

Budget and Subscriptions 2007/08

Summary

1. This report presents to the General Assembly an outline budget for 2007/08. It sets out the LGA Executives recommendation for a 1% increase in subscriptions next year and other related issues.

Recommendations

2. The General Assembly is asked to consider and approve a proposal from the LGA Executive on 7th December:
 - a. Subscriptions are increased by 1% for 2007/08.
 - b. Consideration will be given to subscription levels next year in the light of CSR 2007 and the review of the LGA budget.
 - c. A full review of budgetary commitments and pressures is undertaken in 2007 together with the scope for efficiency savings and increased income, following the recommendations of the Best Commission.
 - d. In accordance with the practice in local councils, the LGA will consider moving to a three-year budget and subscriptions settlement from 2008/11.
 - e. The precise level of subscriptions after 2007/08 is remitted to the LGA Executive.

Background

3. Budget performance, projections, and their effect on subscription levels for member authorities were considered by the Resources Panel on 2nd November, a joint meeting between the Group Leaders and the Group Spokespeople from the Resources Panel on 8th November and the LGA Executive on 7th December.
4. The Resources Panel instructed officers to advise members on the implication of a budget strategy for 2007/08, which resulted in a subscription, increase for member authorities between 0% - 2.5%.
5. A thorough and detailed examination of all staffing and budget commitment was undertaken, financial information has been reconstructed, and the reliability of data substantially increased so that members can make informed decisions. Since 2005, financial reports have been provided through a shared service to the LGA and Central Bodies. Significant work is taking place to improve the reliability of the data and the efficiency of the process.
6. It is anticipated that the conclusions of CSR2007 will lead to much tighter settlements for the public sector in 2008/09 and subsequent years. The LGA Executive wanted to account of this in developing a budget strategy for the LGA. Taken together with recommendations from the Best Commission in 2007 there is a requirement to undertake a full review of budgetary commitments and pressures next year to ensure the LGA continually improves its efficiency and effectiveness.

General Assembly

14 December 2006

7. If General Assembly approves the recommendation of the LGA Executive for a 1% increase in subscription the budget in 2007/08 will be balanced in two ways. First, the income target from the LGA's commercial activities has been increased by £200,000. As inflation is assumed to run at 2.5% in 2007 management action will be taken to drive down costs and make savings in the short term in anticipation of the fundamental review, which will be undertaken later in the year. Key decisions will be overseen by the Resources Panel.

Implications for Wales

8. Any increase in subscriptions would be reflective in the collective subscriptions made by the WLGA on behalf of Welsh Local Authorities.

Financial Implications

9. As described in the paper.

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