

MAIDSTONE BOROUGH COUNCIL

**CORPORATE SERVICES OVERVIEW AND SCRUTINY
COMMITTEE**

TUESDAY 3 AUGUST 2010

REPORT OF THE HEAD OF CHANGE & SCRUTINY

Report prepared by Esther Bell

1. BUDGET STRATEGY 2011/12 ONWARDS

1.1 Issue for Consideration

1.1.1 To consider:

- The presentation of the Head of Finance and Customer Services outlining the main issues relating to the Council's Budget; and
- The Budget Strategy 2011/12 onwards and Cabinet's decision.

1.2 Recommendation of the Head of Change & Scrutiny

1.2.1 The Committee is recommended to consider the Budget Strategy 2011/12 onwards and Cabinet's decision and make recommendations to Cabinet to be fed into the final budget strategy proposal later this year.

1.2.2 Members are also recommended to consider the statements of Councillor Garland and Mr Riley and ask questions with regard to the Budget Strategy as they feel appropriate. Potential areas for discussion include, but are not limited to:

- The Medium Term Financial Strategy – is this suitably robust?;
- Potential areas for savings/cuts;
- The link to the Council's 5 priority themes of:
 - A place to achieve, prosper and thrive;
 - A place that is clean and green;
 - A place that has strong, healthy and safe communities;
 - A place to live and enjoy; and
 - A place with efficient and effective public services;
- The impact of the recession;
- Public consultation; and
- Potential Council Tax increases for 2011/12.

1.3 Reasons for Recommendation

- 1.3.1 The Corporate Services Overview and Scrutiny has within its terms of reference the scrutiny of the Council's budget.
- 1.3.2 The report of Management Team was considered by the Cabinet at its meeting on 14 July 2010; the relevant Record of Decision is attached to this agenda for information. The report allowed Cabinet to take an early view on strategic budget issues for 2011/12 onwards including the revenue and capital spending programmes. The report also allowed Cabinet to give an early view on the level of Council Tax increase to be used in budget planning. These issues were considered in the context of the Strategic Plan and the achievement of Key Priorities
- 1.3.3 Overview and Scrutiny has been asked to consider the Budget Strategy and Cabinet's decision with a view to making recommendations to be fed into the final budget strategy proposal later this year.
- 1.3.4 The following additional documents have been provided to the Committee to assist in the scrutiny of the budget strategy:

	Record of Decision
Appendix A	Revenue Budget Summary 2011/12
Appendix B	Medium Term Financial Strategy
Appendix C	Statement of Balances
Appendix D	Capital Programme
Appendix E	Capital Receipts
Appendix F	Strategic Projection – Best, Worst and Most Likely Case Scenario
Appendix G	Assumptions in Strategic Projection
Appendix H	Table of Special Grants

1.4 Alternative action and why not recommended

- 1.4.1 The Committee could choose to not review the Budget Strategy. However, the Budget and Policy Framework Procedures Rules in the Council's constitution set out that Budget making includes referral of the documents to the relevant Overview and Scrutiny Committee for further advice and consideration.
- 1.4.2 An alternative course of action would be for Members not to consider the initial Budget Strategy at this stage and to defer to consideration of the issues to a later time in the financial year. However, based on practical experience of previous financial years, both Members and officers have generally agreed that an early consideration of budget issues is beneficial in terms of forward planning. The flexibility of amending the Strategy as the year progresses has been acknowledged as an efficient method of delivery of a Strategy at the end of the timetable.

1.5 Impact on Corporate Objectives

1.5.1 It is the purpose of the Budget Strategy to allocate resources to the key objectives of the Council, including resources identified for their achievement in other plans and strategies.

1.6 Risk Management

1.6.1 Matching resources to key priorities, in the context of the government's in-year grant reductions, budget and the spending review 2010, is a major strategic risk. The early consideration of the issue is a significant factor in addressing this risk.

1.7 Other Implications

1.7.1

1. Financial	X
2. Staffing	X
3. Legal	
4. Equality Impact Needs Assessment	
5. Environmental/Sustainable Development	
6. Community Safety	
7. Human Rights Act	
8. Procurement	
9. Asset Management	X

1.7.2 The Budget Strategy will impact on all areas of activity of the Council. The future availability of resources to address specific issues will be pre-planned through the Strategic Planning and Budget Strategy mechanism. It is, therefore, important that Members give consideration to the potential levels of service delivery on key priorities through this process.

1.7.3 The process of developing the Budget Strategy will identify the level of resources available for staffing and will ensure that the setting of the Council Tax within legal requirements and statutory timetables is achieved.

1.7.4 It is apparent that the External Audit Assessment of the Council's arrangements will cover specifically arrangements for assessing and addressing environmental/sustainable development issues. Cabinet will be aware that this Authority has a Climate Change Plan in place which includes an Action Plan. Progress is reported to Cabinet twice a year.