

**CORPORATE
SCRUTINY AND PERFORMANCE PANEL**

DATE: 22 JANUARY 2010

**Revised Draft Revenue Budget and Draft Capital Programme 2010/11
for Finance & Personnel Portfolio and Business Support Services
Portfolio**

Ward(s) All

Portfolio:

Councillor Towe – Finance & Personnel
Councillor Arif - Business Support Services

Summary of report

This report presents Cabinet's revised draft revenue budget and draft capital programme proposals for 2010/11 for consultation with the panel and provides an opportunity for the panel to make further recommendations to Cabinet.

Recommendation

The panel are recommended to consider the draft proposals in this report and make further recommendations to Cabinet as appropriate.

Background papers

Various financial working papers.

Reason for scrutiny

To enable consultation and scrutiny of the draft budget proposals for 2010/11.



Signed

Rory Borealis - Executive Director (Resources)

6 January 2010

1. Draft Revenue Budget 2010/11 – Finance & Personnel and Business Support Services Portfolios

- 1.1 Cabinet on 18 November 2009 presented their draft revenue budget proposals for 2010/11 for consultation. These proposals, including savings and investment proposals for the services within the remit of this panel, were reported to the panel meeting on 10 December 2009.

Table 1 sets out the draft revenue budget 2010/11 for the Finance & Personnel and Business Support Services Portfolio, and any subsequent changes to the revenue budget previously reported :-.

| Table 1 – 2010/11 Draft Revenue Budget – Finance & Business Support Portfolio | |
|---|--------------|
| | £m |
| Budget brought forward from previous year | 8.584 |
| Inflation | 0.044 |
| Other budget refresh | 0.264 |
| Budget pressures : demographics, cost pressures, fall out of grant | 2.365 |
| Investment : service developments | 0.387 |
| Full year effect of 2009/10 growth | 0.303 |
| Efficiencies, savings and income generation | (1.622) |
| Full year effect of 2009/10 savings | (0.477) |
| Draft net revenue budget requirement 2010/11 as reported to Corporate Scrutiny and Performance Panel on 10 December 2009 | 9.848 |

2. Scrutiny Recommendations to Cabinet

- 2.1 At its budget scrutiny meeting on 10 December 2009, this panel received the detailed breakdown of investment bids and savings options submitted to Cabinet to enable the panels recommendations to be made for Cabinet to consider as part of the budget process. The panel discussed the options in principle, and made no specific recommendations to Cabinet.

3. Draft Capital Programme 2010/11 – Finance & Business Support Portfolios

- 3.1 Cabinet on 16 December 2009 presented their draft capital programme for 2010/11 for consultation.

Table 2 sets out the draft capital programme 2010/11 for the Finance & Business Support Portfolios, with the full list of associated schemes listed in **Appendix 1**.

| Table 2 – 2010/11 Draft Capital Programme – Finance & Business Support Portfolio | |
|---|--------------|
| Mainstream (Council's own resources) | £m |
| Supported Borrowing schemes | 0.550 |
| Schemes with Prior Year Approvals | 1.285 |
| Total Mainstream resources (Appendix 1) | 1.835 |
| | |
| Non Mainstream (Externally Funded) | 0 |
| | |
| Total | 1.835 |

If grant or mainstream funding is unavailable the relevant scheme will not proceed. At this point in time, a number of grants have not been confirmed, therefore there is likely to be some movement as the budget process progresses.

3.2 Leasing Programme

Leasing minimises the call on capital resources by spreading the acquisition cost over some years. Revenue funds are needed to finance operating leases. Assets identified within the draft leasing programme relating to services within the remit of this panel total £67k and are summarised in **Appendix 2**.

3.3 Reserve List

A reserve list of schemes is in place should resources become available for new starts in 2010/11. Schemes identified on this reserve list that relate to services within the remit of this panel total £1m and are shown in **Appendix 3**.

Resource and legal considerations

Services were requested to identify efficiency savings and investment for consideration in the setting of the 2010/11 corporate revenue budget and to review their base budgets in line with the corporate guidelines and estimated changes in inflation and pay awards.

Citizen impact

The budget is aligned with service activity within service plans across the council. Investment is intended to be targeted at service improvement, stability and user influence. The report to the panel on 10 December set out the vision and priorities for the services within the remit of this panel.

Environmental impact

Services within the remit of this panel have a direct influence and impact on the environment.

Performance management

Financial performance is considered alongside service targets. Managers are required to deliver their service targets within budget, wherever possible. The report to the panel on 10 December included reference to performance management and key indicators.

Equality Implications

Services consider equality issues in setting budgets and delivering services. Irrespective of budgetary pressures the council must fulfil its equal opportunities obligations

Consultation

This is the second of two meetings for scrutiny to consider Cabinets draft budget proposals. This meeting provides the panel with a further opportunity to consider the revised draft revenue budget and first draft capital programme 2010/11 and make recommendations for Cabinet to consider prior to Cabinet proposing the final budget for 2010/11 at its meeting on 3 February 2010.

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DRAFT CAPITAL SCHEME PROPOSALS 2010/11: Mainstream (council's own resources)

| PORTFOLIO | PROJECT | CAPITAL 2010/11 £ | COMMENTS |
|--|--|-------------------------|---|
| Supported Borrowing (Government allocation via Formula Grant) | | | |
| Sub-total Supported Borrowing | | 0 | |
| Corporate Commitments | | | |
| Finance and Personnel | Risk Management | 100,000 | The funding is utilised where risk assessments have been undertaken or where events dictate that immediate action be taken to manage risks e.g. insurer intervention, regulatory reform |
| Finance and Personnel | Uninsured property damage | 200,000 | The council self insures its assets and is responsible for the first £250k of each claim. Expenditure is only incurred where the council has suffered loss or damage to its property in accordance with the terms and conditions of the insurance |
| Finance and Personnel | Contingency | 250,000 | To manage unforeseen expenditure following budget approval in February 2010 |
| Sub-total Corporate Commitments | | 550,000 | |
| Prior Year Approvals | | | |
| Finance and Personnel | Finance Direct - Unsupported Borrowing | 1,285,000 | To implement the Cabinet approved target operating model for business support and finance. Modernisation of the delivery of financial processes generating a total saving of £3.5m over 5 years |
| Sub-total Prior Year Approvals | | 1,285,000 | |
| MUST DO SUB-TOTAL | | 1,835,000 | |

| PORTFOLIO | PROJECT | CAPITAL 2010/11 £ | COMMENTS |
|-------------------------|---------|-------------------------|----------|
| | | | |
| OTHER SCHEMES SUB-TOTAL | | 0 | |
| | | | |
| TOTAL SCHEMES | | 1,835,000 | |

DRAFT LEASING PROPOSALS 2010/11

| PORTFOLIO | 2010/11 DRAFT LEASING PROGRAMME | | | |
|--|---------------------------------|----------------------|-------------------|-----------|
| | NEW CAPITAL EXPENDITURE | REVENUE IMPLICATIONS | | |
| | | NEW STARTS | CURRENT LEASES | TOTAL |
| | £' 000s | £' 000s | £' 000s | £' 000s |
| <u>Business Support Services</u> | | | | |
| Print Room - Equipment | 0 | 0 | 67 | 67 |
| Strategic Transformation - Equipment | 0 | 0 | 1 | 1 |
| TOTAL - BUSINESS SUPPORT SERVICES LEASING PROGRAMME | 0 | 0 | 68 | 68 |

Note that the revenue implications have been calculated using an indicative rate per £'000 which will fluctuate with market conditions

DRAFT CAPITAL PROGRAMME 2010/11: RESERVE LIST

| PORTFOLIO | PROJECT | CAPITAL BIDS 2010/11 | Priority High/Medium/Low | COMMENTS |
|-----------------------------|--|-------------------------|-----------------------------|--|
| RESERVE LIST SCHEMES | | | | |
| Finance and Personnel | Investing in Working Smarter programme | 1,000,000 | High | The programme is intended to deliver a business case for the radical overhaul of the way the council operates, is structured and deals with its customers, investment in the council's critical business infrastructure to support modern business practices and a phased plan that implements the new ways of working and organisational structures and processes in a way that is controlled and governed by the Cabinet and Corporate Management Team. Areas of focus will be enabling customer contact points and staff to deliver more for customers, the information and technology infrastructure required to deliver this new model, a drive towards self-service for our customers, reducing red tape, form-filling and long winded processes, streamlining support functions, reducing central support charges and over heads for public services and establishing a new model of operation for the Council. |
| | | | | |
| TOTAL RESERVE LIST | | 1,000,000 | | |