

CABINET - 13 JANUARY 2010

GENERAL FUND BUDGET 2010/11 – PROGRESS REPORT

REPORT OF HEAD OF FINANCE

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RECENT REFERENCES:

CAB1760: Updated Sustainable Community Strategy and Corporate Business Plan,  
10 December 2008

CAB1863: Financial Strategy 2010/11 – 2014/15, 8 July 2009

CAB1886: Capital Strategy and Programme 2009, 16 September 2009

CAB1899: [General Fund Budget – Revised Estimate 2009/10 & Revised Baseline  
2010/11](#), 14 October 2009

CAB1923: [General Fund Budget Consultation 2010/11, 12 November 2009](#)

EXECUTIVE SUMMARY:

This report presents a progress report on the consultation of budget options.

Consultations have been carried out with the four scrutiny panels, Principal Scrutiny Committee, and the Town Forum. It is planned to consult also with parish council chairmen, the business community, and our partners in the Local Strategic Partnership during January.

The final budget proposals will be presented to Cabinet in February.

RECOMMENDATIONS:

That Cabinet notes the results of consultations as part of its deliberation of the budget.

## CABINET

13 JANUARY 2010

### GENERAL FUND BUDGET 2010/11 – PROGRESS REPORT

#### REPORT OF HEAD OF FINANCE

#### 1 Introduction

- 1.1 Report CAB1923 indicated there was a significant gap between proposed expenditure and income that required a combination of additional income and savings of £1.7 million.
- 1.2 Various options to achieve this were proposed and it was decided to consult on these ideas.

#### 2 Consultations

- 2.1 Consultations have been carried out with the four scrutiny panels, Principal Scrutiny Committee, and the Town Forum. It is planned to consult also with parish council chairmen, the business community, and our partners in the Local Strategic Partnership during January.

Comments received to date are summarised below:

- 2.2 [Social Issues Scrutiny Panel \(10 November 2009\)](#)

**This panel resolved that no comments be made to Cabinet on the initial options for 2010/11 budget savings and growth.**

- 2.3 [Environment Scrutiny Panel \(11 November 2009\)](#)

The Panel asked questions on a number of subjects and, from the Portfolio Holders' responses, did not wish to highlight any concerns to Cabinet. The subjects included the price of glass recyclables; householder fees for pre-application planning advice; car parking fees; the reduction in the number of parking wardens, garden waste collections; support for neighbourhood design statements; administration fees for street naming; telephone contracts; clinical waste collection; reduced opening hours of the Customer Service Centre; and the competitiveness of the Council's Building Control function.

**The panel resolved that no comments be made to Cabinet on the initial options for 2010/11 budget savings and growth.**

- 2.4 [Local Economy Scrutiny Panel \(17 November 2009\)](#)

The Panel discussed the agreed parking charges increase, together with the proposed changes to the Park and Ride service, including later operating hours in the evening. Various other matters were considered.

**The panel resolved that no comments be made to Cabinet on the initial options for 2010/11 budget savings and growth.**

2.5 [Resources Scrutiny Panel \(18 November 2009\)](#)

There was discussion around:

- staff costs including pay and pension contributions, and measures being promoted such as offering staff the opportunity for reduced hours, unpaid career breaks etc.
- the cost of postage.
- the growth bid for two new finance staff.
- the question of IT support costs was raised and whether the Council would be investigating Open Source as a cheaper alternative.

**The panel resolved that no comments be made to Cabinet on the initial options for 2010/11 budget savings and growth.**

2.6 [Principal Scrutiny Committee \(16 November 2009\)](#)

The committee considered:

- the projected levels of Revenue Support Grant (RSG).
- likely future changes to the operation of the Housing Revenue Account (HRA)
- pay inflation
- pension contributions
- Dog Control
- a Member suggested that broadening the parameters of the use of funds in the open space budget may bring better value for money to residents
- Lease Cars
- Organisational development
- the Council's approach to flexible resource management
- Corporate overtime
- the principles of baseline budget setting
- Corporate training
- Housing Needs
- Technical and Systems Accountants
- maximising the potential of car parks for advertising revenue
- income generation from the Tourist Information Centre

The Committee welcomed the transparency of the budget setting proposals to date. Members also acknowledged the complexities and inflexibilities of the payment by Government of Revenue Support Grant to councils. However, it

was agreed that Cabinet should be asked to consider maximising opportunities for the Council to obtain grant aid. This could include supporting the Local Government Association, in any lobbying for improvements for a fair and equitable Revenue Support Grant settlement for the Council. It was also recognised that maximising opportunities for seeking other grants might be more productive.

**The Committee resolved that Cabinet have regard to the above comments of the Committee on the initial options for 2010/11 budget savings and growth and, in particular, that it should be asked to consider maximising opportunities for the Council to obtain grant aid.**

## 2.7 [Winchester Town Forum \(25 November 2009\)](#)

The Forum noted that, due to additional costs to the Town Account over the previous year and an emerging deficit to its reserves, an average increase in local tax precept for the town area of up to 12% was likely, unless significant savings could be identified.

The Forum agreed that it should firstly investigate options to reduce expenditure from the Town Account, before it considered any tax increases, and that there should be particular investigation of expenditure in the Receptions Grounds and Open Spaces budget and whether saving could be achieved in this area, or possible increases to its income

**The Forum resolved that officers bring forward options to reduce expenditure in the Town Account Receptions Grounds and Open Spaces budget, in addition to increases to its income, to the next meeting of the Town Account Budget Sub Group and that those discussions inform the drafting of the detailed Budget options report to be considered at the next Forum meeting on 20 January 2010.**

## 3 [Summary](#)

- 3.1 The matters discussed here will reduce the budget deficit substantially, but the entire gap has not yet been bridged. Further work is ongoing, and consultation with the parish council chairmen, the business community, and our partners in the Local Strategic Partnership is yet to be completed. The final budget proposals will be presented to Cabinet in February.

## OTHER CONSIDERATIONS:

### 4 SUSTAINABLE COMMUNITY STRATEGY AND CORPORATE BUSINESS PLAN (RELEVANCE TO):

- 4.1 In order that limited resources are matched most appropriately to the Council's priorities the budget options should be considered in the context of the Sustainable Community Strategy and the draft Corporate Business Plan.

5 RESOURCE IMPLICATIONS:

5.1 As set out in the report.

6 RISK/UNCERTAINTY/SENSITIVITY

The budget for next year and the forward projections will be influenced significantly by various factors that cannot be quantified or assessed fully at this stage; some external and outside of the control of the Council; and others that relate to factors and aspirations within the Council's control.

BACKGROUND DOCUMENTS:

Working papers held in the Finance and other divisions.

CAB1863: Financial Strategy 2010/11 – 2014/15, 8 July 2009

[http://www.winchester.gov.uk/Documents/Committees/Cabinet/1800\\_1899/CAB1863.pdf](http://www.winchester.gov.uk/Documents/Committees/Cabinet/1800_1899/CAB1863.pdf)

CIPFA – Guidance note on Local Authority Reserves and Balances

<http://www.cipfa.org.uk/pt/download/laap55.pdf>