

<b>Committee:</b>	Finance and Administration	<b>Agenda Item</b>
<b>Date:</b>	31st January 2008	<b>7</b>
<b>Title:</b>	<b>General Fund Budget 2008/09</b>	
<b>Author:</b>	<b>Adrian Webb, Acting Chief Financial Officer. 01799 510421</b>	Item for Decision

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## Summary

1. This report sets out the detail of the draft Revenue Budget for the Finance and Administration Committee's own budget for 2008/09, together with the Revised Budget for 2007/08.
2. The Revenue Budget approved by this Committee will be submitted to the next Finance and Administration Committee on 7<sup>th</sup> February 2008 and that Committee's recommendations will be considered by Council on Tuesday 19<sup>th</sup> February 2008, when the Council Tax for 2008/09 will be approved.

## Recommendations

3. It is recommended that this Committee approves and submits to the Finance and Administration Committee:
  - a. The revised Revenue Budget for Finance and Administration Committee for 2007/08 as set out in Appendix 1.
  - b. The draft Revenue Budget for Finance and Administration Committee for 2008/09 (Appendix 1).
  - c. Any comments regarding the Committee's Budget, particularly in the light of the Council's financial situation.

## Background Papers

4.
  - MTFs report to Council 20<sup>th</sup> September 2007.
  - Report to Council 11<sup>th</sup> December 2007
  - 2007/08 and 2008/09 budget working papers,
  - Budget Book and budgetary control reports

**Impact**

Communication/Consultation	Appropriate communication with the public and other stakeholders will take place regarding the Council's budget position.
Community Safety	There are no specific community safety implications contained in this report.
Equalities	There are no specific equalities implications contained in this report
Finance	This report deals with the Finance and Administration Committee's revenue Budget
Human Rights	There are no specific human rights implications contained in this report
Legal implications	Any legal implications of the actions proposed in this report will be considered
Sustainability	There are no specific sustainability implications contained in this report
Ward-specific impacts	There are no specific ward implications contained in this report
Workforce/Workplace	All staff are being kept informed about the Council's budget position. The Union has been consulted.

**Situation**

5. Council, at its meeting on 11<sup>th</sup> December 2007 noted a forecast General Fund deficit for 2007/08 of £938,466.
6. In addition, an estimated deficit for 2008/09 of £1,822,724 was noted.
7. Proposals for removing the deficit were considered by a special meeting of the Finance and Administration Committee on 15<sup>th</sup> January 2008, and will be further discussed at a separate item on this Agenda. **No proposals from the latest discussions have been included in this report, but any savings achieved earlier in the year by Heads of Division have been included.**
8. The updated Medium Term Financial Strategy (M.T.F.S.), agreed by Council on 11<sup>th</sup> December 2007, has already assumed an increase of 2.5%, and instructed Directors and Heads of Division to seek additional income from Fees and Charges. **There is forecast to be no additional income for the Finance and Administration Committee at this time. Land Charges**

**income is subject to a new statutory charging regime which is unlikely to produce an increase. For the recovery of Court Costs for Council Tax and NNDR, all Essex authorities negotiate with the Court service for a fixed rate across the County. Although the new rate is due to be implemented from 1<sup>st</sup> April 2008, nothing has yet been agreed, so no additional income has been budgeted for.**

## Base Budget 2008/09

9. This Committee's revised revenue budget for 2007/08 and draft base budget for 2008/09 are attached at Appendix 1(b).

10. The Committee's overall revenue budget can be summarised as follows:

Original 2007/08 £	Revised 2007/08 £	Original 2008/09 £
2,790,562	2,997,880	3,020,120

11. Apart from inflation and pay award costs, the main variations on the overall budget are as follows:

	<b>2007/08 Revised £</b>	<b>2008/09 £</b>
• Corporate Management (See para. 14)	478,850	344,820
• HR-Consultancy/Reward etc -savings	(94,760)	(79,760)
• Office telephones-New System	75,960	50,960
(All apart from £17k transferred from other budgets).		
• Offices-Condition survey		15,000
• Financial Services-consultants	34,330	(2,860)
• Revenues –computer costs/Audit fees	57,420	18,620
• Revenues-Additional Gov Grant	(136,770)	(41,420)
• Housing Benefit Admin income	14,090	40,020
• Elections-(£50k from Reserve in 7/8)	(4,700)	(70,810)

12. Within this Committee's budget, there has been a reallocation of the salary costs of the Strategic Management Board (SMB), which are now included in Corporate Management. Any managerial responsibilities have then been recharged back to the services under "Central Management", which may then

show an increase which is offset by a decrease on salary costs in the same service.

**Risk Analysis**

Risk	Likelihood	Impact	Mitigating actions
That the proposed actions agreed by the Council are insufficient to remove the projected budget deficit	Risk level 3, despite the Council and SMB taking strong action	Risk level 3, as there are no available reserves or balances to fund further deficits.	Continuing analysis of the budget needs of each service up to the point Council approves the Council Tax in February 2008.