

Executive

Draft Budget 1, Corporate Plan and Service Plans 2010 - 2011

7th December 2009

Report of Head of Finance

PURPOSE OF REPORT

The Council has to adopt a budget for 2010/11 as the basis for calculating its level of Council Tax and has to base that budget on its plans for service delivery during the year, recognising any changes in service demand that may arise in future years. This is the first of three opportunities that the Executive has to shape and refine the interaction between the Corporate Plan, the service plans that underpin the corporate plan and financial matters before the final budget is presented to the Council on the 22nd February 2010.

This report is public

Recommendations

The Executive is recommended:

- 1) to consider the draft budget (detailed in Appendix 1) and service plans in the context of the Council's service objectives and strategic priorities;
- 2) to endorse the proposed service priorities and the draft Corporate Plan for 2010-11 (detailed in Appendix 2);
- 3) to note the areas of unavoidable revenue growth (detailed in Appendix 3);
- 4) to agree the approach to the overall capital programme and 2010/11 expenditure profile (detailed in Appendix 4);
- 5) to advise of any other matters they would like taken into consideration in producing a balanced budget for the next meeting of the Executive on 11th January 2010 ;
- 6) to note that any recommendations of the scrutiny reviews on the non consulted services and capital programme to be considered at the Resources and Performance Scrutiny Board on 1st December 2009 will be reviewed as part of the second draft of the budget:
- 7) to endorse the draft budget and corporate plan as the basis for consultation;

Executive Summary

- 1.1 The budget will form the financial expression of the Council's strategic priorities and service delivery plans for 2010/11; the allocation of resources against agreed service priorities is necessary in order to achieve its strategic priorities.
- 1.2 There is a statutory requirement for the Council to set a balanced budget by

11 March 2010 and the draft budget is part of that process.

- 1.3 The Resources and Performance Scrutiny Board have been reviewing the outcome of the public budget consultation exercise. This committee has reviewed expenditure allocated by public priority, conducted a detailed analysis of services not consulted on and reviewed all bids submitted for consideration in the 2010/11 Capital Programme. The outcome of this work will be reported to the Resources and Performance Scrutiny Board meeting on December 1st 2009 and any recommendations will be considered in subsequent drafts of the 2010/11 budget.

Background Information

2.1 Corporate Plan

The corporate plan has been refreshed for the period 2010 - 2012. This refresh reflects the changing economic situation and significant strategic developments affecting the district such as the eco-town. The corporate plan takes into account the wide range of public consultation we undertake around local priorities through both our annual satisfaction survey and budget consultation workshops.

The targets within the corporate plan for 2010 -11 are currently in draft form and will be confirmed after the public consultation in December and the latest performance information in the final quarter of the year. As in previous years a set of council tax promises will be drawn from the corporate plan. These will form a core set of performance targets for the council which directly reflect priorities and will be monitored through our corporate performance scorecard. The developing corporate plan targets will be presented to Executive and Council with the drafts of the budget in January and February 2010.

2.2 Service Plans

Service plans have been prepared alongside the draft budget and corporate plan and include comprehensive consultation feedback and robust peer and member challenge. The service plans underpin the corporate plan and provide the operational detail that ensures the council's strategic priorities are delivered.

Copies of the draft Service Plans for 2010/11 are available on the Council's intranet site.

2.3 Budget Guidelines and Timetable

The Executive agreed the budget guidelines, service priorities and timetable at its meeting on 5th October 2009 after considering the medium term financial forecast and underlying financial strategy.

2.4 The Status of the Budget

- 2.5 The draft revenue budget as presented has been left, quite deliberately, with a funding gap to emphasise that it is work in progress. This type of gap is not unusual at this stage in the process and it can be covered by considering the

actions listed within Appendix 1. The funding gap in the draft budget as presented is £349,623 and it is important that Members are aware of this potential deficit before they finally commit funding against particular priorities and/or divert funding from low priority services.

- 2.6 As in previous years, the final allocation of central Government Grant and the amount available for distribution from the Collection Fund will be confirmed later in the process.
- 2.7 All capital bids received have been appraised by the Capital Investment Delivery Group according to the capital appraisal criteria and can be seen in Appendix 4a.
- 2.8 The appraisal criteria considers the service priority ranking, revenue impact, statutory or discretionary nature of the bid, strategic priority, partnership funding and impact of the scheme on the residents of the district. The bids are then scored according to these criteria with the maximum scoring of 48 automatically being awarded for a mandatory bid.
- 2.9 These bids have then been reviewed by a working group of the Resources and Performance Scrutiny Board and their recommendations will be considered in the next draft of the budget.
- 2.10 The Capital Strategy for 2010/11 has a direct impact on the Treasury Management revenue budget in terms of the opportunity cost of reduced cash balances from the use of capital receipts and reserves. Decisions on the future capital programme will need to take into account the overall priorities and affordability in revenue as well as capital terms. A review of the capital bids, financing and impact on cashflow and investment income will be considered for the next draft of this budget.

Key Issues for Consideration/Reasons for Decision and Options

- 3.1 This report presents the Council's draft 2010/11 Revenue Budget, Capital Bids for consideration and Corporate Plan.

The following options have been identified. The approach in the recommendations is believed to be the best way forward

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| Option One | To review draft revenue and capital budget to date and consider actions arising. |
| Option Two | To approve or reject the recommendations above or request that Officers provide additional information. |

Consultations

Resources and Performance Scrutiny Board
20/10/09, 29/10/09, 05/11/09, 17/11/09, 24/11/09
Corporate Management Team
18/11/09, 25/11/09

Implications

Financial:

Financial Effects – the significant financial effects of the budget are identified in Appendix 1. Any decisions made in relation to ongoing expenditure or income in the budget for 2010/11 will have repercussions in future years when current forecasts indicate the financial environment is likely to become increasingly difficult. The Council has a statutory duty to set a balanced budget and could incur the intervention of the Secretary of State if it failed to do so.

Consideration of this item will fall within the provisions of Section 106 of the Local Government Finance Act 1992, and Members affected by those provisions should declare accordingly and refrain from voting on the matter.

Efficiency Savings – Our Medium Term Financial Strategy requires efficiency savings and we have a NI target of 3.1% in 2010/2011. The draft budget presented includes a significant level of qualifying efficiencies which will be collated and reported to the February Executive meeting. Comments checked by Phil O'Dell, Interim Chief Financial Officer, 01295 227098.

Legal:

There is a statutory requirement for the Council to set a balanced budget by 11 March 2010 and the draft budget is part of that process.

Comments checked by Liz Howlett, Head of Legal and Democratic Services, 01295 221686.

Risk Management:

The significant risks and assumptions associated with the draft budget are outlined in Appendix 1 and a risk provision has been considered. On a broader front, if due consideration is not given to matching scarce financial resources carefully against properly assessed service priorities, the Council may fail in achieving its strategic priorities and in its duty to demonstrate value for money.

Comments checked by Phil O'Dell, Interim Chief Financial Officer, 01295 227098.

Wards Affected

All

Corporate Plan Themes

All

Executive Portfolio**Councillor James Macnamara**
Portfolio Holder for Resources**Document Information –**

Appendix No	Title
Appendix 1	Draft Revenue 2010/11 Budget and Analysis
Appendix 2	Draft Corporate Plan 2010/11
Appendix 3	Draft 2010/11 Unavoidable Revenue Growth
Appendix 4	Draft 2010/11 Capital Bids and Funding Analysis
Background Papers	
2009/10 Budget Booklet 2009/10 Capital Programme Medium Term Financial Strategy Budget Guidelines 2010/11 Service Plans	
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