

Budget Process 2009/10



Purpose



To provide an overview of the Council's current financial position and the key issues associated with setting the budget for 2009/10

Proposed timetable



- 25th November - Resources Management Committee to recommend package to December Council
- 17th December - Council to agree package for early implementation
- 5th February - Resources Management Committee to make final budget and Council Tax recommendations to Council
- 12th February - Full Council to agree all remaining budget items and Council Tax

Consultation



Externally

- TACA partners and Challenge Forums
- Community and Parent Councils
- Voluntary Sector and Disability Advisory Group
- Civic Form
- Meetings with key stakeholders e.g. NHS and Police

Internally

- Trade Unions
- Members
- Staff

Current financial position



2007/08 accounts

- Overspend of £10 million compared with budget
- Mainly in health and care and property repair and maintenance costs
- Closing balance of £5.5 million compared with target of £10 million

Current financial position



2008/09 budget - key issues

- Continuing problems arising from 2007/08
- Additional pressures including
 - Equal Pay & Modernisation costs
 - compensatory costs
 - higher than anticipated pay award
 - higher energy costs
- Savings of £47.8 million agreed

Current financial position



- Projected to achieve at least £35 million of savings
- Overall projected shortfall of £9.5 million
 - To be financed through capital fund
- Areas of likely overspend
 - Health and social care
 - Education, culture and sport
 - Property maintenance

Forecast spend 09/10



- Need for greater realism and accuracy
- More time to plan and implement savings
- Better understanding of impact of savings

Council finances 2009/10



Initial forecast expenditure	£459.3m
Anticipated resources	£434.3m
Forecast shortfall	£25m

Action required to balance budget



- 6% savings across all services - £30m
- Choices regarding equal savings or differential savings
- Choice on Council Tax **but**
- Implement as soon as possible
- Savings must be **realistic**
- Concentrate on efficiency savings
- Some impact on public, services, performance and staff inevitable

Savings assessed across services not areas



6% is approximately £30 million

- £1.3 million for housing
- £11.3 million for learning, culture and sport
- **£4.5 million for shelter and environment**
- £8.6 million for social work
- £4.3 million for Continuous Improvement, **Resources Management and Strategic Leadership**

Impact of savings



- Learning, culture and sport
 - Reduced opening hours, and possible closures of some facilities. Significant reduction in funds for schools and rationalisation of facilities.
- Social work
 - Review of care packages, recommissioning of services, service rationalisation
- **Environment and infrastructure**
 - **Reduction in levels of road and ground maintenance, changes to waste collection and facilities management review**
- Other
 - Review of fees and charges across all services

Impact of savings



- **Environment and infrastructure**

- Increase parking charges for on and off street parking
- Increase charges for residents' permits
- Reduce budget for car park repairs and maintenance
- Retain income from bus lane enforcement
- Review taxi card scheme
- Remove subsidy from open top tour bus and parks and links service
- Reduce budget for winter maintenance

Voluntary severance/early retirement and equal pay and modernisation



- Letters issued to all applicants
- Supported by Services at stage 1
- Assessing costs
- Services preparing business cases
- Recommendations to CMT scheduled for 24/11

The medium term beyond 09/10



Medium term review of services and resources covering 2010 – 2013 is planned for February 2009

Capital investment process/ programme



- Review
- By services
- Priorities
- New projects
 - affordability
 - service benefits
- Accountability - project management
- Changed environment
- Council February 2009

Short term priorities



- Ensure effective management of the Council's financial resources and assets
- Deliver modern efficient, effective, responsive and accessible services
- Develop competent, efficient and flexible workforce
- Promote an informed, engaged and motivated workforce
- Respond effectively to external audits
- Improve capacity, accountability and performance
- Rebuild reputation and trust