

**WYRE FOREST DISTRICT COUNCIL**

**CABINET**  
**18<sup>th</sup> December 2008**

**Budget Strategy**

<b>SUSTAINABLE COMMUNITY STRATEGY THEME:</b>	
<b>CORPORATE PLAN AIM:</b>	<b>Improving Corporacy &amp; Performance</b>
<b>KEY PRIORITY:</b>	<b>Financial and Asset Management</b>
<b>STRATEGY:</b>	<b>Financial Strategy</b>
<b>CABINET MEMBER:</b>	<b>Councillor John Campion</b>
<b>RESPONSIBLE OFFICER:</b>	<b>Head of Financial Services</b>
<b>CONTACT OFFICER:</b>	<b>David Buckland Ext. 2100</b>
<b>APPENDIX</b>	<b>Appendix A – Budget Timetable</b>
<b>AN OPEN ITEM</b>	

**1. PURPOSE OF REPORT**

- 1.1 The purpose of this report is to identify the Budget Strategy and associated timetable to deliver the budget for 2009/10 and beyond. The detailed budget considerations as identified within the forward plan will be presented to the Cabinet on 22nd January 2009.

**2. RECOMMENDATIONS**

**The Cabinet is asked to DECIDE :-**

- 2.1 To approve the Proposed Budget Timetable attached at Appendix A;**

**3. BACKGROUND**

- 3.1 The Council's Budget and Policy Framework Procedure Rules are contained within the Constitution. In line with this over recent years the detailed budget considerations have been presented to the Cabinet at the December meeting.
- 3.2 For 2009/10 the Council is not yet in a position to present such proposals, these will instead as published within the Forward Plan be presented to the January 2009 meeting of Cabinet.
- 3.3 The main reasons for the delay are as a result of unprecedented global economic circumstances that are affecting the Council, including issues such as:
- Reductions in interest receipts as a result of investments in Icelandic investments but more significantly the reduction of 3% in the Base Rate (to the lowest rate since 1951);
  - Reacting to the change in the rate of VAT for a 13 month period;
  - Reductions in income in areas such as Land Charges and Car Parking.
  - Increases in costs in areas including fuel and energy.
  - Understanding the implication of the proposed "exceptional" regulation in relation to Icelandic investments.

## **Agenda Item No. 7.2.**

- 3.4 Work is progressing on identifying the impact of the above issues on the Council's budget for 2009/10 and beyond. However, the speed at which these national and global issues have unfolded have meant that the detailed budget proposals will be delayed.

### **4. KEY ISSUES**

- 4.1 The proposed timetable for the production of the budget is attached at Appendix A, this concludes with the consideration at Council on 25 February 2009.
- 4.2 Cabinet will be ensuring that the Financial Strategy will prioritise resources in line with the Council's Corporate Plan which was approved earlier this year.

### **5. FINANCIAL IMPLICATIONS**

- 5.1 This is a finance report which has been produced in response to the requirement of the Council's Constitution.

### **6. LEGAL AND POLICY IMPLICATIONS**

- 6.1 The Council's constitution states:

*In December, the Cabinet will publish its Budget Strategy, having first considered the Report of the Head of Financial Services on the 'Three Year Budget and Policy Framework, recommendations from the Corporate Services Scrutiny Committee relating to the Base Budget, efficiency savings, and any recommendations from Scrutiny Committees resulting from reviews of policy.*

- 6.2 This report has been produced to meet this requirement.

### **7. CONCLUSIONS/ACTION**

- 7.1 Over the last few months there has been unprecedented turmoil with the global financial markets and has also seen the UK move into a recession. As a result of external factors and the steps that Government and the Bank of England have taken in response this has unavoidably delayed the Financial Strategy for 2009/12.

### **8. CONSULTEES**

CMT

### **9. BACKGROUND PAPERS**

None

**APPENDIX A**