

The council wants to hear your views on the way we approach setting our budget for 2009-10 and beyond.

You will no doubt be aware that this is a very difficult time for everybody in light of the recession. Like everyone else we have been affected by the economic slowdown and these effects have had a significant impact on how we set our budget for 2009-10.

Councils throughout the UK have all been feeling the pinch over the last few months. Due to plummeting income from various sources, increase in demand for services and low interest rates, many councils have been forced to make redundancies and introduce recruitment freezes to buffer themselves against significant budget shortfalls.

The picture throughout regional local authorities in many ways echoes the national trend. As a local authority we are not immune to these forces. But we are seeking ways to preserve the services we provide while at the same time meet our budgetary constraints.

As part of our public consultation on the budget, we are asking you for your feedback on how we set it.



The issues we currently face at Norwich City Council are:

- 1) A fall in interest rates from 6.5 per cent to 2 per cent. This has resulted in a £1.4 million drop on interest from investments.
- 2) Downturn in developments and considerable fall in income from planning applications and land charges.
- 3) Drop in commercial rents from investment properties and an anticipated fall in income from car parks.
- 4) The loss of interest and income adds up to £3.3 million. In addition there is also a cost of £1.5 million for our concessionary fares (national bus pass scheme).

The net result of all this is that we currently have a £4.8 million shortfall in our budget. We expect this to continue year on year until the recession is over.

What does the council have in the way of savings?

Due to improved financial management the council now have approximately £10 million in reserves compared to £1.8 million two years ago.

Also, having assessed the risks we decided not to invest our money with Icelandic Banks, thankfully sidestepping the financial pitfalls currently plaguing so many other local authorities.

Why don't you just become more efficient and save money that way?

The council is becoming more efficient all the time. We have been looking at how we can save money by improving areas like IT systems, telecoms, purchasing and contract management and how we manage services.

This efficiency is built into the way we do business and is about delivering value for

money services. In the last two years we have saved almost £4 million and we will save another £2 million in efficiency savings in 2009-2010.

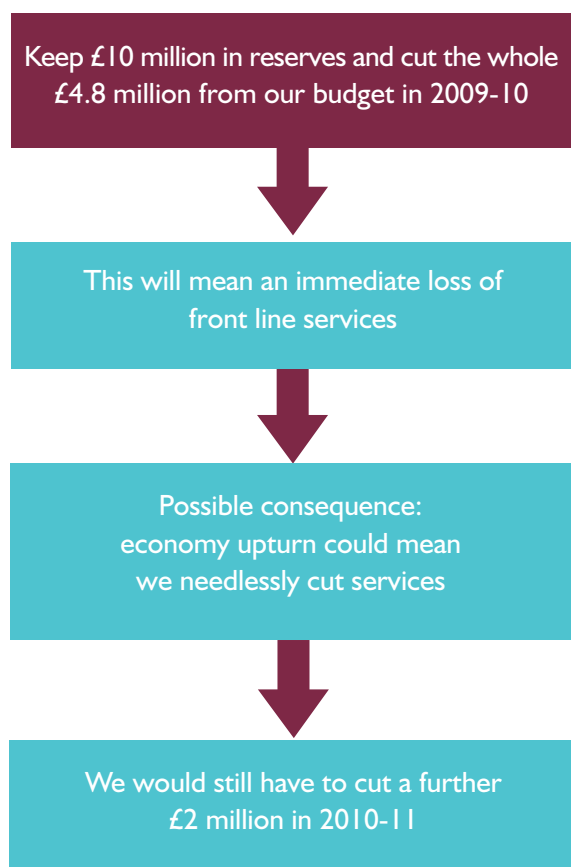
This money will be used to meet the increased costs of delivering services. However, even after making these savings, because of the economic climate, we are faced with finding significant savings in the next few years.

So, what options are available to us now?

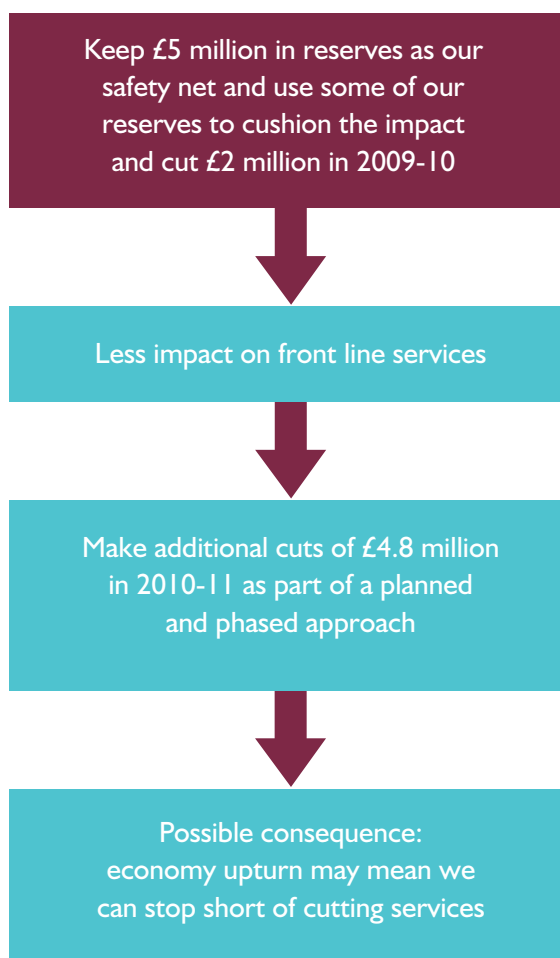
We have £10 million in reserves and we need to keep around £5 million of this as a safety net.

As a result of our healthy reserves position we have two main choices on how we manage our budget:

Option 1



Option 2



- The details of how we will achieve savings will be included in public committee papers in February.

What is the timetable for setting the budgets?

The budget proposals will be published for consideration by the scrutiny committee on 12 February then go to the executive committee on 18 February. Following this the executive recommends the budget to council on 24 February.

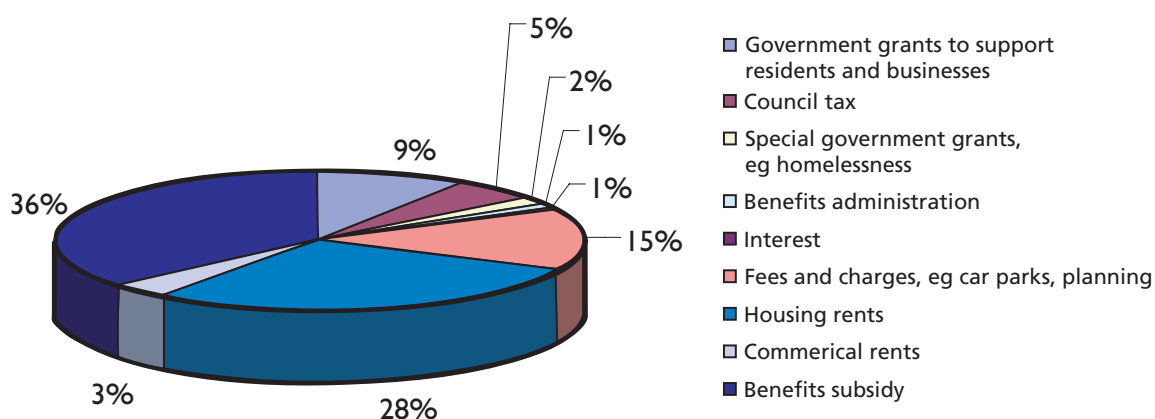
The results of the public consultation will be fed back to councillors at these meetings.

To have your say visit our website www.norwich.gov.uk and fill in an online form or send them by post to:

Budget consultation
Norwich City Council
City Hall
Norwich
NR2 1NH

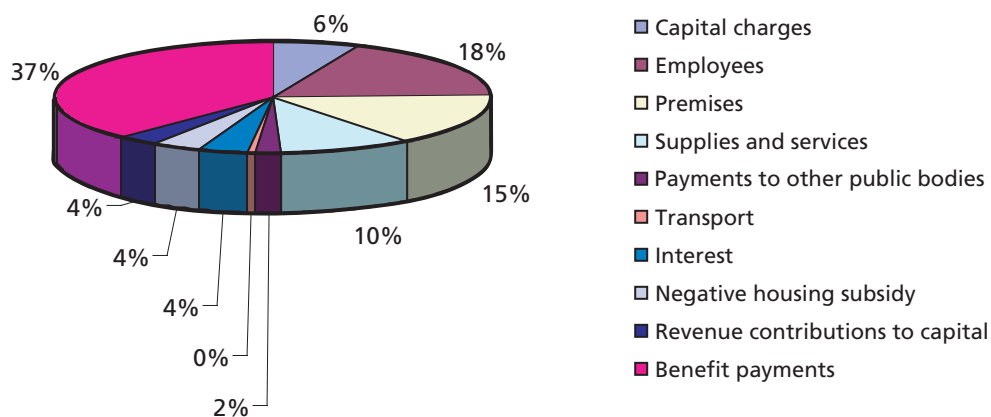
Please make sure we have received your views by 11 February. If you require further information on our public budget consultation email budgetconsultation@norwich.gov.uk

Norwich City Council income 2009/10



As a point of interest – council tax represents just 5 per cent of the council’s total income. Furthermore, a 1 per cent increase in council tax represents just £90,000 of income. This means that if we were to close our £4.8 million budget gap in this year solely by raising council tax it would have to increase by 53 per cent. Therefore we must seek alternative ways of bridging the gap.

Norwich City Council expenditure 2009/10



Have your say

As part of our public budget consultation we would value your feedback on the following questions:

1) Do you think we should cut the £4.8 million in one year and lose front-line services immediately?

Yes No

2) Do you think we should adopt a planned and phased approach to any budgetary shortfalls by making cuts of £2 million in the first year (2009-10) followed by £4.8 million in the second year (2010-11)?

Yes No

3) Do you have any further comments on the issues raised in this document?

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Monitoring

We believe everyone should have equal and fair access to services and facilities. We aim to prevent anyone being discriminated against. To help us monitor this, please complete the section below.

The information you provide will only be used for monitoring and is strictly confidential.

Date of birth:

Male Female

Ethnic group

White

- British
- Irish
- Any other white background

Mixed

- White and black Caribbean
- White and black African
- Any other mixed background

Asian and Asian British

- Indian
- Pakistani
- Bangladeshi
- Any other Asian background

Black and black British

- Caribbean
- African
- Any other black background

Chinese

- Chinese

Gypsy/Traveller

- Romany Gypsy
- Traveller-Irish origin
- Traveller-other
- Any other
- Please specify

Do you consider yourself as having a disability? Yes No

Data protection

The information you provide will be used by Norwich City Council for monitoring purposes only and will not be passed on to any other organisation.

Please complete and return by 11 February 2009

To have your say submit your form to budgetconsultation@norwich.gov.uk or download the form and send it by post to: Budget consultation, Norwich City Council, City Hall, Norwich, NR2 1NH.

