

**DECISION LIST**

**EXTRAORDINARY FINANCE AND ADMINISTRATION COMMITTEE MEETING – 12 OCTOBER 2009**

AGENDA ITEM.	ITEM	DECISION	REASON	OFFICER
2	Medium Term Financial Strategy	<p>RESOLVED That the Committee notes and approves the revised financial forecasts as set out in the report.</p>	<p>To reflect changing circumstances following review of key assumptions underpinning the 5 year forecast.</p>	SJ
3	2010/11 Budget Strategy	<p>RESOLVED That the Committee approve the 2010/11 Budget Strategy as set out in the report (*extract attached).</p>	<p>To enable a budget to be prepared for discussion by the relevant committees in the January cycle before full determination of the Council budget in February.</p>	SJ
4	ICT Systems Backups	<p>RESOLVED That</p> <ol style="list-style-type: none"> <li>1 the adjustments to the Capital Programme, including a supplementary estimate of £30,000 as set out in paragraph 11 of the report be approved.</li> <li>2 An exception to the Contract Standing Orders be agreed as set out in paragraph 13 of the report.</li> </ol>	<p>To address a number of problems which had developed with the current system, including an unacceptable situation in that backups could only be kept for 3 weeks.</p>	AW

\* Extract from 2010/11 Budget Strategy Report, item 3:

## **Budget Strategy**

- 1 The budget strategy consists of key actions, assumptions and inflation assumptions as set out below.

### **Key actions**

- 2 The following actions will be progressed during the 2010/11 budget process:
  - a) The public are being consulted on the Council's spending priorities in the current issue of Uttlesford Life and online.
  - b) Views of the business community will be sought and the statutory NNDR consultation will be carried out.
  - c) The Service Planning timetable has been brought forward and integrated with budget planning.
  - d) Strategic Solutions will be progressed in order to meet the savings target of £200,000.
  - e) Each line in the budget will be scrutinised by the responsible Head of Division and service accountant with subsequent review by the Chief Finance Officer and Strategic Management Board.
  - f) New policies relating to Pricing & Concessions and Debt Recovery will be implemented during 2010/11.
  - g) A review of the Council's discretionary NNDR relief policy will be initiated with a view to implementation during 2010/11.
  - h) Resources will be allocated to improving the Council's procurement arrangements with external funding assistance requested to support this.
  - i) A new Asset Management Plan will be prepared that sets out how the Council's property assets will be used to deliver corporate priorities.
  - j) Funding will be allocated to ensure that the Benefits service is adequately resourced to cope with expected increase in caseload and to ensure smooth transition into shared services partnership.
  - k) The Capital Programme will be reviewed by the Capital Officer Working Group before proposals are put to Members.
  - l) Greater transparency will be achieved in relation to the recharge of costs from the General Fund to the Housing Revenue Account.

### **Key assumptions**

- 3 The following are the key assumptions underpinning the budget process:
- a) No additional financial provision will be required to meet potential losses relating to the Landsbanki deposit, other than the funds already earmarked in the Landsbanki Contingency Fund.
  - b) Unspent monies as at 31 March 2009 and from the 2009/10 budget relating to Stansted G1 and G2 will be carried forward and earmarked for Stansted-related activity, with no new budget provision made in 2010/11.
  - c) There will be no overspend in 2009/10 that requires replenishment of reserves, but the Working Balance will be topped up in line with MTFS principles.
  - d) Any award of monies under the Local Authority Business Growth Incentive Scheme will be earmarked to support the business community with a neutral effect on bottom line assumed for budget purposes.
  - e) Similarly any award of monies under the Housing & Planning Delivery Grant Scheme will be earmarked to support Housing & Planning initiatives with a neutral effect on bottom line assumed for budget purposes.
  - f) Interest rates will remain low and investment income will be broadly in line with 2009/10 levels.

### **Inflation assumptions**

- 4 The following are the key inflationary assumptions to be used when producing budgetary estimates. Where definitive information becomes available, that will be used instead of the planning assumptions to ensure that estimates are as robust as possible.
- a) Local Government Finance Settlement increase of 0.5% in line with provisional announcement (to be confirmed in January)
  - b) Council Tax rise of 3.9%
  - c) Council Taxbase increase of 0.5%
  - d) Staff pay award – 1%
  - e) Members allowances – 1%
  - f) Employer's pension contribution – increase from 11.7% to 12.5% of pay (already notified by Essex Pension Fund)
  - g) Supplies and services where contractual indexation applicable – in line with contractual provisions
  - h) Supplies and services where no contractual indexation is applicable – 0%
  - i) Energy costs – the planning assumption is 10% pending detailed review
  - j) Housing Benefits (private tenants) – 3% rent increase, 10% caseload increase

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- k) Housing Benefits (council tenants) – 3% rent increase, no caseload increase
- l) Council Tax Benefit – 2.5% council tax increase, 5% caseload increase
- m) Fees & charges income – the planning assumption is that there will be a net nil increase overall but increases will be applied in line with approved fees & charges, pricing policy and estimates of demand and activity.