

CABINET – 16 NOVEMBER 2005

ROLL FORWARD OF CORPORATE STRATEGY AND REVENUE BUDGET 2006/09
(UPDATE)

REPORT OF LEADER OF THE COUNCIL AND CHIEF EXECUTIVE

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RECENT REFERENCES:

CAB1099 – Financial Strategy 2006/07 to 2010/11

CAB1126 – Roll Forward of Corporate Strategy and Revenue Budget 2006/09

EXECUTIVE SUMMARY:

The Cabinet meeting in October considered a first draft of the proposed roll forward of the corporate strategy and budget as an integrated package (CAB 1126). At that meeting Cabinet agreed the draft Corporate Strategy and Revenue Budget as a basis for consultation on the understanding that the documentation would continue to be refined to give a stronger outcome focus and that the budget would continue to be developed.

In the light of further detailed work carried out to achieve a balanced budget, this report provides an update for consideration by Cabinet, which can then form the basis of consultation with Scrutiny Panels at the end of November.

The report does not propose any change to the overall direction of the Council's priorities, although work to refine the wording of the Corporate Strategy is still taking place. It does propose changes to the budget, designed to achieve a balanced budget while safeguarding spending in key priority areas. The report continues to recognise the need for growth to meet national and local targets and new legislative requirements.

RECOMMENDATIONS:

- 1 That Cabinet agrees the proposed changes to the draft Corporate Strategy and revenue budget as a basis for consultation with staff, Members and partner organisations over the autumn, on the understanding that the budget and Corporate Strategy will continue to be developed.

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1 Introduction

- 1.1 The Council's Corporate Strategy sets out the organisation's key priorities for the medium term – a period of three years. It is a key document in the Council's policy framework that the Cabinet is then empowered to deliver, within the agreed budget. It is reviewed and rolled forward on an annual basis.
- 1.2 The Council also plans its budgets over a six year time frame, with an annual roll forward to ensure that spending plans and overall income to the Council balance, in both the short and longer term, within the parameters set out in the Financial Strategy.
- 1.3 Over recent years the Council has been working to align these processes more closely together. This year it is intended to present an integrated package to the Council meeting in February comprising
- a) The Corporate Strategy for 2006/09;
 - b) The forward looking elements of the Performance Plan for 2006 (as a 'Corporate Business Plan');
 - c) The revenue budget for 2006/07 – 2010/11

2 Review of the Corporate Strategy and Performance Plan

- 2.1 Report CAB 1126, considered by Cabinet on 12 October, set out a first draft of the Corporate Strategy, which was accepted as work in progress. A revised version of the service elements of the Corporate Strategy has been prepared, which is designed to give a clearer outcome focus to the Council's priorities. A draft of this is attached at Appendix 1. The document is still being developed.

3 Review of the Budget

- 3.1 The key principles to be applied to the budget were agreed at the Cabinet meeting of 26 July, 2005, viz:
- a) The revenue budget for the forthcoming year will be balanced;
 - b) Reserves will not be used to fund annual, recurring expenditure;
 - c) Savings proposals will be sufficient to fund Growth proposals and to eliminate the projected deficit;
 - d) Growth proposals will not create a revenue deficit in future financial years without equivalent forward savings also being identified;
 - e) Inflation will be applied only to budgets for staff and external contracts.
- 3.2 Report CAB 1126 indicated that forward projections continued to show that the budget would be in deficit. In light of this, further work has taken place to review proposed areas of growth and identify savings required to work towards a balanced budget. The budget cannot be finalised at this stage as there are a number of uncertainties, which were highlighted in the previous report. Key amongst these is the fact that the Government has not yet

announced the level of Rate Support Grant it will be making to the Council. However, the changes now being proposed are more detailed than identified in report CAB 1126 and they have been brought back for Cabinet consideration to allow them to form the basis of further consultation with staff, Members (through the Scrutiny Panels) and partners.

- 3.3 The appendix focuses on the General Revenue Fund (GRF). It has been written with the proposed areas of growth and saving set out to align broadly with the work of the four Scrutiny Panels to assist their consideration of the budget proposals. It does not cover proposed changes to the Housing Revenue Account (HRA), which will be subject to separate discussion with tenants.
- 3.4 This report does not look in detail at proposed changes to the Town Fund (TF) but identifies some areas where it is intended to review responsibility for funding between the GRF and TF. In particular, the degree to which certain costs, such as the provision and emptying of dog bins should fall on the GRF, TF or be met by individual Parish Councils is being reviewed. A separate report on the proposed budget changes to the Town Fund is being prepared for consideration by the Town Forum.
- 3.5 A separate report on the capital budget is being prepared for consideration at Cabinet in January. The main changes to the capital programme being considered are
 - a) Expenditure on new Wheelie Bins as part of the roll out of alternate weekly collections;
 - b) A refurbishment project for the public toilets in Abbey Gardens;
 - c) The creation of a new cremation plot at Mornhill Cemetery; and
 - d) A reduction in the funds available for planning and environment grants
 - e) An updated e-government programme.

4 Next Steps in the Process

- 4.1 As indicated in report CAB 1126, staff, Members (through Scrutiny Panels) and partners will now be consulted on the proposed roll forward of the corporate strategy and budget, as set out in this report. An update of the Corporate Strategy, together with the Corporate Business Plan and draft budget will then be put to Principal Scrutiny Committee in January for their comments and will come back to Cabinet also in January, prior being referred to Cabinet in February for recommendation to Council. The final decision on all these documents will be made by full Council at its meeting at the end of February.

5 Relevance to Corporate Strategy

- 5.1 This report is part of the process of review of the Corporate Strategy to ensure that it remains relevant to the needs of the District and that the policies, programmes and budgets are in place to support its delivery.

6 Resource Implications

- 6.1 This report provides more information on changes proposed to resources to ensure that key outcomes can be achieved for the community within a balanced budget. For 2006/07 it identifies potential savings in the region of £1,400,000 for 2006/07, with growth of £662,000. The position after allowing for some of the savings to accrue to the HRA is a net saving of around £800,000. The lists outline options for Members to consider and include some ambitious targets: the final net saving figure may be different. The budget projections indicated a shortfall of around £1m. Depending upon the options taken by Members and the position following the RSG settlement, further proposals may be required to achieve a balanced budget.

Background Documents

The following documents have helped to establish the needs of the District. Copies can be obtained from the Chief Executive's Directorate.

- Winchester and District Community Strategy
- WCC Demographic Information (compiled as at 20 July 2005)
- Officer views on perceived pressures for 2006
- WCC Selected BVPI Information
- Key outcomes identified by City Councillors at Member Seminar held on 12 July 2005
- Information on comparative costs obtained through the Audit Commission 'value for money' tool.

Appendices

Appendix 1 Draft Corporate Strategy for 2006/09

Appendix 2 Proposed changes to the Budget between 2006/07 and 2008/09

CAB1149

Corporate Strategy 2006 - 2009

Our goal is to have a healthy population, living in decent and affordable homes with opportunities for work. Our communities should be inclusive and share a high quality, safe environment. We should work together to protect this so that the best opportunities are passed on to future generations.

Our priorities are:

Homes & Jobs

- Provide housing for those in need
- Meet the Decent Homes Standard in our own housing stock
- Foster a strong and diverse urban and rural economy

Safer and More Inclusive Communities

- Increase feelings of safety by reducing the likelihood that people will indulge in anti-social behaviour
- Improve access to services and to cultural opportunities for residents
- Help the most deprived parts of our community to be more self confident and self supporting
- Improve health outcomes by encouraging more active lives

Safeguarding our high quality environment for the future

- Make better use of resources
- Improve air quality in Winchester and reduce congestion
- Minimise the loss of green fields to development
- Increase our residents' pride in the place where we live
- Protect our important heritage