

Manchester City Council  
Report for Resolution

Committee: Resources and Governance Overview and Scrutiny  
Date: 5 September 2008  
Subject: **Budget 2009/10**  
Report of: City Treasurer

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Purpose of Report

To consider the process for approval of the City Council's budget for 2009/10 including the arrangements for overview and scrutiny of the budget and business plans, the budget consultation process and links with the Neighbourhood Funding Strategy.

Recommendations

The Committee is asked to:

- Note and comment on the proposed budget/business planning process and timetable including the opportunity for input of Overview and Scrutiny Committees.
- Indicate its views on appropriate consultation arrangements.
- Note the proposed links between the process and the operation of the Neighbourhood Funding Strategy and indicate whether some overall summary of the implementation of the strategy across services would also be useful.

Financial Implications

The budget setting process will determine the financial parameters for 2009/10 and indicative position for 2010/11 and 2011/12.

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Background Documents

Budget 2008/09  
Medium Term Financial Plan 2008/9 – 2010/11  
Business Planning Guidance 2009/10 – 2011/12

Wards Affected

All.

## Introduction

1. The proposed outline process and timetable for Business planning and Budget setting for 2009/10 is as follows:

July 2008	Publication of Business Planning Guidance and issue of updated Corporate Plan.
18 July 2008	Heads of Service receive Neighbourhood Funding Strategy proposals.
31 July 2008	Heads of Service decide if Neighbourhood Funding Strategy proposals can be accommodated within service resources.
August/September/ October 2008	Business Planning Workshops. Targeted and general support.
31 October 2008	Submission of final Draft Business Plans.
Early December 2008	Confirmation of draft Revenue Support Grant Settlement (expected to be in line with previously announced year 2 of current 3 year announcement) – will be reported to Executive in December along with budget consultation proposals.
December 2008	Preparation of Business Plans for Overview and Scrutiny Committees and Executive Members.
January – February 2009	Budget and Business Planning Overview and Scrutiny.
February 2009	Approval of draft budget proposals by Executive followed by consideration by R&G Overview and Scrutiny Committees.
4 March 2009	Budget agreed by Full Council.
March 2009	Finalisation and agreement of Business Plans for 2009/10 – 2011/12, consistent with approved budget 2009/10 and medium term financial plan to 2011/12.

## Business Plans and their Scrutiny

2. First drafts of business plans will be prepared by Heads of Service by 31 October and then be subject to internal review. Heads of Service must ensure that appropriate engagement and consultation takes place with the relevant

Executive Member(s) in the development of the Plan.

3. The resources available to the Council will be firmed up in early December following receipt of the draft RSG settlement although no surprises are expected for 2009/10 as it is the second year of the Government's new 3 year planning approach and provisional figures have already been issued. Budget plans will be firmed up at this stage and business plans will need to be reviewed in the light of any changes to the draft financial parameters Heads of Service have been working to, again in consultation with relevant Executive Member(s).
4. On completion of this exercise plans will be available during January and February for review by Overview and Scrutiny Committees. In the light of feedback from last year the full versions, not summaries, of all plans will be available for scrutiny.
5. Following this process and in the light of overview and scrutiny views, the draft budget and business plans will be submitted to the Executive for approval in mid-February. The draft budget, and any proposed amendments from the opposition will then be considered by Resources and Governance Overview and Scrutiny Committee prior to its submission for final approval by Council, and the setting of Council tax for 2009/10, on 4 March 2009.

#### Budget Consultation

6. In recent years the Council's approach to consultation has been to issue, through various media, a document early in January, setting out the issues facing services and the proposals for investment in them and seek comments on them from Manchester residents, again providing a range of options for making responses. In the last two years the number of responses has been small and declining.
7. Members of the Committee are invited to suggest other options for engaging with residents. Options used in the past and by other authorities have included:
  - meetings with stakeholder panels;
  - meetings with "pressure groups" – for example representatives of voluntary organisations or organisations representing the interests of particular groups;
  - through existing ward co-ordination meeting arrangements (see below for link to Neighbourhood Funding Strategy);
  - invitations to vote "yes or no" on very specific proposals.

#### Neighbourhood Funding Strategy

8. The timetable set out in paragraph one above indicates that decisions regarding NFS proposals that can and cannot be accommodated within existing resources in the current financial year (2008/09) will have been made prior to the completion of first draft business plans. It is proposed that Heads of Service will include in the business plans overall conclusions about what the NFS proposals are telling them about local demands from their services – this will specifically

include proposals being delivered from the current year, details of which will be included as an appendix to the plan. Where proposals require significant change or action from the future these will be included as objectives within section 2 of the business plans with delivery proposals included in the detailed operational plans. Although the objective of the scheme is to redirect existing resources, the potential need for additional resources in some cases is recognised and these will be addressed in the financial plan element of the operational plan.

9. Thus the implementation of NFS can be seen to be integrated into the business planning process, either as something achieved or still to be delivered. In a scrutiny context this means that Overview and Scrutiny Committees will be able to review and comment on the impact of what has been delivered and what has still to be achieved through their scrutiny of business plans. Members are asked to consider whether some overall summary of the implementation of the strategy across services would also be useful.