

# BUDGET AND TRANSFORMATION PANEL

## MINUTES OF MEETING 3

14 August 2009

### Present

Cllr T Hartley	Sinn Fein (Chair)	P McNaney	Chief Executive
Cllr W Browne	DUP	G Millar	Director of Improvement
Cllr P Convery	SDLP	R Cregan	Improvement Manager
Cllr P Maskey	Sinn Fein	J Brooks	External Advisor

### Apologies

Cllr D Browne	UUP
Cllr M Jones	Alliance

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### Summary of Financial Position

The Chief Executive summarised the council's financial position as follows:

The council's financial position is under pressure because:

- The current budget is tighter than in previous years
- Income levels are down
- Interest rates are very low
- There is little or no growth in the rate base
- Need additional invest to save revenue
- Need to replenish reserves
- Need to assess capital finance

### The Role of Members

The Chief Executive stressed that the Strategic Policy and Resources Committee has a critical role to play in taking close control of the financial situation. This centres on the revenue budget but also includes the implications of the capital programme and the implementation of major projects, including the Review of Public Administration (RPA). This action is in line with the comments of the Local Government Auditor last year. The detailed work can be carried out by the Budget and Transformation Panel, in support of the Committee.

Briefings have been given to political groups and these will continue to ensure that Members are kept fully up to date. In addition, the External Change Manager

is available to support the Budget and Transformation Panel Members both individually and collectively.

### **Key Financial Objectives**

- Ensure a balanced budget for 2009/10
- Ensure a reasonable rate is set for 2010/11
- Ensure the capital programme is adequately financed.
- Prepare for RPA
- Improved project management

### **Recommendations**

1. Start the Estimates 2010/11 now by carrying out a comprehensive mini budget review which will be completed by a Change Team led by the Advisor to the Budget Panel. The Team will report directly to the Budget Panel and will provide options on the following for Members to consider:
  - a. Discretionary spend which may be suspended or re-aligned.
  - b. Opportunities for efficiencies
2. Immediate actions need to be taken to secure savings for this year's budget and which will feed into the estimates for next year. As part of this work we recommend that we do a trawl for voluntary redundancies. Members have rightly insisted that this process of rightsizing is only carried out in full consultation with staff representatives and to high standards of Human Resources management.
3. We continue the work to put in place the infrastructure required to deliver the recommendations with the Review of the Centre report so that they can be implemented as soon as possible after they have been agreed by Members.
4. Develop a revised capital financing strategy so that key sources of external funding and the revenue implications of capital spend are identified.
5. Recognise the role of Strategic Policy and Resources Committee in financial planning, the management of major projects and the capital programme. In particular Members will wish to prioritise the capital schemes emerging from the North, West, South and East conversations currently under way.

In agreeing with the conclusions and recommendations discussed, Members stressed the seriousness of the current situation and the importance of the processes now outlined and recommended for immediate action. There was

unanimous agreement on the need to move this process forward as a matter of urgency.

The recommendations were approved and Members asked the Chief Executive to bring forward further reports on progress on a regular basis.

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