

## **Draft Revenue Budget 2001/02**

1. This appendix sets out the current position regarding the draft revenue budget for 2001/02.

### **Provisional RSG Settlement**

2. A summary of the main points of the RSG settlement is attached at Annex 1. There is always the potential for the final settlement at the end of January to be different, but in recent years such changes have not been significant.

### **Revenue Budget**

3. The latest position on the overall budget strategy is set out at Annex 2. It assumes that the Council increases its spending in line with the SSA increases and that the policy steers of passporting on Education and the 'glass ceiling' on Social Services (at 20.6% above SSA) are maintained.
4. The revised cash allocations also reflect an adjustment of £282,000 between Education and Social Services. This is the amount of Social Services spending which can be counted against the Education SSA for passporting purposes.
5. All committee areas have identified how they would achieve the cash allocations and this is set out at Annexes 3 to 6.

- a) Education (Annex 3)

As well as savings for LIMA, Education has identified £900,000 savings to recycle to schools. The result is that some £6m additional funding is available to target at priority areas and discussions are ongoing.

- b) Corporate Services (Annex 4)

Savings and reductions have been identified that can achieve the cash allocation.

- c) Environmental Services (Annex 5)

The cash allocation has been achieved by reducing highways maintenance. This is being done in the knowledge that borrowing approvals for capitalised highways maintenance have been increased for next year by £4.4m. Further options are being considered in the light of this increase.

d) Policy and Resources

Further work is being undertaken on the cost of modernisation.

e) Social Services (Annex 6)

Savings have been identified that can achieve the revised cash allocation. However, the costs associated with the NHS Plan cannot be fully assessed at present and the position on specific grants needs to be clarified.

6. Overall, there is a shortfall of £913,000. If the award for Bucks Pay is above 3% that will increase the shortfall. The options for meeting the shortfall include:

- Further service reductions.
- Reduction in revenue funding of capital, but the low Basic Credit Approval for next year makes the impact of this more significant.
- Use of reserves. Work is ongoing to provide an updated position on reserves, but it appears they may be slightly above the 3% policy.
- Council tax (see below).

### **Council Tax**

7. The impact of spending the increased SSA is a council tax increase estimated at 5.2%. This will be refined when we have council taxbase and collection fund surplus / deficit information from District Councils. Each £1m variation in spending would lead to a 0.8% change in the council tax increase.

### **Outstanding Issues**

8. There are a number of issues that could potentially impact on final budget decisions. These include the teachers' pay award, the Bucks Pay award and final borrowing approvals. Annex 7 sets out some other potential variables that need to be borne in mind.