

## REDDITCH BOROUGH COUNCIL

# EXECUTIVE COMMITTEE

8<sup>th</sup> September 2010

### BUDGET GUIDANCE AND TIMETABLE 2011/12

Relevant Portfolio Holder	Cllr Mike Braley
Relevant Head of Service	Teresa Kristunas
Non-Key Decision	

#### 1. SUMMARY OF PROPOSALS

To inform Members of the proposed budget process to be followed to enable development and consideration of the financial plan for 2011/12-2013/4.

#### 2. RECOMMENDATIONS

**Members are asked to consider and note the timetable**

#### 3. BACKGROUND

- 3.1 The Council aims to approve a three-year budget for revenue and capital by February 2011. This report seeks to provide an overview of the process and timetable to be followed that will enable this to be achieved.
- 3.2 The review and development of the financial plan includes consideration by officers and members together with periods of public consideration and opportunities for detailed scrutiny at workshops to be undertaken in October and November.
- 3.3 The current financial climate together with the affect of the Comprehensive Spending Review in October 2010 will have a significant impact on the Councils future finances and spending plans. Officers will be reviewing each budget in detail to ensure that any savings that are proposed are considered in line with the Council priorities and the impact on the community.

#### 4. KEY ISSUES

- 4.1 The process will focus on two main elements:
  - Budget holders will be asked to critically review the budget for the current financial year (2010/11) in order to establish a revised estimate. This will not be formally reported anywhere but will seek to identify the over / underspend at the end of the financial year and the subsequent effect on balances.

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- Budget holders will be asked to compile the budget for the next three years (2011/12 to 2013/14)

Budget holders should ensure that they involve the appropriate portfolio holder in their consideration of the budget.

- 4.2 The review of the current year will require managers to identify possible savings within their respective areas. This is essential to help maximise the resources available in order to sustain the longer term financial position of the Council. In order to achieve this managers must review the services delivered in their areas and ensure that they are linked to the objectives and priorities of the Council. Any services that do not meet this criteria should be flagged up as an area for further review.
- 4.3 For the period 2011/12 to 2013/14 managers are asked to base their expectations on how much it will cost to continue to provide the current level of service. To assist with this the Accountancy Section will roll forward the original estimate for 2010/11 to 2011/12, 2012/13 and 2013/14.
- 4.4 Any increased resource requirements that are needed to improve performance or introduce new initiatives i.e., any changes planned over the period should be included within the appropriate service business plan and a separate business case submitted. This should include any additional resource requirements that are needed to address the Council priorities. Managers should ensure that their accountant is fully involved in the costing of any proposals that have financial implications regardless of whether they originate within management plans or priority plans.
- 4.5 All budget holders will be expected to maximise income as part of the budget strategy. If additional income has been used in the current financial year to fund additional expenditure this only applies to this financial year. Where managers wish to use additional income, identified within future years' budgets, to fund additional spending a suitable business case will be needed. In addition budget holders will be expected to work with the accountancy teams to establish the correct basis for income using volume of usage rather than rolling forward previous years budgets. The work currently being undertaken across the County to identify areas of inconsistency in charging will also be used for the budget purposes.
- 4.6 In addition it is expected as part of the review that all budget holders will critically review their budgets to identify any potential savings within their

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service area. An option for change form has been developed that all budget holders will be expected to complete. This will seek to provide further detail on how each element of the budget contributes to the Council's objectives and priorities and the effect that a reduction may have on performance. It is expected that for each budget line managers will show the effect of a 10%, 20%, 30% cut as well as termination of the service.

- 4.7 In addition to the above budget holders are to estimate the potential savings from shared services over the medium term financial plan period.

### **5. FINANCIAL IMPLICATIONS**

The financial impact of the budget proposals will be reported to Members on a regular basis as identified in this report.

### **6. LEGAL IMPLICATIONS**

None as a direct result of this report.

### **7. POLICY IMPLICATIONS**

None as a direct result of this report. Any changes to policy as a result of budget proposals will be reported to Members.

### **8. COUNCIL OBJECTIVES**

The setting of a balanced and considered budget will help support the Council's objectives over the medium term financial plan.

### **9. RISK MANAGEMENT INCLUDING HEALTH & SAFETY CONSIDERATIONS**

The development and full consideration of a balanced financial plan will ensure the Council can manage risks associated with the current financial climate more effectively

### **10. CUSTOMER IMPLICATIONS**

The impact of changes in service delivery as a result of proposed changes will be reported to Members for consideration.

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**11. EQUALITIES AND DIVERSITY IMPLICATIONS**

The inclusion of stakeholders and the budget jury within the budget setting process will ensure that the impact of the proposals are assessed for the impact across the whole community.

**12. VALUE FOR MONEY IMPLICATIONS, PROCUREMENT AND ASSET MANAGEMENT**

Officers will ensure that whole life costs are included in budget proposals and that opportunities for savings from procurement and utilising assets more effectively are addressed.

**13. CLIMATE CHANGE, CARBON IMPLICATIONS AND BIODIVERSITY**

Officers will include impact on the environment when proposing budget savings and additional services to be provided.

**14. HUMAN RESOURCES IMPLICATIONS**

Budget proposals that may impact on staffing numbers will be discussed with HR and will be subject to formal consultation periods.

**15. GOVERNANCE/PERFORMANCE MANAGEMENT IMPLICATIONS**

None as a direct result of this report

**16. COMMUNITY SAFETY IMPLICATIONS INCLUDING SECTION 17 OF CRIME AND DISORDER ACT 1998**

None as a direct result of this report

**17. HEALTH INEQUALITIES IMPLICATIONS**

Budget proposals to support the improvement of health in the District will be considered as part of the review.

**18. LESSONS LEARNT**

The full consideration and detailed review of the budget will ensure that the Council funds its priority areas and addresses all options for service delivery over the medium term.

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**19. COMMUNITY AND STAKEHOLDER ENGAGEMENT**

The involvement of the budget jury will improve the community engagement together with the ability for stakeholders to raise issues relating to the budget through on-line access.

**20. OTHERS CONSULTED ON THE REPORT**

Portfolio Holder	Yes
Chief Executive	Yes
Executive Director (S151 Officer)	Yes
Executive Director – Leisure, Cultural, Environmental and Community Services	Yes
Executive Director – Planning & Regeneration, Regulatory and Housing Services	Yes
Director of Policy, Performance and Partnerships	Yes
Head of Service	Yes
Head of Resources	Yes
Head of Legal, Equalities & Democratic Services	Yes
Corporate Procurement Team	No

**21. WARDS AFFECTED**

All wards will be affected by budget proposals

**22. APPENDICES**

Appendix 1 – Budget timetable

**23. BACKGROUND PAPERS**

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