

This report may be of interest to: All members

This report will also be submitted to the Community Learning and Environment Committees.

GENERAL FUND BUDGET 2000/2001

Accountable Officer: Peter Timmins (Treasurer)

Author: Alex Colyer (Assistant Treasurer - Corporate Finance) MK 252243

1. Purpose

- 1.1 To report on the Council's latest overall budget and resources forecasts to set the context for the discussion on the Committee's own budget.

2. Summary

- 2.1 The Council's overall budget for 2000/2001 now stands at £0.696 million short of available resources. This matter will be considered by Policy and Resources Committee on 15 February 2000 but this Committee is invited to consider the matter in advance of that meeting.

3. Recommendations

- 3.1 The Committee is invited to:

- (a) adopt the targets shown at **Annex C** for reducing the budget as they affect this Committee's services; and
- (b) consider further options for reducing its budget for recommendation to Policy and Resources Committee to assist in bridging the overall gap between resources and anticipated budget.

4. **Background**

- 4.1 Policy and Resources Committee on 19 October 1999 agreed an indicative budget against predicted resources of £181.837 million for 2000/2001.
- 4.2 Subsequently the draft Standard Spending Assessment (SSA) was released by the Department for the Environment Transport and the Regions (DETR). This showed that Revenue Support Grant would be £1.4 million less than originally expected.
- 4.3 The prime factors which caused the lower than anticipated level of Revenue Support Grant were as set out in a news item provided to members at the end of November 1999 but the two key points were:
- (a) The average number of children whose parents are income support claimants fell faster in Milton Keynes (from 22.3% to 17.7%) than the national average (from 23.8% to 20.6%). This indicator is used to predict need to spend in the education and children's social care elements of the SSA and the result was to shift grant to areas deemed to be in more need.
 - (b) The DETR used updated traffic flow data that was not available to the Council at the time of the October Policy and Resources Committee meeting.

5. **Issues and Choices**

- 5.1 Since the budget was set a number of variations to the published budget have become apparent, particularly in the field of adult and children's care placements and to the education budget. The latest budget forecast is set out at **Annex A**. This shows that the projected budget will exceed available resources by £1.441 million. The variations to the budget from the Policy and Resources Committee are shown at **Annex B**. Details of the variations will be reported to the relevant committee.
- 5.2 A number of further targets for savings are now proposed that could be achieved, largely, within existing policies and service levels. These total £0.745 million and are set out at **Annex C**. The achievement of these savings will require further development and in part should be considered as indicative. The Committee is invited to adopt those initiatives that affect its services.
- 5.3 If these initiatives are adopted the budget will still be £0.696 million short of predicted available resources and so the Committee may wish to consider further options for reducing its own budget to assist in this process.

6. **Implications**

- 6.1 Environmental
None
- 6.2 Equalities
None

6.3 Financial

The Council's overall budget for 2000/2001 now stands at £0.696 million short of available resources. This matter will be considered by Policy and Resources Committee on 15 February 2000.

6.4 Legal

None

6.5 Staff and Accommodation

None

7. **Conclusions**

7.1 This report provides an update on the Council's overall budget position and provides a context for the Committee's debate on its own budget.

Background Papers: Members News Item - "2000/2001 Draft Standard Spending Assessment" dated 29 November 1999