

APPENDIX C.1

WAVERLEY BOROUGH COUNCIL

EXECUTIVE - 5TH JANUARY 2010

Title:

FINANCIAL STRATEGY 2010/2011 – 2012/2013
GENERAL FUND BUDGET 2010/2011

[Wards Affected: ALL]

Summary and purpose:

This report updates the Executive on the latest position regarding the General Fund Budget.

The Estimates and proposals from the Star Chamber will be the subject of consideration by meetings of the Overview and Scrutiny Committees during January. The Licensing Committee will approve its Estimates and Fees and Charges on 9th February 2010. The Executive will give final consideration to the Budget on 2nd February 2010, including the comments reported from the Overview and Scrutiny Committees, before making recommendations to Council on 16th February 2010.

How this report relates to the Council's Corporate Priorities:

The Council could not deliver the Corporate Priorities without a robust budget setting process in place.

Equality and Diversity Implications:

There are no direct equality and diversity implications as a result of the recommendations of this report.

Resource/Value for Money implications:

Resource implications are contained throughout the report.

Legal implications:

There are no direct legal implications as a result of the recommendations of this report.

Introduction

1. Following the Finance Seminar on 27th October and consideration of the initial Budget report on 1st December, this report presents the latest position following the announcement of the Revenue Support Grant and the formulation of Star Chamber proposals.

Revenue Budget 2010/11

2. The position statement for the draft General Fund Budget for 2010/11 is shown in detail at Annexe 1. This traces the changes in the Budget shortfall from the figure of £904,000 estimated for the Finance Seminar to the latest figure of around £264,000, which assumes all Growth Items and Reductions as recommended by the Star Chamber are accepted. No council tax increase has been assumed at this stage. For indicative purposes each 1% increase in council tax would produce £86,000.
3. Various assumptions have been made in compiling the draft Estimates and these are summarised at Annexe 2.
4. The Star Chamber List of Reductions and Growth Items is being sent to the Overview and Scrutiny Committees in January for consideration together with the detailed Estimates for the services within the remit of each Committee. Observations will be reported to the Executive at the 3rd February meeting, when the Budget is to be considered in detail.

The Revenue Support Grant Settlement

5. Waverley's provisional Revenue Support Grant Settlement for 2010/2011 was announced at the beginning of December and this has confirmed the figures contained within the existing three-year settlement, of which 2010/11 represents the final year.
6. The details of the Settlement are:
 - The headline increase in Waverley's Grant for 2010/11 is 0.5%, being £30,000
 - Council Tax capping remains – The Government expects average increases this year to be substantially below 5%.

Budget Consultation

7. Earlier in the year, the Executive agreed to carry out a detailed budget consultation exercise to help inform the 2010/11 Budget process and Members undertook to take into account residents views about spending priorities. This exercise was completed in October and asked a representative sample of the Borough's population about potential spending decisions across a wide range of services and functions. The Town and Parish Councils were also invited to complete the exercise. The Budget reports being considered by the Overview and Scrutiny committees in January highlight the links between the budget consultation results and the draft Budget proposals. Further detail will be provided to the Executive in February, alongside the comments from the Overview and Scrutiny Committees.

Capital Programme

8. Capital Programme proposals for 2010-11 based on schemes put forward by Heads of Service are being submitted to the Overview and Scrutiny Committees for consideration during January. The list of schemes is broadly within the £1.6m revenue funding contribution assumed in the draft Budget, in line with previous years. However, the 2010/11 programme may need to be prioritised should it prove necessary to reduce the £1.6m contribution to help with the revenue position.
9. The Capital Programme will be considered in detail by the Executive on 2nd February.

Conclusion

10. The Overview and Scrutiny and Licensing Committees will give consideration to the Revenue Estimates at Capital Programme at their meetings in January. Comments made at these meetings will be reported to the next meeting of the Executive on 2nd February 2010, which will consider the Budget in detail and agree final recommendations to Council on 16th February 2010.

Recommendation

It is recommended that the Executive gives final consideration to the General Fund Budget for 2010/2011 at its meeting on 2nd February 2010.

Background Papers (DCE)

Provisional Local Government Finance Settlement 2010/11; Financial Strategy 2010/11 – 2012/13; Finance Seminar slides; Community Strategy; Revenue Budget 2009/10.

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