Agenda Item 7

East Northamptonshire Council

Finance Sub Committee - 14 December 2009

Medium Term Financial Strategy

Summary

The purpose of this report is to consider and recommend the Council's Medium Term Financial Strategy covering the financial years 2010/11 to 2013/14.

Attachment(s)

Appendix A - Detailed Medium Term Financial Strategy

Appendix B - Capital Summary

Appendix C - Reserves and Balances Statement

1.0 Introduction

1.1 The Council is required to consider its financial strategy (MTFS) on an annual basis for the next 3 to 5 years. This is not a budget or Council Tax setting exercise but a process which identifies the costs of providing existing services as well as any additional services or enhancements the Council deems as priorities. From these figures, the affordability of these plans can be assessed with reference to the likely impact these plans will have on taxation levels and the levels of reserves and balances.

1.2 In drawing up the financial strategy we have endeavoured to include the most accurate figures possible. Part of this process included seeking the views of the individual budget holders about how their budgets would look over the following four year period and in particular to identify major changes over and above normal inflationary increases. Other figures are estimated and the basis of this estimation and the resultant risks are outlined later in this report.

1.3 The figures in the MTFS have been calculated by extrapolating the costs of existing services across the financial years of the Strategy. Where appropriate, costs have been uplifted using inflators which are detailed in section 2 below. The costs have then been adjusted by variations which are already known to us. This can include, for example, the end of specific projects or funding streams, or where the costs of providing existing services rise because of external factors outside our control, e.g. population growth.

1.4 The MTFS also considers our capital spending plans as these will have a direct impact on our revenue expenditure. The process for proposing new capital schemes as well as reviewing existing budget provision will be the same as for revenue budgets.

1.5 The MTFS approved last year included significant reductions in our income streams particularly from development control, building control and land charges due to the downturn in the housing market and the loss of investment interest due to significantly lower interest rates. A total loss of income of £712,000 was included in 2009/10 and similar sums in 2010/11 to reflect the impact of the recession and credit crunch. Overall the MTFS assumed a significant recovery in 2011/12 which now appears very optimistic.

1.6 The MTFS has included for a number of years the need for the Council to find on going efficiency savings and the Strategy has included annual savings of some £300,000. In recent years these sums have been managed out of the budget without much difficulty and without the need for a robust programme of reviews or reductions in service provision.

1.7 The contribution of both the loss of income; the length and depth of the recession; and ongoing efficiency savings has put the Council's resources under extreme pressure and a significant deficit has appeared between our current spending and income. Last year the Council approved a MTFS and budget that looked to manage this deficit by utilising our revenue reserves over the short to medium term plus an agreement to look at making revenue budget savings of £1m over 2010/11 and 2011/12.

1.8 The worsening national economic situation and level of national debt will put considerable pressure on the level of support received from the Government. At this stage we do not know what impact this reduction in grants will have on our finances but a significant change in our planning is that we anticipate a further loss of income of £1m over the next three years. This clearly stresses further the need for significant savings in our budget to tackle the deficit.

1.9 It is proposed that a full Member workshop be held in January 2010 to explore these matters further.

1.10 The Strategy also now reflects the revenue costs of going ahead with the new leisure facilities at Manor Park. The revenue costs reported to Council are included within the MTFS.

2.0 Summary Medium term Financial Strategy 2010/11 to 2013/14

2.1. Based on the assumptions and risks detailed elsewhere in this report the table below sets out the estimated shortfall in our budgets. The shortfall estimated for 2010/11 is £1.251m rising to £2.084m in 2013/14.

	2010/11	2011/12	2012/13	2013/14
Budget Requirement	**11,656,760**	**11,991,350**	**11,860,100**	**12,121,760**
Funding:				
Government Grants	(6,660,730)	(6,327,400)	(5,994,070)	(5,660,730)
Earmarked Reserves and other	(27,000)	(120,000)	0	0
Amount to be met from Council Tax	4,945,030	5,543,950	5,866,030	6,461,030
Council Tax Yield	**3,693,096**	**3,899,799**	**4,131,393**	**4,376,319**
Shortfall (to be met from reserves/savings)	**1,251,934**	**1,644,151**	**1,734,637**	**2,084,711**

The manner in which this Strategy has been constructed and the assumptions made in determining the Strategy are detailed below. Members should note that there are some risks associated with the assumptions made and these are detailed in the report. Further detail on the figures can be found in Appendix A.

2.2. The main change since last years MTFS has been our assumptions for Government grant. This Strategy has assumed that we will get a 15% reduction in grant overall from 2011/12 to 2013/14, which in cash terms equates in a £1m reduction over the three years. During 2009/10 we are still feeling the impact of the recession on various sources of income and for items such as development control and land searches income. We are now not expecting these to return to the pre-recession levels during the period of the Strategy. Previously we anticipated a significant recovery in fees and charges in 2011/12 onwards.

2.3. Appendix C sets out our reserves and balances position over the period of the MTFS. As Members can see, with no additional use of reserves, we will have £5.856m at the end of 2013/14. This means we have some scope to utilise these reserves to meet some of the budgetary shortfalls. However, this can only be a short term fix to the budgetary imbalance and longer term plans as to how we balance our budgets need to be devised. Members are asked to recommend a maximum amount to be utilised from reserves during the period of the MTFS (see 5.4. below) and agree a target level of savings to be achieved by 2013/14.

2.4. In order to preserve our revenue reserves it is preferable that any action to reduce dependence on them is taken as soon as practically possible. This will ensure that the Council moves forward with sufficient reserves to meet any future financial crisis.

3.0 Capital Plans 2009/10 to 2018/19

3.1. Attached at Appendix C is the summary capital programme from 2009/10 to 2018/19. The reason why we have presented our capital programme over this period is so that the implications of various decisions can be assessed and a strategic approach to financing our programme can be drawn.

3.2. As can be seen from this appendix, there will be a requirement to borrow in order to fund the construction of the Manor Park Leisure facility and finance other schemes. £3m of this funding is temporary and will be repaid once we have been able to realise the receipts from the sale of land.

3.3. Included within these plans are our estimated capital receipts over the period. We have included all our known sources of external finance along with an estimate of £8m for the sale of land in Rushden. There are risks associated with the assumption for the sale of this land and these are detailed below. Obviously any change to the amount or timing of these receipts will have a knock on effect on the amount (and duration) we have to borrow.

3.4. In summary, as our plans stand, by the time we reach 2016/17 we will have exhausted our capital reserves and we will only have limited assets in reserve to generate any additional funding. As a result we will need to borrow to fund our capital programme unless we revise our spending plans downwards or increase the amount we borrow for Manor Park. Regardless of the option taken it would be prudent to start making revenue provision from around 2014/15 to fund future capital plans schemes/projects.

4.0 Assumptions Made in the Revenue Budget

4.1 ***Employee Costs*** - these costs have been based on the existing approved establishment extrapolated forward to take into account the effects of the pay award, increases in pension contributions plus incremental increases allowed under employees' terms and conditions. For the purpose of this Strategy we have assumed a 1% pay award in 2010/11, 1.5% in 2011/12 and 2% for subsequent years. We have adjusted these amounts to take into consideration any fixed term contracts coming to an end.

4.2 ***Premises, Travel, Supplies and Contractors costs*** - for 2010/11 we have assumed a 0% increase in these costs. Where budget holders are expecting a material difference to this assumption this has been built separately into the Strategy. For 2011/12 and beyond we have assumed inflation will revert back to its target level of 2%.

4.3 ***Income*** - significant income sources such as benefit subsidy, planning income and investment income have been individually assessed (see below). For all other items a 5% increase has been assumed.

4.4 ***Grants and subsidies***. The Government has confirmed our grant for 2010/11 and this is reflected in the Strategy. For subsequent years we have assumed that RSG will be reduced over a three year period by 15% - equivalent to a £1m reduction over three years. It is unlikely that we will receive any firm indication as to future levels of grant until sometime after the General Election.

4.5 ***Housing and Planning Delivery Grant (HPDG)*** - the amount of grant included in the MTFS for 2010/11 is £390,000. 2010/11 is the last year of the current HPDG scheme, however, for planning purposes we have assumed a replacement system will be put in place that delivers the same level of income through a new grant or changes to the fees. As above there are of course major risks associated with this assumption.

4.6 ***Other Grants*** - the MTFS includes an additional £120,000 of grant for the concessionary buss pass scheme for 2010/11 and subsequent years. This has come about as a result of a review into the grant distribution formulae and the proposals that deliver this additional grant are current out to consultation which ends on 30 December. Members should also be aware that consultation over the transfer of responsibility for concessionary travel to the County Council is still in progress.

4.7 ***Council Tax Base*** - due to the downturn in the housing market, it is estimated that the Council Tax Base (the number of properties in the district adjusted to band D equivalent) will rise by 100 properties for 2010/11, 200 for 2011/12 and 300 properties for the remaining years of the Strategy. This is less than our normal level of growth of around 500 properties per annum and will obviously impact on the yield from Council Tax.

4.8 ***Capping*** - the Strategy assumes that the Government will continue to operate a capping regime that will limit the Council's ability to raise monies locally. As part of CSR07, the Government were expecting Council Tax increases to be significantly below 5%. No announcement has been made about capping for 2010/11 or future years. This limitation has been applied in preparing the MTFS.

4.9 ***Capital*** - the MTFS also reflects the revenue impact of the investment in capital items less any capital receipts anticipated (see Appendix B). The capital programme and plan includes the Manor Park project and the financing associated with it.

4.10 ***Planning area Income*** - as referred to in para 2.2 above we do not feel that the income will return to pre-recession levels during the period of the Strategy. Income from Development Control activities is expected to pick up from this years level of £475,000 to £535,000 in 2010/11, rising to £560,000 by 2013/14. Building control income is expected to pick up by £27,000 to approximately £250,000 in the last two years of the Strategy. Land charges income however is expected to remain subdued.

4.11 ***Treasury Management*** – the likely level of return on our investments for the period of the Strategy is the same as reported with the half year treasury report in September namely 1.75%, 3.0% and 4.0% for the three years to 2012/13. For the final year returns of 5% have been assumed. The impact on our revenue budget of using reserves to fund revenue or capital expenditure is equivalent to the cumulative sum used multiplied by the respective rate for the year – e.g. if we had cumulatively used £2 million by 2012/13 the revenue cost will be £80,000 (£2m multiplied by 4%). Also included within the Strategy are the amounts we will need set aside from our revenue budget to pay back amounts borrowed to fund our capital programme (known technically as Minimum Revenue Provision [MRP]). There are also the costs of borrowing to fund the Manor Park leisure centre. We have assumed borrowing costs to be 3% as per the reports to Council. However, there are risks associated with the borrowing rate.

4.12 ***Council Tax Increases*** – the MTFS has been drawn up on the basis that Council Tax levels will rise by 2.5% in 2010/11 and by 4.9% in each subsequent year. It should be noted though that this is not a tax setting exercise and should Members wish to set a different tax level the impact is approximately £35,000 per annum (cumulative) for each 1% above or below this level.

5.0 Reserves and Balances Strategy

5.1 As part of the MTFS earmarked and general fund reserves have been used to fund certain expenditure. Appendix C gives details of this expenditure.

5.2 As a result of the exceptional external economic conditions that the Council faces, it has been necessary to utilise the reserves in order to balance the budget. For the current financial year we are now expecting to use approximately £1.7m to balance the revenue budget. This level of use is not sustainable and therefore we not only need to set a minimum level of reserves but also set a cap on the level to be utilised through the period of this Strategy. In turn the use of reserves over the life of the Strategy will determine the budgetary savings required.

5.3 After taking into account the risks associated with this MTFS (see below) and guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), it is recommended that the minimum general fund reserve level is maintained at £1.5m. Members will note that there is a regulatory requirement to set a minimum level of reserves.

5.4. It is also recommended that the maximum use of reserves over the MTFS period is agreed. After taking into consideration our level of reserves and the need to ensure we have adequate time in which to make decisions on the levels of spend within services, its is recommended that the total use of reserves over the four year period is capped at £1m.

6.0 Growth/Savings

6.1 The MTFS includes all savings identified by the Budget Review Group and ratified by Policy and Resources Committee at the time of writing. Any savings identified subsequent to the date this report was written will reduce reliance on reserves accordingly. No growth bids have been submitted as part of this Strategy, although it does take into consideration additional budget implications of decisions made by the Council.

6.2. If Members agree the reserves strategy (see para 5.4 above), then a strategy will need to be drawn up as to how the savings will be found to bring the MTFS back into balance. Although there is uncertainty over one of the main elements (Government Grants) causing the budgetary imbalance, it is still recommended than a plan is devised as to how we meet these shortfalls which can be implemented accordingly once we know the full extent of the problem.

7.0 Risk Assessment

7.1 As detailed in section 4 above, a number of assumptions have been made in the construction of the Strategy. Although every effort has been made to ensure that the most likely outcome is reflected in our financial plans, because certain items are outside our direct control, there are risks associated with our plans. The main risks are:

7.2. ***Revenue Support Grant*** – Due to the dire condition of the country's finances it is widely accepted that public spending will have to be scaled back. Too fast a reduction in public spend or too steep an increase in taxes could also cause a "double dip" or "W shape" recession. Although we are unlikely to receive any real information about future grant levels until after the General Election, it is widely anticipated that the level of grant to local authorities will be scaled back. We have assumed for the purpose of the MTFS that we will get a 15%, or £1m, reduction in grant over the next three years. The risks to these assumptions are balanced.
In order to manage these risks it is recommended that a strategy is put in place not only to find the savings needed to balance the budget, but is devised in such a way that it can either be scaled to meet the savings level required or accelerated if the savings are

required faster than planned.

7.3. ***Housing and Planning Delivery Grant –*** 2010/11 is the last year of the current scheme. Although the Strategy has been based on a continuation of this scheme, due to the factors outlined above, there is a real risk that this grant could either be phased out or stopped altogether. As the potential loss of grant is £390,000 per annum and the likelihood must be considered as reasonably high, this should be considered as a high risk. In accordance with the Council's Risk Management Strategy contingency plans should be put in place to deal with the potential loss of this grant.

7.4. ***Concessionary Fares –*** There are three risks in this area. The first is in relation to the national bus pass scheme. As a specific grant there is a risk that it could be scrapped altogether. As we have budgeted to receive approximately £250,000 per annum through the MTFS this would be a significant loss. The second is in relation to the proposed redistribution of this grant. We have included in our strategy the additional grant we would receive if the proposed changes went through. However, as the majority of the funding is being taken from the London Boroughs there is a risk that they may lobby for a change in the proposals. This could therefore reduce the amount we receive. The third is in relation to the ongoing consultation around the transfer of this function to the County Council. Although we would benefit from the costs being transferred the resultant reduction in RSG is likely to be considerably greater. The likelihood of these various risks are all different, however, as the impact of them is severe we should be putting in place contingency plans should the risk materialise.

7.5. ***Capital –*** The MTFS includes the revenue impact of our capital programme. The main risk associated with our capital plans is that the plan anticipates a receipt of £8m in 2012/13 as a result of the sale of surplus land. The most recent valuation we have received places the value at almost half of the peak value and therefore there is a significant risk that land values will not return to a sufficient level by 2012/13 to generate this level of receipt. We will then either have to accept a lower receipt or hold onto the land for longer. Either way the impact will be to increase the borrowing costs that will have to be carried by the revenue account. The second risk is in relation to the UK's sovereign credit rating. Both Fitch and Standard and Poor have indicated that our AAA rating may not be sustainable because of the state of the Country's finances. If our sovereign rating drops then the rate at which the country can borrow money goes up. This in turn will increase the interest rate on borrowing from the Public Works Loan Board (PWLB) and therefore the cost met by the revenue account of any amounts borrowed. A new Government may restrict the level of PWLB money available to control public sector investment which would also push up the cost of borrowing.

7.6. ***Employee Costs*** – we can accurately predict the level of expenditure on employees by reference to the agreed establishment and the manner in which costs are likely to increase. As such the risk of spend being materially different to that planned is low. However, the MTFS includes an amount for transitional vacancy savings which, although based on past experiences from previous years, could not be achieved if we experience below average turnover. The chances of this happening is rated to be low and therefore the overall assessment for employee costs being materially in excess of that budgeted is rated as a low risk.

7.7 ***Premises, Travel, Supplies and Contractors costs*** – as the major lines of expenditure in this category come from agreed contracts; the risk of a material divergence from that budgeted is assessed as low. It should be noted though that the November Inflation Report issued by the Bank of England shows that inflation will rise above the 2% target level and this in turn could result in additional cost pressures as the annual uplift factor of our major contracts is linked to this measure.

7.8 ***Income*** – as reported above we are anticipating significant reductions in the level of some of our fees and charges. We have taken a fairly prudent stance in assessing the impact of the recession on our fee income and believe that there should not be a significant adverse variance to the levels in the Strategy. We are reviewing our approach to charging for services and this may have the impact of increasing revenues.

7.9 ***Risk Mitigation Strategy*** – There are two elements to the risk mitigation strategy. The first is to set the minimum level of reserves at £1.5 million. Although this is a higher figure than previously recommended by The Chartered Institute of Public Finance and Accountancy it is felt that in times of such uncertainty it is prudent to give ourselves sufficient protection. This though is only a short term fix and therefore the second element is to devise a plan as to how we will meet the savings required to bring the MTFS back into balance. This plan will detail how and where we can reduce our net expenditure.

8.0 Recommendation

8.1 The Sub-Committee is asked to consider the report and resolve to recommend to the Policy and Resources Committee the Medium Term Financial Strategy and specifically:

(1) That the plans to deliver the savings required to bring the MTFS are brought back to a future meeting of this Sub Committee.

(2) The maximum use of reserves over the period of the MTFS be set at £2m.

(3) That a minimum level of revenue reserves of £1.5m be approved.

Implications:

Corporate Outcomes or Other Policy/Priority/Strategy

Good Quality of Life	☐	Good Reputation	☒
Good Value for Money	☒	High Quality Service Delivery	☒
Effective Partnership Working	☐	Strong Community Leadership	☐
Effective Management	☒	Knowledge of our Customers and Communities	☐
Employees and Members with the Right Knowledge, Skills and Behaviours			☒
Other:			☐
Decision(s) would be outside the budget or policy framework and require full Council approval			☐

Financial	There are no financial implications at this stage	☐
	There will be financial implications – see paragraph Whole report	☒
	There is provision within existing budget	☐
	Decisions may give rise to additional expenditure at a later date	☐
	Decisions may have potential for income generation	☐
Risk Management	An assessment has been carried out and there are no material risks	☐
	Material risks exist and these are recorded at Risk Register Reference – 257, 470, 546 inherent risk score - Primary residual risk score - Primary	☒
Staff	There are no additional staffing implications	☒
	Additional staff will be required – see paragraph	☐
Equalities and Human Rights	There will be no impact on equality (race, age, gender, disability, religion/belief, sexual orientation) or human rights implications	☒
	There will be an impact on equality (see categories above) or human rights implications – see paragraph	☐
Legal	Power: Local Government Act 1972. Local Government and Finance Act 2003	
	Other considerations:	

Background Papers: None

Person Originating Report: Robert Austin, Head of Resources

Date: 11 November 2009

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Appendix A

East Northamptonshire Council
Medium Term Financial Strategy
2010/11 to 2013/14

	2009/10 Base Budget	Estimated Financial Position Year Ending 31st March 2011	2012	2013	2014
Corporate & Democratic Core	499,320	459,750	590,030	480,580	491,360
Central Services to the Public	526,330	584,170	559,530	587,960	612,410
Cultural Environmental & Planning	5,052,500	4,733,110	4,846,390	4,719,830	4,843,980
Highways Roads & Transport	485,960	353,090	354,430	355,440	356,050
General Fund Housing	306,970	309,580	342,950	381,980	389,050
Central Departmental & Support Services	5,813,350	5,577,040	5,738,520	5,925,890	6,179,220
Unapportionable Central Overheads	49,700	51,690	54,010	56,710	59,550
Total Service Expenditure	**12,734,130**	**12,068,430**	**12,485,860**	**12,508,390**	**12,931,620**
Other Expenditure/Adjustments					
Capitalisation of Salaries	(125,000)	(75,000)	(75,000)	(75,000)	(75,000)
Transitional Vacancy Savings	(450,000)	(250,000)	(261,000)	(274,000)	(288,000)
Contingency Reserve	100,000	100,000	100,000	100,000	100,000
Interest on balances	(494,000)	(186,670)	(258,510)	(399,290)	(546,860)
Total Other Adjustments	**(969,000)**	**(411,670)**	**(494,510)**	**(648,290)**	**(809,860)**
Total Base Budget	**11,765,130**	**11,656,760**	**11,991,350**	**11,860,100**	**12,121,760**
Sources of Funding					
Revenue Support Grant/NNDR	(6,482,080)	(6,660,730)	(6,327,400)	(5,994,070)	(5,660,730)
Transfer From Collection Fund	29,200	23,000	0	0	0
Use of Earmarked Reserves	(566,820)	(74,000)	(120,000)	0	0
Total Funding	**(7,019,700)**	**(6,711,730)**	**(6,447,400)**	**(5,994,070)**	**(5,660,730)**
Amount to be met from Reserves/Savings	**1,154,380**	**1,251,934**	**1,644,151**	**1,734,637**	**2,084,711**
Amount to be met from Council Tax	**3,591,050**	**3,693,096**	**3,899,799**	**4,131,393**	**4,376,319**
Council Tax Base	**30,000**	**30,100**	**30,300**	**30,600**	**30,900**
Equivalent Band D Tax	**119.70**	**122.69**	**128.71**	**135.01**	**141.63**
Year on Year Percentage Increase		**2.50%**	**4.90%**	**4.90%**	**4.90%**

Appendix B

East Northamptonshire Council
10 Year Capital Strategy
2009/10 to 2018 onwards

	2010	2011	2012	2013	2014	2015	2016	2017	2018	Future Years
Housing Projects	943,470	300,000	1,300,000	802,300	300,000	300,000	300,000	300,000	300,000	300,000
Leisure & Tourism Projects	520,000	111,000	205,000	190,300	0	0	0	0	0	0
Environment Projects	1,301,000	9,625,400	2,785,000	83,700	0	0	0	0	0	0
Central Services Projects	20,000	36,000	20,000	47,000	20,000	20,000	20,000	20,000	20,000	40,000
Corporate Systems	423,710	435,000	381,500	294,000	200,000	200,000	200,000	200,000	200,000	200,000
Youth Projects	66,000	45,000	0	0	0	0	0	0	0	0
Industrial Units Projects	56,000	0	0	5,000	0	0	0	0	0	0
Vehicle Replacements	127,830	170,096	1,237,672	1,602,160	100,000	100,000	116,600	133,200	100,000	100,000
Capital Spend	**3,458,010**	**10,722,496**	**5,929,172**	**3,024,460**	**620,000**	**620,000**	**636,600**	**653,200**	**620,000**	**640,000**

Capital Financing										
Capital Reserves	3,458,010	6,065,990	915,900	6,024,460	620,000	620,000	636,600	93,200	0	0
Revenue Reserves		0								
Direct Revenue Funding										
Borrowing		4,656,506	5,013,272	(3,000,000)				560,000	620,000	640,000
Total Capital Financing	**3,458,010**	**10,722,496**	**5,929,172**	**3,024,460**	**620,000**	**620,000**	**636,600**	**653,200**	**620,000**	**640,000**

Capital Financing										
Opening Capital Reserves	3,970,000	2,873,990	0	0	1,975,540	1,355,540	735,540	98,940	5,740	5,740
add capital receipts and grants	2,362,000	3,192,000	915,900	8,000,000	0	0	0	0	0	0
less use of Reserves	3,458,010	6,065,990	915,900	6,024,460	620,000	620,000	636,600	93,200	0	0
Closing Capital reserves	**2,873,990**	**0**	**0**	**1,975,540**	**1,355,540**	**735,540**	**98,940**	**5,740**	**5,740**	**5,740**

Appendix C

Reserves and Balances Statement

	Opening Balance	2009/10	2010/11	2011/12	2012/13	2013/14	Allocated for Capital	Closing Balance
Earmarked Reserves	£	£	£	£	£	£		
Community Safety	56,493	(56,493)						0
PDG Reserve	35,370	(35,370)	0	0	0			0
Reorganisation Reserve	0							0
Youth Reserve	24,987	(24,987)						0
Computerisation of Planning Rec Reserve	0							0
Regeneration Reserve	519,154	(50,000)	(50,000)				0	419,154
Contingency Reserve	100,000							100,000
Elections Reserve	120,000			(120,000)				0
Insurance Reserve	100,000							100,000
Asset Management R & R	3,575,676	(345,789)					0	3,229,887
Concessionary Fares Reserve	100,000							100,000
A4E/Service Development Reserve	54,181	(54,181)						0
	4,685,861	(566,820)	(50,000)	(120,000)	0	0	0	3,949,041
General Fund Balance								
Contingency		(100,000)						
08/09 growth: Conservation review programme		(24,000)	(24,000)					
08/09 growth: Local development framework		(133,650)						
(Use of)/Contribution to Reserves		(742,919)						
General Fund Balance total	2,931,277	(1,000,569)	(24,000)	0	0	0	0	1,906,708
Total Use of Reserves	**7,617,138**	**(1,567,389)**	**(74,000)**	**(120,000)**	**0**	**0**	**0**	**5,855,749**