

Joint O&S Committees 11 December 2007

Budget and Financial Strategy



2008/09 Budget

- Background/context
- Cost pressures and Growth
- Savings, efficiencies & additional income
- Council Tax
- Reserves & Grants
- Capital Programme



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Background/context

- 4 years of at or below inflation Council Tax increases
- Growing budget gap
- 3% Efficiencies target
- Reducing reserves
- More difficult financial position



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Cost pressures and growth

- Concessionary Fares
- Pay awards and inflation
- Need to control to minimise budget gap
- 'No growth' policy
- Nearly £200,000 less from reserves
- Loss of specific grants/external funding



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Savings, efficiencies and additional income

- Nearly £700,000 required
- 'Tight' budget assumptions/risks
- Investment Income
- Waste contract
- Adjustments (also in light of grant position/reserves)



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Council Tax

- Babergh £126.24 – 2nd lowest in Suffolk
- In lowest 20% nationally
- Next lowest in Suffolk around £136
- 3.9% increase meets current aim/strategy
- Less than £5 p.a./10p a week



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Reserves/Grants

- Reduced reserves to support budget in 08/09 (and future years)
- Minimum balance of £1.2m
- Formula Grant – around +2% average over next 3 years
- Inadequate to meet cost pressures
- Concessionary Fares/other specific grants



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Capital Programme

- New approach
- Significant borrowing
- Hadleigh Pool
- Kingfisher/SSL
- Joint depot
- Affordable/Private Sector Housing



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Financial Strategy (1)

- Medium-Term view
- Financial Capacity
- Ongoing budget gap – significant
- Continued savings and efficiencies
- More from Council Tax/other additional income?



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Financial Strategy (2)

- Other Suffolk Councils generating significantly more
- Need to outline strategy for next 4 years
- Meet Corporate Plan priorities
- Realign future budgets
- Member views ???

