

Report of	Meeting	Date
Statutory Finance Officer (Introduced by the Executive Member for Resources)	Executive Cabinet	15 December

## 2012/13 BUDGET PRINCIPLES

### PURPOSE OF REPORT

1. To advise members of the aspirations of the Executive Cabinet in relation to the 2012/13 budget and the budget principles upon which the budget will be built.

### RECOMMENDATION(S)

2. That the information and budget principles be approved for consultation/discussion.

### EXECUTIVE SUMMARY OF REPORT

3. Last year the Executive considered the Council's budget based upon a set of core principles, which were discussed and agreed by members. For 2012/13 the Executive are again seeking members' views as to the relevance of these principles prior to more detailed proposals coming before the Council in March 2012. The key principles to be adopted are similar to the last financial year in that they represent the essence of what the Council wants to achieve, but they have been adapted to reflect the current issues facing the Borough and represent the key areas for investment:
  - To continue to be a high performing Council
  - To freeze Council Tax for 2012/13
  - Continuing to provide value for money
  - To continue to provide assistance to those wishing to start up businesses in Chorley to create investment and engagement
  - To develop schemes to assist the NEETS in our Borough into work or education
  - Develop programmes to support the current health reforms
  - Safeguarding front line services, particularly to continue to support the voluntary sector and PCSO's and focusing on the removal of bureaucracy and managerial posts
  - Looking for opportunities to share services and generate additional revenue
  - Preparing for the future and the uncertainty over public finances
  - To look to reduce debt and the consequent financing charges

<b>Confidential report</b> Please bold as appropriate	Yes	No
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## REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

- To support the development of the Council's budget for 2012 / 13.

## ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- None.

## CORPORATE PRIORITIES

- This report relates to the following Strategic Objectives:

Strong Family Support		Education and Jobs	
Being Healthy		Pride in Quality Homes and Clean Neighbourhoods	
Safe Respectful Communities		Quality Community Services and Spaces	
Vibrant Local Economy		Thriving Town Centre, Local Attractions and Villages	
A Council that is a consistently Top Performing Organisation and Delivers Excellent Value for Money			√

## BACKGROUND

- In the last two financial years the Executive Cabinet have presented for debate and consultation a set of budget principles. These principles clearly set out the Executive's aspirations for both efficiencies and growth as a precursor to the detailed budget being agreed. The intention is to promote debate and feedback.
- In terms of context, the principles reflect the ambitions of the Executive but until final figures and grants are available, it will not be possible to agree the final details but the direction of travel is indicated.
- The Overview and Scrutiny Committee will be consulted at their meeting on the 3 January 2012 and our intention is to undertake an active consultation as was like last year when we received the highest number of responses recorded.

## BUDGET PRINCIPLES

- Set out below are the key principles which the Executive will seek to adopt in constructing its budget for 2012/13.

## CONTINUING TO BE A HIGH PERFORMANCE COUNCIL

- The Council's new Corporate Strategy sets out the Council's aspirations in terms of deliverables. The targets and measures if achieved will ensure the Council's performance comparatively speaking continues to place is amongst the better Local Authority nationally.

## **COUNCIL TAX**

10. The Executive have as an overriding principle of each of its budgets over the last three years aimed to contain Council Tax increases. Council Tax has been frozen in 3 of the last 5 years.
11. **For 2012 the Executive will be recommending the freezing of Council Tax in 2012/13.**

## **PROTECTING THE CHORLEY COMMUNITY FROM THE IMPACT OF THE RECESSION**

12. Again over subsequent budgets the Executive have aimed to protect business in Chorley by where ever possible restricting increase in car parking charges and market rents, despite this source of funding being a key increase stream for the Council. For 2011/12 the Council agreed to allocate resources to new business start ups and for 2012/13 we will look to continue this support.
13. In terms of investment there are two further areas that have been developed as priorities for 2012/13. These two areas are finding some solutions to the current issue in relation to youth unemployment and responding to the current health reforms. In both these circumstances the Executive's intention will be to recommend that the Council looks to put resources into developing programmes to deal with the particular issues.

## **PROVIDING BETTER VALUE SERVICES**

14. The Executive approach has traditionally, been to provide value for money to the tax payer of Chorley. The efficiencies and savings made historically and the recent use of resources and organisational assessment score provide some evidence that has been achieved successfully. Our Place Survey results indicate that the taxpayer of Chorley believe the Council provides value for money, and this is something the Executive would want to continue. For 2012/13 the reengineering of services, alternative delivery mechanisms and increasing productivity of staff will continue.
15. **Over the coming financial planning period 2012/13-2014/15 this approach will be continued.**

## **SAFEGUARDING FRONTLINE SERVICES**

16. The Executive is clear on this point that savings and efficiencies should wherever possible come from managerial and administrative costs, better procurement and non priority areas rather than services the taxpayer values.
17. As the overarching budget approach has been to reduce managerial and administration costs, eliminate waste and smarter working by design, the budget for 2012/13 will look to maintain spending in key priority areas which will mean:
  - Maintaining support for the voluntary sector and PCSO's
  - Driving out in efficiency and cost that do not add value
  - Ensuring our workforce is productive
  - Focusing on the key priorities of the Chorley citizens and business community
  - Living within our means as available resources diminish

## LOOKING FOR OPPORTUNITIES TO SHARE SERVICES AND GENERATE ADDITIONAL REVENUE

18. The Authority has a history of a mixed economy approach to service delivery. However, the opportunities for in particular sharing of services to provide a more efficient and effective service will become more prevalent during the next financial planning period. The Executive are committed to looking at all options in this respect and to continue looking for opportunities to generate additional revenue into the Council by selling the services and products we have to others when that opportunity arises and if it is appropriate to do so. In 2011/12 further progress was made on revenues and benefits with our partners at South Ribble. Further income was generated from repeat business at Council's we were supporting.

## REDUCING DEBT AND FINANCING CHARGES

19. At present the Council sets aside significant sums from its revenue budget to repay debt. The Executive will look for opportunities to reduce this rather than always looking for additionality in terms of capital resources. The prudential code which has been adopted by the Council require the Council to only spend what it can afford, so it is prudent financial management to look at opportunities to reduce the ongoing debt burden.

## PREPARING FOR THE FUTURE

20. Post 2012/13 the support the Council will receive from Government will reduce. Current forecasts indicate there may be cuts in government support of up to 30% over that period for formula grant, but other forms of incentive may benefit the Council.

In terms of proposals for the future the Executive will seek to:

- Balance the budget over the financial planning period 2012/13-2014/15
  - Continue to change the shape and scale of the organisation to drive through on the efficiencies agenda, through adopting different delivery models.
  - Focus on the priorities of the citizens and business community of Chorley
  - Continue to invest in technology and schemes that generate savings
  - Look to consolidate the Councils debt position and reduce it wherever possible
21. The 2012/13 budget will therefore with this in mind look to prepare the Council for continuing difficult financial challenges ahead, whilst continuing to prioritise the resources it puts into delivering the aspirations in the Corporate Strategy.

## IMPLICATIONS OF REPORT

22. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	√	Customer Services	
Human Resources		Equality and Diversity	
Legal		Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

## COMMENTS OF THE MONITORING OFFICER

23. There are no comments.

GARY HALL  
CHIEF EXECUTIVE

There are no background papers to this report.

<b>Report Author</b>	<b>Ext</b>	<b>Date</b>	<b>Doc ID</b>
Gary Hall	5104	1 December 2011	Budget Principles Report