

**Report to:** Executive Member for Corporate  
Strategy & Finance

**Date:** 30th January 2008

**Report of:** Director of Corporate Resources

**Report No:** 6

**Contact Officer:** B. J. Newman

**Tele No:** Ext. 1604

**Report Title:** **Corporate Strategy & Finance Strategic Budget 2008/09**

**Non Confidential**

This report does **not** contain information which warrants its consideration in the absence of the press or members of the public.

**Recommendations:**

The Executive Member is recommended to consider and approve the 2008/09 Revenue Budget and Capital Programme for the Corporate Strategy & Finance portfolio and to recommend budget savings to the Executive.

**Decision:**

**Signed:**

\_\_\_\_\_  
Leader / Executive Member

\_\_\_\_\_  
Monitoring Officer

**Date:**

\_\_\_\_\_

\_\_\_\_\_

**Summary:**

The report details the Corporate Strategy & Finance Budget dealing with Legal & Democratic Services, Chief Executive's Department and Corporate Resources combined, and detailing together Benefits and other corporate accounts. The report details the budget savings required, and shows in Appendix B how this target might be achieved. The report also gives details of the Capital Programme for the Executive Member's approval, subject to bids for corporate capital resources being successful.

**Background Information**

Corporate Strategy & Finance - 21st November 2007 – Corporate Strategy & Finance Strategic Resource Options 2008/09 to 2010/11.

Executive Meeting - 1st October 2007 – Corporate Business Planning Process – Initial Financial Guidance and Three Year Forecast.

Executive Meeting – 9th January 2008 – Budget Guidance.

- 1.1 This report details the Corporate Strategy & Finance budget dealing with Legal & Democratic Services, the Chief Executives Department and Corporate Resources combined, and detailing together Benefits and other Corporate accounts.
- 1.2 The Portfolio's budget for 2008/09, including budget savings, will be as follows:-

<b>CORPORATE RESOURCES BUDGET 2008/09</b>		
	Before Recharges £000	After Recharges £000
Legal & Democratic Services, Chief Executive's, Corporate Resources (including savings)	25,741	15,569
Benefits and other Corporate Accounts	638	1,165
<b>TOTAL CORPORATE RESOURCES</b>	<b>26,379</b>	<b>16,734</b>

- 1.3 Budget details can be seen in the following Appendices:-

Appendix A1	Variance Analysis – Legal & Democratic Services, Chief Executives and Corporate Resources
Appendix A2	Variance Analysis – Benefits and other corporate accounts
Appendix B	Budget Savings Options
Appendix C	Activity Summary
Appendix D	Subjective Summary
Appendix E	Capital Programme
Appendix F	Risks

## **2. LEGAL & DEMOCRATIC SERVICES, CHIEF EXECUTIVE'S AND CORPORATE RESOURCES**

- 2.1 The Original Budget for 2008/09 is £15.569m, which is an increase of £846,000 on the Original 2007/08 Budget of £14.723m. The reasons for this increase can be seen in Appendix A1 and relate in the main to budget virements, inflation, resourcing the Web team and reduced discounts for advertising, offset by increased recharge income and the budget savings target.

## **3. BENEFITS AND OTHER CORPORATE ACCOUNTS**

- 3.1 The activities included in this category can be seen in Appendix C, and relate either to the accounting arrangements of the Authority, to activities where the Authority acts as agent to Central Government or to activities which are deemed to be strategic in

nature. Changes to the Original 2007/08 budget on these activities are met corporately.

- 3.2 The Original Budget for 2008/09 is £1.165m, which is a reduction of £917,000 on the Original Budget for 2007/2008 of £2.082m. The reasons for the reduction can be seen in Appendix A2. The net reduction is caused by transfers from the Corporate Benefits account, reductions in recharges and changes in the treatment of capital accounting, offset by inflation, and slight increases on Coroners' costs.

#### **4. BUDGET SAVINGS**

- 4.1 At the Executive Meeting on 9th January 2008, revised financial guidance for each portfolio was set. This amounts to a savings target of £643,000 for Corporate Strategy & Finance.
- 4.2 It was reported to the Executive Member for Corporate Resources on 21st November 2007 that the effects of Initial Financial Guidance issued by the Executive on 1st October 2007 was that Corporate Strategy & Finance should contain growth, and find a cashable savings target of 5% of its base budget. It was reported that the general savings target of 5% amounted to £794,700. Proposals were identified to meet the targets at that time and are detailed again in Appendix B.
- 4.3 The three central departments are continuing to explore opportunities for reviewing and revising our business processes. Over the following two years we will be looking to achieve further efficiencies in the major processing areas such as Taxation & Benefits, Customer Services, Financial Services, the Human Resources Shared Services, and future Shared Services. These measures are in accordance with our Change Programme.
- 4.4 We will regularly monitor the achievements of the budget savings proposed as part of the quarterly revenue and capital monitoring process.

#### **5. CAPITAL**

- 5.1 The Portfolio's proposed 2008/09 to 2010/11 Capital Programme is set out in Appendix E. The revenue consequences of this programme are included within the 2008/09 Original Budget. Some of the schemes listed are currently bids for corporate funding and so their inclusion in the programme is subject to approval by Council on 20th February 2008.
- 5.2 The proposed Capital Programme reflects an investment to facilitate the achievement of the Council's Change Programme objectives, both in terms of investing in systems to assist business process changes and investing in property to make it fit for purpose, or in order to achieve property rationalisation.

#### **6. COUNCIL'S STRATEGIC OBJECTIVES**

- 6.1 The Revenue Budget and Capital Programme detailed in this report are consistent with the Council's overall objectives. The revenue savings outlined are largely due to efficiencies already achieved, and which will continue further. The proposed Capital

Programme is also consistent with overall objectives, as outlined in 5.2 above.

## **7. LONG TERM COSTS AND BENEFITS AND SUSTAINABILITY**

- 7.1 The budget savings options and proposed capital programme have been assessed for their long term costs and benefits, including environmental and social considerations and also for sustainability issues.
- 7.2 In terms of the budget savings options, there are no long term costs, or sustainability issues, other than the proposal to reduce Corporate Property staffing. This may have an impact on our ability to implement fully sustainable property solutions. The savings proposed should not affect direct services to customers, as they relate largely to business improvement in back office operations and are largely as a result of investing in Information Technology and introducing new business processes.
- 7.3 In terms of the proposed capital programme, the costs and benefits of the schemes have been fully assessed. Energy saving objectives are an integral part of many of the property schemes. The Access Points project is intended to enable and widen accessibility to Council Services and so will have a positive long term social impact.

## **8. EQUALITY IMPACT ASSESSMENTS**

- 8.1 All budget savings options have been assessed to identify if there would be any differential impact on particular target groups. Only the proposal to reduce Translation Services will have a negative impact on minority groups as this is a specific service to particular elements of the community.
- 8.2 The proposed capital programme will have no negative impact on particular target groups, but improving physical accessibility to buildings is an integral part of many of the property schemes.

## **9. RISK**

- 9.1 Each Department has undertaken an assessment of risks facing it and these are detailed in Appendix F. The risks have been evaluated and it is considered that they can be managed by putting into place effective processes which can be covered within existing resources.

## **10. ROBUSTNESS OF ESTIMATES**

- 10.1 The Chief Executive, Director of Corporate Resources and Director of Legal & Democratic Services consider that the Budget as set out in this report is robust.

## **11. RECOMMENDATIONS**

- 11.1 The Executive Member is requested to:-

- (i) Approve the Corporate Strategy & Finance 2008/2009 Revenue Budget before budget savings.
- (ii) Approve the 2008/09 to 2010/11 Capital Programme, subject to bids for corporate capital resources being successful.
- (iii) Determine the measures required to achieve the savings target set corporately.