

Committee: Community and Leisure Committee
Date: 2 September 2003
Agenda Item No: 8
Title: Policy Priorities and Budgets 2004/05
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Summary

- 1 This report outlines the Council's proposed approach to budget setting for 2004/05, within the context of the newly adopted Quality of Life Plan. It also contains early proposals for budget amendment and areas for further research following the meetings between the Leader of the Council, Chairman of Resources, Committee Chairmen, and appropriate officers, agreed at the meeting of the Resources Committee on 26 June and subsequently by Council in July. It is intended that Resources Committee on 18 September issues further guidance to officers and Committees following an updating of the Council's overall budget position, but in the meantime, this Committee is asked to comment on and approve the proposals included in this report, and to give any other observations on its priorities and budgets.

Background

- 2 The Council faces another challenging year on its General Fund Budget for 2004/05. The full projected position, at that time, was contained in the Financial and Policy Review report to Resources Committee on 26 June. That Committee agreed, for planning purposes, to continue with the previously set budget target of £7,253,960 as the District Council requirement, which would equate to a Council Tax rise of 7.5% at District level. This projection allowed for no uncommitted growth in services, and indeed required a modest saving of approximately £38,000 to balance the 2004/05 budget. As Members may be aware, a 1% increase in the Council Tax level raises approximately £30,000 in additional income for the Council at District level.
- 3 The budget scenario continues to evolve, based on external and internal factors, and many figures will change in the months ahead as estimates are refined and further external information is obtained.
- 4 The main development since the Resources Committee adopted an overall strategy has been the budget review meetings in August at Member and officer level and involving Chairmen of Committees. These discussions looked at papers submitted by Heads of Service that covered possible growth areas, service reduction possibilities, and charging strategies for income, all in the context of the Quality of Life Plan, the key themes of which are contained in Appendix 1. The dialogue was open and challenging, giving officers a full opportunity to put across the implications of budget changes, the known views of customers, and their own professional views. The

meetings involved substantial preparation and lengthy attendance by many staff. All General Fund revenue budgets were examined in some detail, including 'below the line' items such as interest on balances.

- 5 As a result of those meetings it is considered that the Council is now in a better position to turn its policy aspirations into budget priorities. This process will inevitably take time to complete, with the current year very much a transitional one, yet with substantial and early progress still being made. The full intended approach involves a 5-stage process:
 - Consideration of early ideas for budget review during the current cycle of meetings.
 - Items for further research to be brought back to Committees in the October/November cycle. An important element of the analysis of these items will be the preparation of risk assessments for any significant changes.
 - Consideration of base budgets, any growth bids, and full options for the review of fees and charges in the October cycle.
 - Presentation of full Service Plans to the January Committee cycle, showing how each service will use its proposed funding
 - A proposed 'zero- based budget' approach, with work starting early in the 2004/05 financial year for implementation in 2005/06. Zero-based budgeting is a technique which looks at every element of a budget from a nil (zero) starting point and seeks justification for each item.
- 6 The outcome of all these stages will be a 3-year plan showing the Council's priorities and funding approach in a full and detailed fashion which should be affordable and sustainable in accordance with the new statutory Prudential Code.
- 7 In addition to ideas to expand, reduce or amend specific services, several 'cross-cutting' themes were identified in the August meetings, and these are being looked at by officers prior to reporting back to Members. The areas involved are access to services, administrative support across the Council, and the idea of Trust status for various Council establishments. The emphasis of the first two of these themes will be on improving the way the Council works and interacts with the public, with the Trust status idea possibly bringing financial savings, depending on statutory limitations
- 8 Work on reviewing the Council's budget continues to dovetail with the activities being undertaken by the Interim Director, Strategic Development, and the further development of The Quality of Life Plan. In particular, there are Focus Groups planned around the District in early September, and the outcomes of these will feed into the budget process in the October/November cycle of committees.

The Budget Scenario For This Committee

- 9 In previous years this current cycle of Committees would result in each service Committee being set a target 'cash limit' for the next financial year. This is not the approach being adopted this year, as the Quality of Life Plan adds a significant new dimension to the Council's service and financial

planning and requires more detailed work to be undertaken. Instead, Committees will receive their cash limits in the October/November committee cycle following the September meeting of the Resources Committee.

- 10 Committees are asked at this stage to focus on 3 key themes included in Appendix 2:
- Any known variances on budgets for the current year
 - Budget review items discussed at the August meetings. Further information on these will be presented in the next Committee cycle
 - Any other views, messages, or priorities that they wish to pass on to the Resources Committee at this stage
- 11 Appendix 2 contains an overview of this Committee's budget for the current year, with any known or projected variations highlighted. It is relatively early in the financial year, making accurate projections difficult and unreliable, although significant variations are normally rare. A full budget monitoring report will be submitted to each Committee during the October/November cycle.
- 12 Appendix 2 also contains, by way of brief note, any known, likely, or possible variations to budgets for the 2004/05 financial year, either by way of possible reductions, increased spending, or adjustments to fees and charges and other income. Each of these items for next year was discussed at the recent budget meetings with Members.

RECOMMENDED that this Committee

- 1 Notes any budget variances highlighted in Appendix 2.
- 2 Considers and approves the proposals for budget review contained in Appendix 2, providing any initial comments to the Resources Committee, pending a more detailed report being submitted in the next cycle of meetings.
- 3 Makes any other comments about Council priorities and budgets as they affect this Committee, again pending more information at your next meeting.

Background Papers: Guidance from Director of Resources on Budget Review meetings, Submissions from Heads of Service to Budget meetings, August 2003, Revenue Estimates Book 2003/04, and budgetary control reports for 2003/04.

Quality of Life Plan- Key Themes

Strong community leadership

More openness through public scrutiny

Improve access to services

Protect the environment and character of the district

Promote tourism and green leisure opportunities

Encourage low cost housing

Develop better opportunities for young people