

Budget 2007/08

Communication/Consultation	With no proposed spending pressures, this Committee will not feature in the spending pressure consultation with the public, although it may feature in wider consultation on the budget
Community Safety	No specific implications
Equalities	No specific implications
Finance	This report looks at the approach to the Committee's budgets for 2007/08 and beyond
Human Rights	No specific implications
Legal implications	No specific implications
Ward-specific impacts	The Council's budget has wide-ranging effects on all wards. No specific ward issues can be highlighted, although the report does look at issues regarding budget devolvement to area panels
Workforce/Workplace	Consultation regarding the Council's budgets will shortly start with staff and unions

Situation

5. On 29th June 2006 the Operations Committee considered a report indicating that the Council would need to save approximately £400,000 to balance the 2007/08 General Fund budget if it chose to maintain the previously projected council tax increase of 4.5% and the current levels of service. This figure therefore makes no provision for new or improved services. Against such an already challenging savings target it becomes even more important to look closely at the justification for any new spending pressures and to consider the need to subject such spending pressures to effective public consultation.
6. The Council's key priorities for the next 12-18 months are contained within the Corporate Plan agreed by the Full Council in April 2006. The major elements of the Corporate Plan were indicated as achievable without the input of significant additional financial resources, meaning that very few new spending pressures were likely.
7. Officers have now examined this Committee's services in detail and have concluded that there are no new spending pressures requiring additional sums affecting the Committee's 2007/08 budget.
8. There is however a spending pressure of a different type arising from the likely reduction in planning fee income compared to the budget forecast for 2007/08. The report on budgetary control elsewhere on this agenda indicates a drop in planning fee income in the current financial year. If this

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continues it seems prudent to highlight a likely reduction of income in the region of £100,000 for 2007/08 and to notify this to the Operations Committee to help with their overall consideration of the budget.

9. The other major factor relating to the Committee's budget is the potential need for additional funding following the end of the current Planning Delivery Grant regime at 31st March 2008. The government is currently consulting about a suitable replacement mechanism, looking more at an alignment of planning and housing issues and with more emphasis on achievement being recognised. If this proposed approach does not serve the Council well it could be that up to £300,000 p.a. of extra funding could be needed from the Council's own resources. This would include some increase in the current number of staff dealing with planning issues and provide the funding needed to continue the current staff market supplements which have proved essential to recruitment and retention.

Base Budget

10. As the Committee will be aware, the term base budget refers to the budget for the current level of any service, therefore not including any new spending or reductions in that spending. The base budget is an important step in the budget process as it spells out in financial terms the Council's previous decisions in respect of the level of service to be provided. Unless the demand for a particular service has grown or reduced dramatically, the base budget should only normally need the addition, if warranted, of provision for inflation. At the moment there is no indication that this Committee's base budget for 2007/08 will need more than this inflationary provision on the expenditure side, but the potential loss of income has been identified as discussed in paragraph 8. All the figures regarding the base budget are currently being compiled in detail and will be presented at the January meeting.

Savings Targets

11. The meeting of the Operations Committee on 28th September will be considering the Council's latest budget position for 2007/08 in the light of any new spending pressures put forward by committees. It is already clear that a significant level of savings will be required if the Council is to balance its revenue budget. It is likely that some form of prioritisation criteria will again be used to decide how such savings targets are divided between Council services. Officers will then spend October to December developing savings options consistent with the targets set by the Operations Committee and any prioritisation principles agreed by them. Such savings proposals affecting this Committee's services will go to the January 2007 meeting.

Devolvement of Budgets to Area Panels

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12. Members of the Committee will recall the report on budget devolvement considered at the meeting of the Full Council on 18th July 2006. Following this, the Executive Management Team were asked to look at possibilities regarding budget devolvement for each service. For this Committee, the officers believe that the two budgets involved, Development Control and Enforcement are unsuitable for devolvement. These budget are closely linked to a district wide set of policies and need to be seen in this overall context.

Risk Analysis

13.

Risk	Likelihood	Impact	Mitigating actions
Failure to highlight all significant spending pressures	Low	Medium	Continual monitoring of new issues and demands regarding services