

TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

03 September 2008

Report of the Management Team

Part 1- Public

Executive Non Key Decisions

1 BUDGET PRIORITISATION

This report presents the results of the budget prioritisation exercise for the 2008/09 budget for Members' endorsement.

1.1 Introduction

1.1.1 Members will be aware that in 2004/05 a Budget Prioritisation Model was developed to enable us to demonstrate and ensure that we target our resources to reflect our priorities. The Model also enables Management Team to present options to Cabinet in the event that either a reallocation of resources or efficiency savings are required.

1.1.2 The Budget Prioritisation Model now needs to be refreshed and updated to reflect the 2008/09 budget. An outline of the framework adopted for the budget prioritisation exercise is given below.

1.2 Methodology

1.2.1 The Budget Prioritisation Model **[Annex 1]** comprises:

A listing of service areas and their associated budget for 2008/09.

The Key priorities for improvement for 2008/09. (When completing the model, Service Managers are asked to indicate whether a particular service budget contributed towards meeting in full or in part each Key priority).

Other Corporate Priorities. (Service Managers are asked to indicate whether a particular service budget contributed towards meeting other corporate priorities).

When completing the model Service Managers are asked to indicate whether:

- The service is mandatory, discretionary or a hybrid?

- The degree of operational risk in the event of discontinuation or reduction in service? Categorised as:

| | | |
|--------|---|-------------------------------------|
| High | - | greater than £25,000 per annum |
| Medium | - | between £5,000 & £25,000 per annum |
| Low | - | costs of less than £5,000 per annum |

- The likely level of adverse public reaction in the event of discontinuation or reduction in service? Categorised as:

| | | |
|--------|---|---|
| High | - | large scale public outcry forcing the Council to reverse the action taken |
| Medium | - | adverse reaction from a segment of the community causing poor publicity within the local press but not sufficient for the Council to reverse the action taken |
| Low | - | no or little reaction from the public following withdrawal of service |

- Any known growth risk in a service area? Categorised as:

| | | |
|--------|---|--|
| High | - | known pressures exist and are likely to exceed £25,000 per annum |
| Medium | - | known pressures exist and are likely to be between £5,000 and £25,000 per annum |
| Low | - | no known pressures exist or potential cost increases are likely to be less than £5,000 per annum |

- Are there opportunities for additional revenue to be derived from a service area?

1.2.2 A small number of budget heads are because of their nature excluded from the budget prioritisation exercise e.g. Democratic Representation and Interest and Transfers.

1.3 Results of the Exercise

1.3.1 The results of the exercise for the 2008/09 budget are attached at **[Annex 2]**. For comparative purposes the results for the 2007/08 budget are given in brackets in the text below.

1.3.2 Please note the scores awarded to mandatory / discretionary / hybrid services have been amended to 50 / 25 / 0 respectively rather than 10 / 5 / 0 as previously in order to provide a better more balanced approach to the scoring methodology.

1.3.3 The score attributed to each of the budget heads evaluated were banded into three groups:

- The upper 25% which consisted of 20 (21) service budgets and net expenditure of £8.5m (£9.2m) representing 60% (64%) of the total net expenditure.
- The middle 50% which consisted of 38 (36) service budgets and net expenditure of £4.7m (£3.4m) representing 32% (23%) of the total net expenditure.
- The lower 25% which consisted of 20 (23) service budgets and net expenditure of £1.1m (£1.8m) representing 8% (13%) of the total net expenditure.

1.3.4 As members will fully appreciate, all services carry a level of priority. The purpose of this exercise is to enable us to demonstrate and ensure that we target our resources to reflect our priorities.

1.4 Further Allocation of Resources to Key Priorities

1.4.1 Members will be aware that, in addition to the above, the Council has earmarked significant sums within reserves in order to strengthen further the revenue and capital expenditure targeted towards the Council's Key Priorities. For Members' information, the table below shows the total amounts allocated within the reserves over the medium term.

| Key Priority | £'s |
|-----------------------|-----------------------|
| Street Scene | 282,000 |
| Youth | 156,000 |
| Crime and Disorder | 185,000 |
| Affordable Housing | 90,000 |
| Healthy Living | 30,000 |
| Tonbridge Town Centre | 15,000 |
| | <u>758,000</u> |

1.5 Conclusions

1.5.1 The results of the exercise would strongly suggest that we do continue to target our resources to reflect our priorities in that 60% of the revenue resources fall into the upper quartile, and 92% fall into the upper and middle bands.

1.6 Legal Implications

1.6.1 None.

1.7 Financial and Value for Money Considerations

1.7.1 As set out within the report.

1.8 Risk Assessment

1.8.1 It is important that we target our resources to reflect our priorities in the interests of good financial management and planning, and value for money.

1.9 Recommendations

1.9.1 Cabinet is **RECOMMENDED** to note and endorse the approach and outcome of the budget prioritisation exercise for the 2008/09 budget.

Background papers:

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Papers held in the Accountancy Section

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For Management Team