

Cheltenham Borough Council
Economy & Business Improvement Overview and Scrutiny
Committee

24th January 2011

General Fund Revenue and Capital - Revised Budget 2010/11 and
Interim Budget Proposals 2011/12 for Consultation

Accountable member	Cabinet Member for Community Development and Finance, John Webster
Accountable officer	Chief Finance Officer, Mark Sheldon
Accountable scrutiny committee	all scrutiny committees
Ward(s) affected	All
Key Decision	Yes
Executive summary	<p>The council has received notification of a 15.46% cash cut in government support in 2011/12. The funding gap for 2011/12, taking into account the provisional finance settlement, is £2.94m.</p> <p>The budget report, to which report refers, summarises the revised budget for 2010/11 and the Cabinet's interim budget proposals for bridging the funding gap 2011/12.</p>
Recommendations	<ol style="list-style-type: none">1. The committee consider the proposals and feed back any comments on the proposals back to the Cabinet.2. Consider and propose alternative options including the identification of the funding of any alternatives.
Financial implications	<p>See main budget report</p> <p>Contact officer: Mark Sheldon.</p> <p>E-mail: <u>mark.sheldon@cheltenham.gov.uk</u></p> <p>Tel no: 01242 264123</p>

Legal implications	See main budget report Contact officer: Peter Lewis E-mail: peter.lewis@teWKesbury.gov.uk Tel no: 01684 272012
HR implications (including learning and organisational development)	See main budget report Contact officer: Julie McCarthy E-mail: julie.mccarthy@cheltenham.gov.uk Tel no: 01242 264355
Key risks	See main budget report
Corporate and community plan Implications	See main budget report
Environmental and climate change implications	See main budget report

1. Background

- 1.1 The Cabinet's budget strategy for 2011/12, approved at a meeting on 26th October 2010, included an estimate of £2.6m for the 2011/12 budget gap i.e. the financial gap between what the Council needs to spend to maintain services (including pay and price inflation) and the funding available assuming a 10.7% cut in government support. This was subject to the outcome of the Comprehensive Spending Review (CSR10) and assumed a funded council tax freeze. The council only received notification of its actual grant on 13th December 2010. The final assessment of the budget gap for 2011/12, based on the detailed budget preparation undertaken over recent months and the actual financial settlement is £2.94m.
- 1.2 The settlement was actually £245k worse than anticipated and, given the delay in its publication, has presented the Cabinet and the council's Senior Leadership Team (SLT) with an incredibly difficult task in responding to deeper and more rapid cuts in making sound recommendations in time to publish a budget allowing for a reasonable period of consultation.
- 1.3 In preparing the budget the Cabinet have, through the Bridging the Gap (BtG) programme minimised the impact on front line services as far as possible. However, given the severity of the cuts, it is inevitable that some cuts affecting services have had to be made.
- 1.4 The Cabinet are keen to receive feedback on the proposals and are would welcome any views on costed alternatives.
- 1.5 Consultation will take place with Parish Council's, the Chamber of Commerce and the Residents Focus Groups that were consulted in the period leading up to the development of the draft budget will be invited to examine the draft budget. In addition to this all Overview and Scrutiny committees will have an opportunity to look at the budget, and the cross committee Budget Scrutiny Group will meet early in the new year.
- 1.6 The attention of Overview and Scrutiny is drawn to the fact that the Government plans to cut the support it gives to the council by a further £495,000 for the financial year 2012/13. Given this settlement, the projected gap for 2011/12 is already an estimated £800,000 which has been reduced to £324,400 as a result of measures proposed in this draft budget. Suggestions to further reduce the projected gap for 2012/13 should also be considered.

2. Reasons for recommendations

- 2.1 As outlined in the main report.

3. Reasons for recommendations

- 3.1 As outlined in the main report.

4. Alternative options considered

- 4.1 The Cabinet have considered many alternatives in arriving at the interim budget proposals. Opposition groups will be able to suggest alternative budget proposals for consideration by council in February 2011.

5. Performance management – monitoring and review

- 5.1 The delivery of the savings workstreams included in the interim budget proposals, if approved by full council will be monitoired via the BtG group.

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Appendices	Refer to Interim budget proposals – Cabinet papers, 21 st December 2010.
Background information	1. Provisional Finance settlement 2011/12