit placed on 23/09/2008 previously fixed at 7.10%.

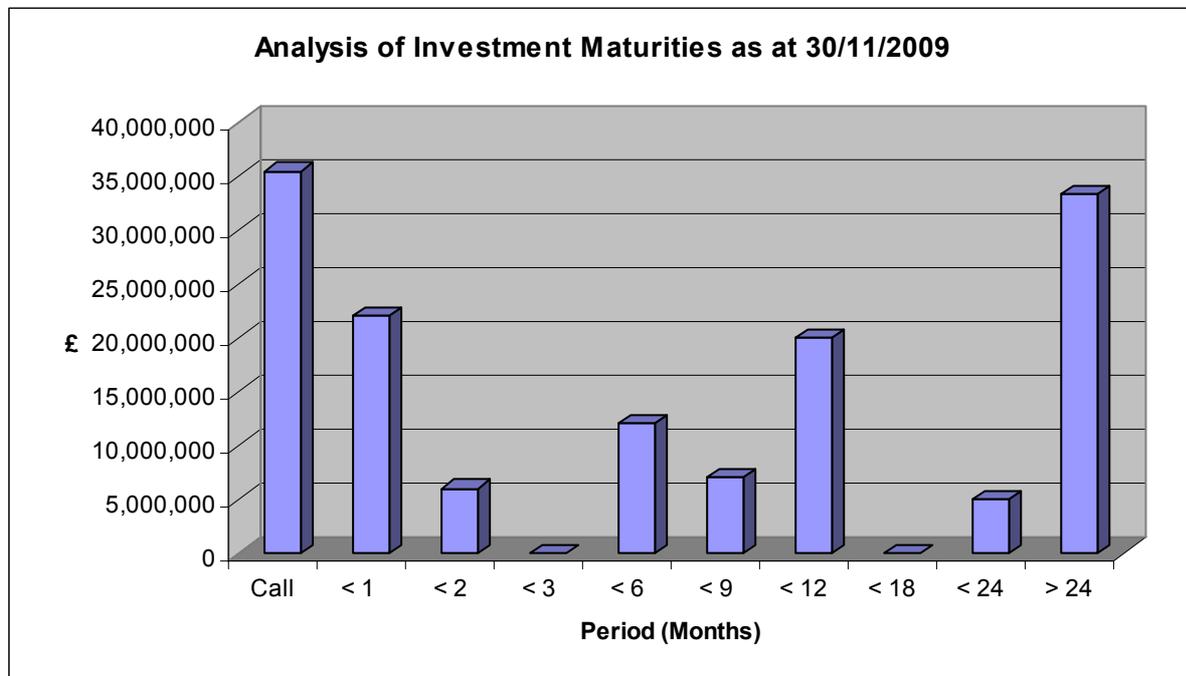
\*\*\* Royal Bank of Scotland had the option to flip the rate from 4.55% to LIBOR+0.50% from 4/12/2009. This deal has since been restructured and extended by one year with 3.10% being agreed until at least 6/12/2010 when there is the annual option to change the rate to LIBOR plus 0.50%.

\*\*\*\* National Australia Bank utilised the option to repay after a semi annual call on 16/11/2009, this was a £5 million deal that was placed on 15/5/2009 at 1.46% for eighteen months.

4.8 At the time the original investments were made they were affected in line with the ratings procedure outlined above. However, the current economic conditions are such that there has been some significant movement on a number of institutions credit ratings. The Council has sought to ensure that all rating adjustments are reflected in its Counterparty List and where institutions have been downgraded or placed on negative ratings watch they have been removed from the Counterparty List and no further investments made with these institutions.

4.9 The Council has sought to maintain a mix of investments maturing in less than 1 year and those maturing in more than one year where counterparties have met the Authority's lending criteria and rates have been favourable. The chart below provides an overview of the split of the Authority's investments by maturity as at 30 November 2009.

Chart 1 – Analysis of Investment Maturities as at 30 November 2009



- 4.10 As Members will be aware interest rates and consequently investment rates are at a historical low. The average level of funds available for investment purposes for the period to 30 November 2009 was £137.63m and all investments have been made in full compliance with the approved Investments Strategy. The table that follows outlines the Council's performance for the financial year thus far against the benchmark rate.

Month	Return Achieved	Benchmark Return	Performance Relative to Benchmark	Gross Interest Earned £'000
April	4.33%	0.52%	3.81%	415.2
May	4.01%	0.48%	3.53%	424.2
June	3.26%	0.47%	2.79%	383.2
July	3.30%	0.44%	2.86%	391.4
August	3.27%	0.42%	2.85%	387.5
September	2.90%	0.38%	2.52%	344.3
October	2.14%	0.38%	1.76%	274.5
November	2.06%	0.38%	1.68%	240.4

It is clear from the table above the Council out performed the benchmark in all periods as a consequence of locking into some longer-term investments attracting good rates of return. The level of funds available for investment are dependent on a number of factors including timing of precept payments, receipts of grants and progress on the capital programme. Any calls on balances or reserves over and above the level assumed for budgeting purposes will impact on the achievement of the budgeted investment returns.

- 4.11 On the basis that investment rates are not expected to move significantly from those rates currently obtainable for the remainder of this financial year, the latest estimated position for 2009/2010 is as detailed below:-

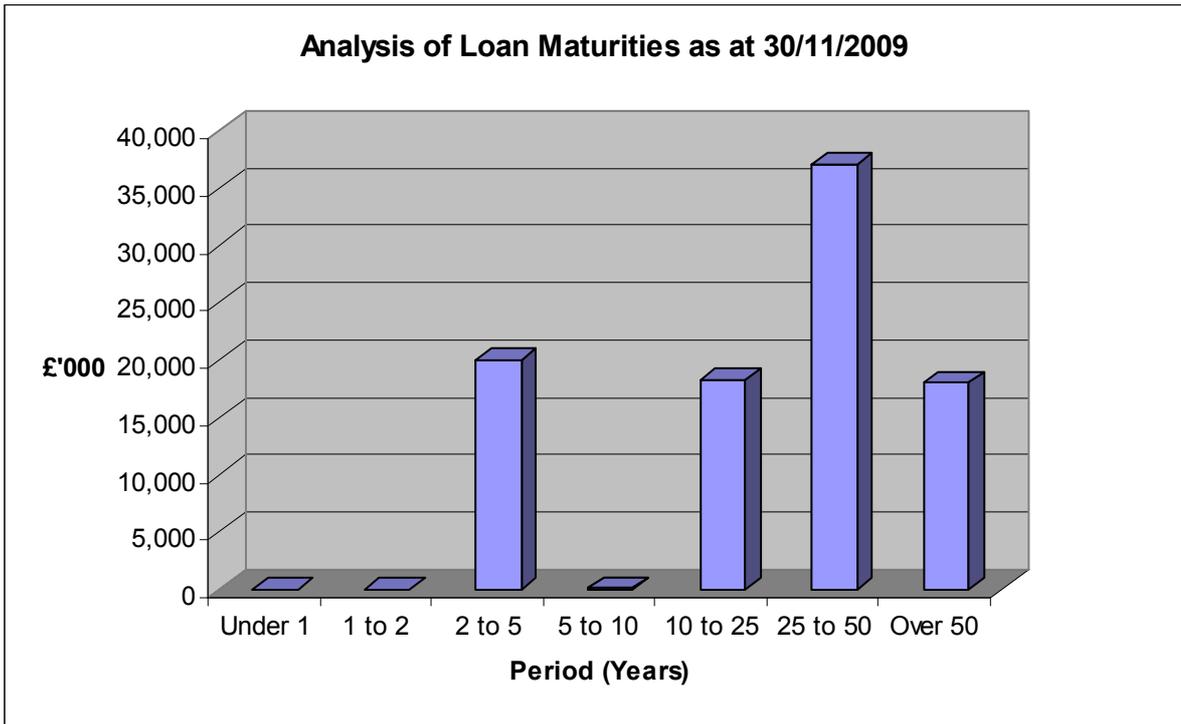
	Approved Estimate £'000	Latest Estimate
Net Investment Returns 2009/2010	3,186	3,326

### Borrowings

- 4.12 The Council has outstanding debt of £93.39m. No new loans or restructuring of debt has been undertaken thus far in this financial year. As a consequence of the unchanging debt position, the cost of servicing the Council's debt for remains in line with the current budgeted estimate, as detailed in the following Table:-

	Approved Estimate £'000	Latest Estimate
Net Borrowing Costs 2009/2010	5,452	5,452
Provision for Debt Repayment 2009/2010	6,383	6,383

4.13 The Chart below shows the maturity profile of the Council's loan portfolio:-



*Prudential Indicators*

4.14 No revisions to any Prudential Indicator figures are required at this stage, having been reported in the previous Corporate Financial Report. All relevant limits are still relevant, and there have been no breaches during the period.

## **SECTION E : EFFICIENCY PLAN**

- 5.1 Details of the Council's current year Efficiency Plan including progress to date is attached at Annex C and summarised below:-

Portfolio	Revised Efficiency Target £000	Latest Efficiency Target £000	Budgeted Efficiencies to date £000	Actual Efficiencies to date £000
Children & Young People Services	926	821	582	582
Adult Social Care & Health	1,488	1,510	918	918
Urban Regeneration & Housing	804	804	470	470
Environmental Protection	387	387	212	212
Corporate Services	833	833	566	566
Culture, Sport & Heritage	202	202	188	188
Safer Communities	30	30	20	20
Levying Bodies	459	459	306	306
<b>TOTAL</b>	<b>5,129</b>	<b>5,046</b>	<b>3,262</b>	<b>3,262</b>

- 5.2 The targets quoted above have been set internally in line with the Government's Efficiency Agenda as laid out in the Comprehensive Spending Review (CSR) which assumes that Local Government will achieve annual efficiencies of 3% per annum over the three year timeframe of the CSR. Although targets have not been set for individual authorities the Council has determined its own targets based on 3% efficiencies in 2009/10 as part of its medium term budget strategy.
- 5.3 The Council has a requirement to report the extent of its achievement in terms of its efficiency or value for money savings on its Council tax bills and as part of the "basket" of National Performance indicators which it publishes on an ongoing basis. The relevant indicator is NI 179 which represents the cumulative ongoing cash-releasing value for money gains that have been achieved since the start of the 2008/09 financial year. The current position in respect of NI 179 is as follows:-

	£000
Target efficiencies ( 3%) 1.4.08 to 31.3.10	<u>10,741</u>
Actual efficiencies 1.4.08 to 30.11.09	9,234
Projected efficiencies 1.12.09 to 31.3.10	<u>1,783</u>
	<u>11,017</u>

It can be seen from the above that it is anticipated that the target will be exceeded.