

BUDGET CONSULTATION - SUMMARY

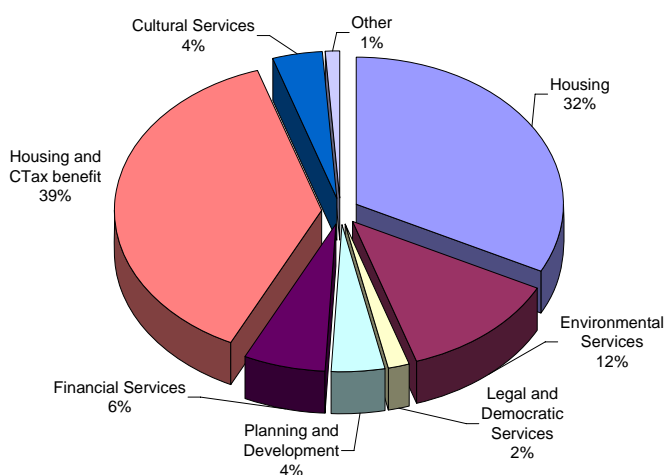
Introduction

On 18th February 2010, the full Council will set its budget for the forthcoming financial year. In December the Executive Committee approved a preliminary draft budget for consultation and scrutiny. The Executive will again consider the draft budget on 4th February when it will make its final recommendations for the Full Council to consider later that month.

The key points of the preliminary draft budget are:

- Challenging economic circumstances, but a budget that delivers further efficiencies whilst seeking to maintain important services. Savings of £761,000 are made against the previous budget forecast (overall, net spending increases by about £519,000 - inflation and other unavoidable cost increases)
- Assumed Band D Council Tax of £140.68 per year, an increase of just 45p per month (the Executive's final recommendation on council tax will be determined on 4th February)
- A Council Tax which will still probably be the lowest in Kent ([click here for a current comparison](#))
- Ashford Council's spend represents less than 10% of residents' total Council Tax bill. Council Tax represents 8% of gross funding for council services
- Gross revenue spend on services of £678.06 per head of population and net spend (after other income) per head of £126.19, a decrease of 2% (reflecting the continuing increase in the local population)
- No long term support to the budget through a significant use of reserves (as this would create long term budget pressures as reserves decline)

2010/11 Service expenditure totalling £80m



The Draft Revenue Budget 2010/11

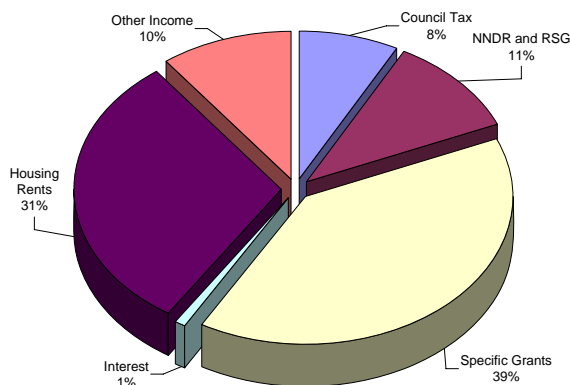
Click [here](#) for full details of the draft budget and
Click [here](#) for details of service budgets

2009/10 £'000	Service	2010/11 £'000	Per head £
	GROSS EXPENDITURE		
3,658	Cultural	3,472	29.52
7,445	Environmental	6,722	57.15
3,831	Planning	3,653	31.06
2,877	Highways & Transportation	2,544	21.63
47,655	Housing	50,012	425.23
14,211	Central Services to the Public	13,346	113.47
(2,456)	Budget Reduction Strategy		
77,221	GROSS EXPENDITURE	79,749	678.06
(62,927)	Less Grants & Other Income	(65,058)	(553.15)
14,294	NET EXPENDITURE	14,691	124.91
(122)	Contribution to Reserves	0	0.00
14,172	BUDGET REQUIREMENT	14,691	124.91
	FINANCED BY:		0.00
(1,527)	Revenue Support Grant	(1,358)	(11.55)
(6,615)	Redistributed Non-Domestic Rates	(7,137)	(60.68)
35	Collection Fund Surplus	(30)	(0.26)
6,065	Funding Requirement	6,166	52.43

Factors influencing the Budget

- National Economic Climate – recession
- Low interest rates meaning lower interest receipts
- Large reductions in levels of service income i.e. car park charges, planning fees, land charge search fees
- Government expectation of low Council Tax increases and larger efficiency targets
- Government plans to reduce Ashford's grant for the concessionary fares scheme by £170,000
- Ashford's household growth slower than anticipated
- Government Formula Grant to rise next year and be applied to support the budget. However forecast to reduce by circa. 15% over next 3 years (about £1.2 million)
- Housing Planning Delivery Grant higher than expected for 2009/2010, but no real certainty of the level for 2010/2011 – will not be announced until much later in 2010 - predict longer term risks to planning service
- Medium Term Financial Plan Budget Gap of £3.1 million over next five years

2010/11 Funding of expenditure

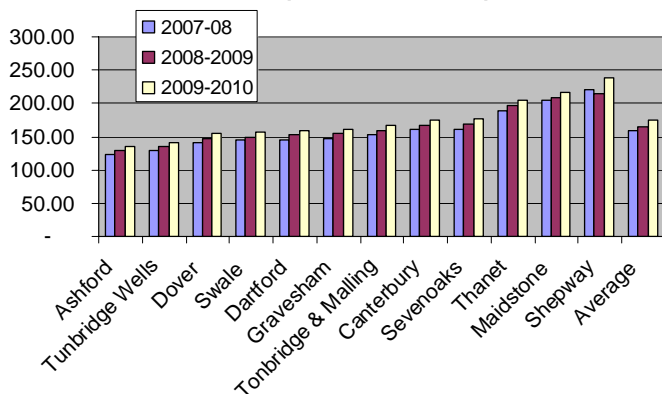


Strategy to Manage Budget Gap

- Direct staff reductions - removing allowance for staff growth, redundancies, deleting vacant posts and efficiency reviews
- Only small growth in discretionary expenditures
- Seek third party funding/contributions to costs
- Increase service charges (e.g. car parks)
- Pay and other inflation restraint
- Efficiencies in service
- Shared service working with other Councils (ABC is part of the Mid Kent Councils Improvement Partnership)

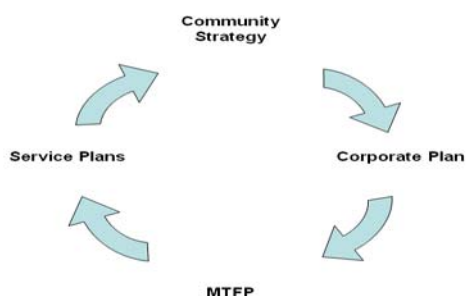
Click [here](#) for details of our budget reduction proposals.

Comparison of current Council Tax levels in Kent (Band D levels)



Ashford has consistently set significantly lower Council Tax levels compared to other Kent Districts.

Context for the Budget – Corporate Planning



The Community Strategy

We are part of the Ashford (Local Strategic) Partnership which has created a Sustainable Community Strategy for Ashford – please click [here](#) for details. Our budget proposals support the aims and objectives of this partnership.

Our Corporate Plan

The Corporate Plan (2007-2010) is the Council's statement of priorities and key objectives and has the following themes:

- Good quality services giving best value for money
- Local Leadership and strong partnership working
- Customer/Citizen focus
- Our Environment
- Ashford's Future
- Housing
- Prosperity

During 2010 the Corporate Plan is to be refreshed to focus on the years 2011–2015. As part of this, the Council will embark on a large scale public consultation exercise to help it set priorities for the next five years. Further information will be put on our website in due course.

Our current Corporate Plan containing detailed objectives can be viewed [here](#).

Medium Term Financial Plan (MTFP) (2010/11 – 2014/15)

This contains the forecasts of our financial position for the next five years; the Plan is refreshed annually. The latest version was considered at the Council's Executive Committee on 19th November 2009. Please click [here](#) to view a copy.

Service Plans

Service Plans contain more detailed operational objectives. New service plans for the coming year are being prepared and will be reported to the Council along with the budget. Copies of the current plans for each service are available by clicking [here](#).

RESPONDING TO THIS CONSULTATION DOCUMENT

The Council welcomes views on its budget proposals. If you or your organisation would like to comment, or if you have any questions, please use the contact details below. Comments made by 2nd February will be reported to the Executive on 4th February. Comments received after 4th but before 16th February will be reported to the Full Council meeting on Thursday 18th February.

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