

## Budget 2007/08

**Committee:** Licensing

**Agenda Item**

**Date:** 24th January 2007

**Title:** **General Fund Budget 2007/08**

**8**

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**Philip O'Dell (Director of Resources)** **decision**

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### Summary

1. This report provides the basis for completion of the Committee's General Fund budget for 2007/08 subject to final considerations by the Operations Committee and Full Council. It contains full details of the base budget, prepared on the basis of current levels of service provision and an indication of savings that will be targeted to help the Council's overall financial position. There are no new spending pressures for this Committee.

### Recommendations

2. That this Committee approves and submits to the Operations Committee:
  - The revised base budget for 2006/07 and draft base budget for 2007/08
  - The proposed savings identified in this report
  - Any comments regarding the budget

### Background Papers

3. Budget reports to committees September 2006 and budget working papers. Copies of these items can be obtained by the public from Philip O'Dell on 01799 510670 or by email to [podell@uttlesford.gov.uk](mailto:podell@uttlesford.gov.uk)

### Impact

4.

Communication/Consultation	The response to public consultation on the Council's budget will be considered by the Operations Committee on 8 <sup>th</sup> February 2007
Community Safety	No specific implications
Equalities	No specific implications
Finance	This report concerns the Committee's whole budget
Human Rights	No specific implications
Legal implications	No specific implications
	The Council's budget has wide-ranging effects on all wards. No specific ward issues can be

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	highlighted.
Workforce/Workplace	None of the proposed changes to budgets for this Committee have an adverse effect on staff, although communication and consultation with staff and unions regarding the budget continues.

### Situation

5. The meeting of the Operations Committee on 28<sup>th</sup> September 2006 considered the projected overall position on the General Fund prior to the compilation of base budgets. At that stage, a combination of pay awards, inflation and other spending pressures meant that savings in the region of £950,000 would be needed to balance the budget back to the targeted 4.5% increase in the council tax level.
6. No specific savings targets were set for either committee or services. Instead, officers were instructed to look again at new spending pressures, improved procurement, fees and charges income and whether inflation provision was really required on some budgets. There was also a request for services to look at the effects of 2%, 5% and 10% reductions in budgets.
7. Since the strategy outlined in paragraph 6 was agreed there have been several significant changes to the Council's overall budget position, the main ones of which are as follows:
  - Clarification that a potential loss of income from land charges amounting to £100,000 will not now happen
  - An estimated saving of £130,000 per annum following the management restructure
  - A review of recharges to the Housing Revenue Account which will save a significant sum, currently being finalised
  - Further analysis of the Council's scope to save money in its procurement practices, which will save approximately £50,000 per annum
  - Completion of the work of the Executive Programme Office, freeing up annual budgetary provision for research of £55,000 per annum
  - Likely increased income via the Business Growth Incentive Scheme, although further details are awaited
  - A review of staffing budgets, leading to a new targeted annual saving via turnover of approximately 4%. This is a challenging figure but is considered achievable with proper management
8. The items outlined in paragraph 7, along with other savings identified and additional income considered likely now mean that much less drastic action is required to balance the budget. For this reason,

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exemplifications of savings at 2%, 5% and 10% levels are not shown in this report. Many of these would in fact have had a detrimental effect on services. Instead, the Strategic Management Board (successor to the Executive Management Team) has agreed an approach to preparing a balanced budget which:

- Takes account of the overall changes outlined in paragraph 7
  - Reduces the draft spending pressures, where possible
  - Identifies efficiencies that do not have a detrimental effect on services
9. For this Committee there are no specific savings proposals identified at this time.
10. This committee's services will however be affected to a small degree by the reduced procurement costs outlined in paragraph 7. The detailed breakdown of the procurement savings target is not yet available for this committee, but will be included in the figures submitted to the Operations Committee on 8<sup>th</sup> February. Bearing in mind the relatively small supplies and services element of this Committee's budget, the savings are likely to be in the region of £5,000 and possibly even less.
11. It will be for the Operations Committee meeting on 8<sup>th</sup> February to take an overall view on the Council's financial position and how to balance the budget within the significantly changed overall scenario.

### Base Budget

12. This Committee's revised base budget for 2006/07 and draft base budget for 2007/08 are attached at Appendix 1. The main variation on the expenditure side is an increase in staffing cost which is more than offset by increased income.

### Devolution of Budgets to Area Panels

13. Following the instruction from the July 2006 Full Council, officers have looked at the scope to devolve budgets to the Council's three area panels. There are no proposals to devolve any of this Committee's budgets to area panels.

### Risk Analysis

14.

Risk	Likelihood	Impact	Mitigating actions
Failure to highlight all significant spending pressures	Low	Medium	The budget has been examined closely and appears robust. Any variations can be dealt with through virement or authorised use of reserves

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