

Prioritisation Framework 2010/11

Service Area	Priority Ranking 2010/11
Refuse collection & Recycling	1
Housing (Needs, Strategic & Private Sector)	1
Anti-social behaviour	1
Economic Development and Regeneration	2
Sports facilities	3
Local Development	3
Community Development	3
Leisure development	3
Safer communities	3
Health Promotion	3
Cleansing	4
Local Transport and Concessionary Fares	4
Environmental Protection	4
Conservation & Urban Centres	4
Arts	4
Rural Areas	4
Car Parking	4
Estates	4
Building Control and Engineering	5
Public Protection	5
Enforcement:	5
Planning control	6
Diversity and equality	6
Landscape	7
Banbury Museum	7
Tourism	7
Licensing	7
Revenues & Benefits	NC
Democratic Services	NC
Chief Executive Office	NC
Member Services	NC
Corporate Charges	NC
Communications	NC
Treasury	NC
Improvement	NC
Community Planning	NC
Elections	NC
Land Charges	NC

GUIDELINES FOR THE PREPARATION OF THE 2010-11 BUDGET

Principles

These budget guidelines have been developed within a consistent corporate framework to:

- allocate resources to Council priorities
- minimise competition between services for resource allocations
- avoid one Directorate making a budget saving at the expense of another
- ensure that where significant services are provided between Directorates there is a transparent method for charging a fair cost.

The guidelines are designed to positively encourage managers to do the following:

- bring forward innovative ideas and options to make more effective use of existing resources, clearly identifying how the ideas may develop over a 3-year period, including any requirements for pump priming money.
- link the budget setting process to Service Plans, Action Plans already in place, Value for Money Reviews and the requirement for the identification of options, which will produce efficiency savings.
- focus attention on corporate and service priorities and improving performance.

Budget Deliverables

1. Prepare and submit a draft four-year capital programme. All schemes to carry a full project appraisal including strategic objective, priority, value for money assessment, and details of any revenue impacts. All capital project appraisals will be validated by the Capital Investment Delivery Group. All schemes previously approved for commencement in 2010/11 and onwards will be carried through for consideration.
2. Prepare and submit draft revenue estimates for 2010/11 and the next 4 years which fully reflect the service priority and consultation events and match the current duration of the MTFs.
3. The 2009/10 projected outturn at September 2009, adjusted to take account of the full year effect of savings identified in setting the 2009/10 budget, and one off items will be assumed to be the “**base budget**”. This will then be adjusted for savings identified within the £1million action plan. This will be prepared by the Service Accountant and signed off by Head of Service.
4. The final draft of the budget should be accompanied by a one page word document which will include key expenditure indicators, efficiency targets and overview of service and key projects for 2010/11. This template will be sent out in December 2009 for completion.

Budget Timetable

The revenue and capital budget is agreed by full Council before 11th March each year. The 2010/11 budget will be considered at Council on Mon 22nd February 2010.

A summary timetable is attached in Appendix 3. This timetable dovetails with the service and financial planning timetable.

Budget Guidelines

Service Guidelines

- Maximise income from all sources, subject to legal advice in relation to any newly identified or interpreted sources of income and subject to scrutiny review.
- Consider the potential for alternative models of service delivery that may contribute to the Council's value for money agenda and, in particular, seek to identify genuine "spend to save" investment opportunities.
- The net impact of all growth items should be **ZERO**.

Growth arising from changes in legislation/ regulation or service planning will **ONLY** be allowed if it is fully funded by transferring resources within the same service or from within the same Directorate. Any such transfer either within the same service or the same Directorate can only come from demonstrably lower priority services. A growth proforma should be completed detailing full requirements.

- All draft estimates should reflect the outcomes from the challenge sessions on individual service and budget appraisals and draft service plans

Financial guidelines - should be used in estimating changes in expenditure and income over the medium term.

- Provide for payroll inflation at 1% above the retail price index or 0% whichever is greater; as at August 2009 and in line with MTFS for 2011/12 onwards.

Year	RPI %
2010/11	0%
2011/12	1.50%
2012/13	1.75%
2013/14	2.00%

This is subject to pay negotiation with Unions.

- Provide for general inflation in 2010/11 on all other expenditure and fees and charges at 1% above the retail price index or 0% whichever is greater; as at August 2009.

This is expected to be 0% based on current RPI at August of -1.3%.

Month 2009	RPI %
Jan	0.1
Feb	0.0
March	-0.4
April	-1.2
May	-1.1
June	-1.6
July	-1.4
August	-1.3

- Inflation rates predicted for beyond 2010/11 are as per forecasts in our MTFS and will be used in the budget module as below:

Year	RPI %
2011/12	2.5%
2012/13	2.8%
2013/14	2.8%

- Interest rates should be forecasted as below (info from Butlers - based on three month money rate)

Year	Average Interest Rate
2010/11	1.5%
2011/12	2.5%
2012/13	4.8%
2013/14	4.8%

Interest and Inflation rates are subject to further review in the budget process and may be subject to change.

Savings

Each Directorate is required to work up a full range of budget savings options for consideration

Directorates are encouraged to be “free thinking” in drawing up options which:

- identify opportunities for efficiency savings, consistent with the requirements of the Efficiency Savings Review process.
- identify areas with reducing levels of income and identify opportunities for reducing corresponding expenditure.
- challenge current methods of service delivery and identify alternative ways of providing services.
- challenge existing policies and service levels so a complete range of service reductions are identified.
- DMT’s will need to have considered every issue relating to the potential saving. (including lead-in times, one-off costs and impact on services and policies).

All options need to be considered in the light of the statutory requirement to provide the service and at what minimum level, or whether the service is discretionary.

- Provide for 2% savings in addition to the £1million action plan and savings already built into the MTFS for 2010/11 in line with savings target below:

	2009/10 Adjusted Base Budget	2% Target
CSR	£6,197,025	£123,941
EAC	£9,332,994	£186,660
PHE	£2,266,311	£45,326
IMP	£200,234	£4,005
CEX	£2,280,015	£45,600
	£20,276,579	£405,532

Risk

The budget process is fundamental to the Council's financial management regime and Members need to be assured that all pertinent issues are properly considered when making key decisions on the Council's future finances.

In drawing up revenue budget proposals, risk assessments should be undertaken to test the robustness of proposals and to identify key factors which may impact on the proposals put forward. Where appropriate action plans should be put in place to manage/mitigate the risks identified – this may include a risk provision within the budget which can be calculated by your service accountant.

With a ~ £20m Revenue Budget and ~ £15m annual Capital Budget covering all the Council's services and activities the potential for an issue to be missed or not considered properly will always be there. The budget process is designed to minimise this risk and throughout the process there are frequent meetings with Corporate Management Team and Executive to review.

TIMETABLE

APPENDIX 3

Activity / Report	Date	Month	Year	Output
Draft Service Plan & Budget Guidelines submitted	11 th	September	2009	Report
Budget Guidelines to Executive	5 th	October	2009	Report
September 2009 Projections Finalised	14 th	October	2009	Report
Draft Budget 1 Preparation - Heads of Service and Finance	1 st to 31 st	October	2009	Activity
	1 st to 13 th	November		
Budget Workshops	22 nd	September	2009	Activity
	1 st	October		
September Projections to CMT	22 nd	October	2009	Report
Support Allocations Agreed.	11 th	November	2009	Activity Report
Qtr 2 Projections to Executive	16 th	November	2009	Report
Budget Scrutiny & consultation with public	20 th 12 th	October January	2009	Activity Report
Draft Budget 1 to CMT	25 th	November	2009	Report
Draft Budget 1 to Executive	7 th	December	2009	Report
Draft Budget 2 to CMT	16 th	December	2009	Report
Draft Budget 2 to Executive	11 th	January	2010	Report
Final Budget Proposal to CMT	27 th	January	2010	Report
Final Budget Proposal to Executive	1 st or 15 th	February	2010	Report
Final Budget Proposal to Full Council	23 rd	February	2010	Report