

Medium Term Financial Plan and Strategy

Introduction

1. The medium term plan sets out how resources will be prioritised in order to achieve the aims set out by the Council in Luton 2011, and in the 2007/08 addendum to the Corporate Plan, to get the best for Luton while adhering to the Council's stated values.
2. The Council's use of resources is externally assessed each year under the Audit Commission's scoring scheme, and the Council has scored 3, meaning 'consistently above minimum requirements – performing well'. At the time of writing the Council awaits its score for the recent corporate assessment, but overall the Audit Commission's current comprehensive performance assessment is that Luton is a 'good' Council. For many years it has provided value to the taxpayers of Luton by setting a Council Tax below the national average, and considerably below the level of the council tax elsewhere in Bedfordshire.
3. The 2007-2012 medium term plan predicted substantial levels of budget reductions would be required in future years. The improved level of Government Grant that has been announced means that, while budget savings targets are likely to remain demanding, it is reasonable to plan for efficiency savings rather than service reductions.
4. This plan sets out the Council's overall objectives and priorities, and the predicted level of revenue and capital investment available to achieve those objectives. It gives the national context, which is crucial in terms of the amount of funding made available to the Council. It outlines predicted budget pressures, growth areas, and further savings targets.
5. A number of the other documents published with the Budget Report are a vital part of the medium term financial plan, and were the plan published separately, would be included within it as appendices. In particular, they are the Budget Risk Management Strategy (appendix b), the Government Grant formula (appendix F), the model for assessing levels of the affordable borrowing (appendix H), the prudential indicators (appendix G), the assessment of capital resources (appendix K), the section of the budget report on the capital programme (paragraphs 45 to 56), the scored lists of proposed growth and savings (appendix C) and the capital programme itself.

Corporate Values

6. The Council's corporate values set the context for the corporate plan, budget, and capital programme. They are set out below, together with notes where budget proposals can be directly related to them.

A. Lifelong learning for all

- Ensuring children achieve to the maximum of their ability, to improve their chances in life.

- Enabling people to train and increase their skills, leading to rewarding careers
- Everyone to enjoy the chance to learn, to enrich their lives

Financial Implications.

- The former schools block expenditure is now directly funded by government via the Dedicated Schools Grant (DSG). The allocation is made by Council based on the recommendations of the Schools Forum. Decisions made on the level of schools funding therefore no longer have a direct impact on the Council Tax – although in theory the Council could choose to supplement the Dedicated Schools Grant with additional funding. The per pupil increases in the DSG are 4.2% for 2008/09, 3.6% for 2009/10, and 4.1% for 2010/11. In view of this, and all the other resource pressures on the Council's general fund resources, the 2008/09 budget and this medium plan assume have no provision for any supplementary payments to schools.
- The capital programme includes significant investment in lifelong learning, with full take-up of government supported capital allocations, specific grants, and in particular the Building Schools for the Future project.
- In recent years a number of savings have been made in school improvement and access, as evidence based budgeting challenges showed that these services were above average in costs compared with other unitary authorities.

B. Protect and support the vulnerable, support independence

- Allowing people to lead independent lives as active members of society
- Protecting and supporting children in the Council's care, helping them fulfil their potential
- Reducing crime and the fear of crime

Financial Implications

- This is the major area of demand-driven spend pressures facing the Council. The growth in the budget for social care is over £3.5million in 2008/09, and costs are predicted to continue to increase due to the demographics of increases in the numbers of elderly, together with significant increases in the numbers requiring complex physical or learning disability care packages.
- The budget continues funding of the promoting independence team, and the maintenance of independence is a key value for money issue – the costs of residential care are generally much higher than maintaining independence. The Council is also trying to increase the number of direct payments to care clients, and the medium term strategy is to move much more towards this approach.
- Community safety continues to be an important budget priority, as emphasised by its importance in the priorities of the public

consultation. The budget and medium term plan mainstream the previous temporary funding of the area community safety officers, and the Chief Executive's departmental growth gives increased capacity to support the crime and disorder reduction partnership.

C. Promote equal opportunities, tackle disadvantage

- Appreciating and celebrating diversity
- Reducing social exclusion and poverty
- Freedom and human rights for everyone as an individual, to protect us from discrimination and abuses of power
- Tackling discrimination and disadvantage experienced by people on grounds of age, gender, sexual orientation, ethnic origin, religion, disability and income

Financial Implications

- The Executive have recognised the importance of assessing the potential equalities impact of all proposed budget savings, and budget savings forms require officers to state the potential equalities impact. The growth includes proposed funding of the Luton Equality Agency and Council of Faiths via a proposed charitable donation from London Luton Airport Limited.

D. Value our workforce

- A well-trained, empowered workforce
- A workforce reflecting Luton's diversity

Financial Implications

- The revenue budget continues to provide funding for the employment of the Council's workforce (approximately 50% of the budget), and for the Council's core training schemes for managers and staff. The Council remains committed to equality in employment, and in training managers to ensure they practice that commitment.

E. Sustainable solutions for Luton's communities

- A greener, cleaner Luton
- Development that provides local jobs and housing for the people of Luton whilst protecting the natural environment, resources and biodiversity of Luton

Financial Implications

- The capital programme is focussed on ensuring council housing meets the decent homes plus standard in accordance with the government's timetable. This includes bringing forward some

housing improvements when compared with the previous programme. The provision for renovation of private sector housing has been increased.

- The Regeneration service continues to seek developments to increase local jobs, in particular via the development of Butterfield.
- The 7 day street cleaning service is maintained, and recycling is increased.
- An environmental assessment team is proposed to develop the Council's response to the carbon reduction challenge.

F. Open, accessible and responsive government

- Devolving decision-making to local people
- Consulting the people of Luton and responding to their wishes
- Helping people to access our services
- Admitting and learning from our errors, as well as celebrating our successes
- Achieving the highest standards of corporate governance

Financial Implications

- The budget continues to provide for the Council's consultation function, and includes devolved budgets for area committees. The capital programme includes provision for the Matrix project which is intended to put the Council at the forefront of e-government service delivery over the next few years.
- The budget consultation process included asking the public for their main budget priorities.

G. Value for money

- Effective, efficient services
- A mixed economy of service provision to best meet the people of Luton's needs
- Continuous improvement through performance management
- Maintaining a balanced budget, keeping council tax down

Financial Implications

- The budget maintains provision for performance management centrally in the Chief Executive's department, and also in the front-line service departments.
- Appendix C of the Budget report shows the efficiency savings made in the 2008/09 budget, totalling £5.5million, plus there is £600k of procurement savings included within the base, and an assumption within the taxbase calculation that £0.5million more council tax will be collected.
- Evidence based budgeting has targeted those services with above average cost and reductions have been focussed in such areas.

- The executive and council will need to determine the level of council tax and whether the ongoing budget, excluding the cost of the Luton Excellence project, can be balanced without the use of reserves.

H. Active in partnerships, ready to work with others

- Encouraging the development of voluntary and community organisations
- Increasing the role of the voluntary and community sectors in service delivery
- Working in partnership as a matter of course, not an exception
- Seamless service delivery with our partners

Financial Implications

- The Council's budget is based on extensive partnership working, including the development of sports and leisure via the Active Luton charitable trust, and of cultural services via a new charitable trust. The gift aid situation makes this a key plank of the proposed budget.

ACHIEVING THE LUTON 2011 TARGETS

7. The Council's targets for transforming Luton by 2011 are set out in the corporate plan. They are also set out below, with detail of how they impact on the budget, and, in some instances, of how the need for budget savings may impact on specific plans within those targets.

A. ENVIRONMENT

The Council has set targets for improving the environment in Luton by 2011;

- Over 75% of the people of Luton to be satisfied with each of the following:
 - Street cleansing
 - Parks and open spaces
 - Abandoned vehicles
 - Noise
 - Pollution
 - Maintenance of roads and pavements
 - The built environment
- A greener Luton, with a significant increase in the number of trees

OTHER TARGETS AND ACTIVITIES

To make Luton greener we will:

- Continue to require provision of appropriate areas of open space in new developments
- Continue to identify and protect county wildlife sites,
- Meet targets in the Bedfordshire and Luton biodiversity action plan
- Implement the parks and open spaces strategy, which has included the

- restoration of Wardown Park and improved facilities and safety in all parks
- Review the use of pesticides and chemicals to increase use of those which cause least damage to the environment

To promote clean streets and a tidy town we will:

- Continue to provide a 7 day street and park cleansing service with additional cleansing of main roads and shopping areas throughout Luton
- Continue to issue fixed penalty notices for littering
- Continue the dawn patrol, clearing up litter arising from prostitution and drug misuse
- Continue to maintain poop scoop areas and enforce bylaws against dog fouling

To tackle graffiti and flyposting decisively we will:

- Continue to employ a hit squad to clean up graffiti, flyposters and flytips as soon as possible after they are reported, usually within 24 hours.

Revenue provision for these items is made in the draft 2008/09 budget

To minimise waste and improve reuse and recycling we will:

- Extend doorstep recycling, with the development of glass collection
- Develop the separate collection of food waste
- Run a public education programme to encourage people to minimise waste and recycle – provision for a waste education unit is a growth item in the 2008/09 budget
- Continue to run two Civic Amenity Sites for Waste Recycling and Disposal – ongoing funding included in 2008/09 budget and medium term plan
- Continue to compost all green waste in parks to avoid the purchase of peat – efficiency included within grounds maintenance budget

To minimise pollution and protect air quality we will:

- Identify possible causes of pollution and take action to prevent potential pollution incidents
- Respond to pollution control requests within 3 working days
- Promote walking and cycling through providing better facilities and safer routes – as established as part of previous capital programme investment
- Use greener fuels such as LPG and battery-powered vehicles and promote the use of these by others in Luton – dual fuel vehicles purchased as part of vehicles replacement programme
- Improve energy efficiency in Council buildings and Council housing (prudential borrowing schemes for 2008/09)
- Implement the Council's Travel Plan – capital investment via Local Transport Plan (LTP) funding
- Enforce the no-smoking legislation

To reduce noise we will:

- Investigate noise pollution and take action against it, prosecuting if necessary
- Continue to work in partnership with the Police to reduce noise nuisance.

To protect Luton's heritage and built environment, we will:

- Provide advice on and monitor development affecting listed buildings and conservation areas
- Provide assistance for renovation of buildings in conservation areas
- Run the Luton Design Awards, an annual award set up to recognise high quality building design in the Borough of Luton.

To help people enjoy the environment we will:

- Employ Street Wardens in the Town Centre, and Community Wardens
- Improve the playgrounds and play areas provision, having won lottery funding for 2008/09

B. TRANSPORT

The Council has set targets for improving transport in Luton by 2011;

- Increase use of public transport for travel to Luton Town centre by 15% when compared to 1999 levels. The 2008/09 budget and medium term plan includes provision for the cost of the free national concessionary fare scheme for the elderly, which is expected to result in substantial increases in bus journeys.
- Increase walking and/or cycling as a % of total journeys in Luton. (previous capital investment in cycling routes, as set above)

OTHER TARGETS FROM THE LUTON AND DUNSTABLE LOCAL TRANSPORT PLAN

Between 2001 and 2011 we will:

- Reduce the number of children killed or seriously injured in road crashes by 50%
- Reduce the number of people overall killed or seriously injured in road crashes by 40%
- Reduce the number of people slightly injured in road crashes
- Increase the proportion of children walking to school to 80% for primary schools and 90% for secondary schools by initiating *Safety Around Schools* schemes to every school, arranging convoys of walkers and implementing traffic calming
- Increase use of public transport to Luton town centre by 15% over 1999 baseline
- Increase the number of bus passenger journeys by 10% by 2010
- Quadruple cycling mode share from 1996 baseline by 2012
- Reduce the rate of traffic growth overall, and to key and sensitive areas, e.g. the town centre, inner areas and main employment areas

All councils with transportation responsibilities submit an annual Local Transport Plan (LTP) to Government annually, and receive a capital allocation (supported capital expenditure) based on the Government's judgement of that plan, financed by a capital financing allocation within the overall formula grant. It should be noted that the current grant formula means involves the 'damping' of all parts of the Council's grant. Therefore the Council is not receiving the

full level of funding required to finance the LTP. Despite this, the proposed capital programme is based on the Council continuing to commit the full total to the Local Transport Plan.

OTHER ACTIVITIES

- Develop the Guided Busway project and so increase public transport travel into Luton. A Government decision on the financing approval of major capital schemes is expected shortly, and the Council will need to assess the level of risk, both for the scheme in particular and the overall capital programme, prior to making final decisions.
- Complete East Luton corridor highway improvement works. The Government is funding this project, but the Council has to cash-flow it, as reimbursement is only received in arrears.
- Complete Luton's inner ring road
- Carry out works to improve transport in the town centre as part of the Town Centre Regeneration plan, in particular improving access and integration for public transport, cyclists and pedestrians.
- Work with large employers to develop travel plans.
- Work with schools on travel plans and develop more safe routes to school.
- Provide cycle training for schools.

C. LEISURE

The Council has set targets for improving leisure participation in Luton by 2011;

- 10% more of the people of Luton are satisfied with the town's cultural and recreational facilities, including sports/leisure, theatres/concert halls, museums, libraries, parks, community facilities/amenities and open spaces
- In 2011, 40% of the population will have a library card that they use on a regular basis'

TARGETS AND ACTIVITIES

We will increase enjoyment of Luton's museums and their collections by:

- Providing a comprehensive museums service for schools, using Government funding to help increase visits by school aged children by 25% from 2003 to 2008, and attracting more BME visitors and visitors from social groups C2, D and Ere
- Developing Stockwood as a major visitor attraction, improving access both physically and intellectually, and making the presentation of material more visitor-friendly (major external funding for this development)

The budget has been set at a level which has enabled the museum to achieve Renaissance in the Regions funding as a regional museum hub, and capital grants have been successfully achieved to develop Stockwood.

We will increase use of Luton's libraries by:

- Continuing to improve the stock
- Offering free PC use, and PC training courses
- Offering special events to attract new users
- Better marketing of the services available, and targeted marketing to particular audiences

We will also:

- Use St George's Square as an outdoor public performance space
- Improve access for local people to the countryside
- Work with Active Luton to develop sports facilities, and with the proposed Cultural Services trust to develop cultural facilities.

D. CRIME

The Council has set targets for 2011;

- Luton residents to have less fear of crime than three quarters of similar urban areas in England.
- Achieve a substantial reduction in residents' concern about anti-social behaviour
- Reduce the number of young people who are victims of crime

PARTNERS

The Luton Crime and Disorder Reduction Partnership brings together the Bedfordshire and Luton Police, with the Council, Bedfordshire and Luton Fire and Rescue Service, Bedfordshire Probation Service, Bedfordshire Magistrates Courts, Luton Youth Offending Team, the University of Luton, Victim Support, Chamber Business and other statutory, private sector, voluntary and community organisations. The aim is to create a partnership between agencies and the community that develops safer neighbourhoods, improves the quality of life and reduces the level of crime for those who live, work and visit Luton. The partners work through the Community Safety Strategy to achieve this aim.

The Community Safety Strategy objectives for 2005 - 2008 are:

1. Environmental and Quality of Life Issues

To reduce the number of incidents that affect the quality of people's lives by improving community safety.

2. Youth Inclusion

To increase the engagement of young people identified as currently offending or at risk of offending

3. Social Behaviour

To reduce the number of incidents of anti-social behaviour within the town.

4. Violence and Harassment

To reduce the number of recorded incidents of violence and harassment against individuals, including violence in the home

5. Burglary and Auto Crime

To reduce the number of recorded burglary of homes and auto related crimes within the town

6. Tackling Prolific and Other Priority Offenders (POPOs)

Targeted multi-agency initiatives aimed at signposting identified POPOs to access appropriate support.

The issues of alcohol and drug use, and fear of crime are related to all these themes and these core concerns are therefore being incorporated into the area-based action plans arising from the Strategy.

The Council's approach to reducing crime and anti-social behaviour, and the fear of crime, uses this framework.

The Council's budget and medium term plan includes provision for the continuation of the youth offending team, the community safety team, and service level agreements with a range of voluntary organisations. The 2008/09 budget strengthens the Council's capacity to work with the crime and disorder reduction partnership.

E. DEPRIVATION

The Council has set targets for reducing deprivation in Luton by 2011;

- All wards will improve rating in Government deprivation indices
- No ward will be in 10% most deprived in England
- We will bring at least 60 long-term empty houses back into occupation each year.
- We will eliminate the use of B&B accommodation in housing the homeless, except for short-term emergencies.

One of the Council's key financial strategies developed during 2005-6 is to improve its own housing stock to reach the decent homes standard in accordance with the Government's target date, and capital resources have been switched from general fund to the Housing Revenue Account in order to achieve this. The planned level of capital investment is set out below, which is in addition to similar levels of revenue repairs, and this is intended to make a significant contribution towards improving ratings in deprivation indices.

Year	Capital Investment in Council Housing £million
2008/09	7.9
2009/10	8.2
2010/11	7.7
2011/12	7.7
2012/13	7.7

The 2008/09 general fund budget includes provision for landlord accreditation and housing enabling officers.

OTHER TARGETS AND ACTIVITIES

- Review all major Council proposals as they are developed to minimise adverse impact on social inclusion in Luton
- Develop a health improvement strategy, to focus on the reduction of health inequalities in Luton
- Increase benefits take-up, including tax credits, through funding four independent benefits and welfare advisers at the Citizens Advice Bureau, referring Council and NHS service users for benefits appraisals, and running publicity campaigns
- Help people at risk keep their homes warm and in good repair through the Affordable Warmth Scheme, including grants for property repairs, home energy efficiency, and income maximisation
- Increase number of concessionary travel passes being issued to the elderly population, working with community groups to encourage take-up and use. This has now been further developed with the national introduction of free off-peak concessionary travel
- Re-launch Leisure Card giving reduced fee or free access to council leisure facilities for people on low incomes; and maintain low ticket prices for all users
- Help disadvantaged people aged 18-30 to start businesses by working with schools to embed an entrepreneurial culture in youth and providing a mentored business start-up programme.
- Continue to establish childcare places for school-age and pre-school children, ensuring equality of provision in deprived neighbourhoods. By 2006 we will create 276 new childcare places, 229 Children's Centres places and 114 Out of School childcare places in areas of disadvantage, and 689 new childcare places in other areas.
- Increase the percentage of care leavers going into employment, education or training to 75%.
- Provide free access to computers and the internet through libraries
- Ensure the 750 Houses In Multiple Occupation (HMOs) in Luton meet health and safety requirements.
- Provide free pest control of pests with significance to public health for people on low incomes.
- Help the Luton Food Network improve the nutrition of local residents, particularly those on low incomes, and BME people, who are at higher

than average risk of diabetes and coronary heart disease. We will do this by providing facilities for Asian women's cookery clubs, providing breakfast and after school clubs, and supporting the Community Food Growing Project.

F. ECONOMIC REGENERATION

The Council has set targets for achieving regeneration in Luton by 2011:

- Employment level to be above the East of England average
- Full implementation of the Town Centre Master Plan
- To increase job density (*the number of filled jobs in an area divided by the working age population resident in that area*) substantially

ACTIVITIES FOR 2005 - 2010

OTHER TARGETS AND ACTIVITIES

Work with partners to;

- Realise new business incubation services to nurture talent, including the new Business Base Luton
- Network and co-ordinate Business Support facilities including the establishment of the Enterprise Hub
- Promote targeted grants and loan regimes, including the Luton Venture Loan Fund and Assisted Area Grants
- Support technology transfer and successful commercial innovation through exploiting the new Butterfield Innovation Centre – included in the 2007-12 capital programme
- Create Luton's first high-technology business community at the Butterfield Technology village
- Bring about major co-ordinated change in the Marsh Farm NDC area in accordance with the New Deal programme – key staff working in partnership with the NDC funded in the medium term plan, plus specific funding within the Resourcing Transformation budget.
- Carry out the Town Centre Improvement Strategy (town centre redevelopment included within the capital programme).

The budget and medium term plan provide ongoing funding for the Council's Regeneration Service, and the development services within capital and asset management, to continue to work to encourage businesses do develop and invest in Luton.

G. EDUCATION

LUTON 2011

The Council has set targets for improving educational attainment and skills levels by 2011:

- Educational achievement levels at all stages to be above the national average
- Work with Learning and Skills Council, colleges and Connexions to increase the percentage of the Luton workforce who are vocationally qualified to at least NVQ2 or equivalent
- Increase community use of school facilities (planning focus on incorporating community facilities into new build schools as part of Building Schools for the Future, included in the capital programme).

EDUCATION DEVELOPMENT PLAN OBJECTIVES (SUMMARISED)

- Raise pupils' standards of attainment in the Early Years and in Key Stages 1 and 2
- Help schools improve the use and analysis of performance data and teacher assessment to identify pupils who are underachieving and target support effectively, integrating the resources available from a wide range of school improvement strategies and initiatives
- Work with schools to raise pupils' standards of attainment at key stages 3 and 4
- Support the development of vocational pathways at Key Stage 4
- Help bring schools out of serious weaknesses and special measures on time
- Provide strategic support for schools in developing the use of ICT across all curriculum subjects
- Help schools identify and use the appropriate teaching strategies to meet the needs of individual pupils and groups
- Deliver more effective support for managing behaviour to promote inclusion and improve the quality of learning
- Support schools in recruiting, retaining and developing staff

CHILDREN AND YOUNG PEOPLE'S PLAN LOCAL PRIORITIES

1. **VULNERABLE CHILDREN AND YOUNG PEOPLE**
Improving outcomes for the 50 families where children and young people have high level needs, but where the child or young person is not on the Child Protection Register or in public care
2. **CHILDREN WITH A DISABILITY**
Improving outcomes for children and young people with high dependency because of complicated or multi dimensional needs, including disability, by integrating services and care pathways to provide well-coordinated and 'seamless' services tailored to individual needs.
3. **IMMUNISATION AND VACCINATION**
Improving immunisation and vaccination rates for children 0-5 – and using this focus to improve contact with and support for 'hard to reach' families.
4. **OBESITY**

Preventing and treating overweight and obesity in children and young people aged 2-19 years.

5. EDUCATIONAL ATTAINMENT

Improving educational attainment of young people at secondary schools and

colleges (11 – 19) with particular focus on narrowing the gap for young carers,

Looked After Children, young offenders, girls at risk of early pregnancy/teen

mothers, African/ Caribbean boys.

The Council's investment in Education is shown in the level of investment in the School Improvement service, where Audit Commission figures show that the cost per pupil is above average when compared with the Council's statistical nearest neighbours. Efficiency savings have been introduced in this area.

H. HEALTH

The Council has set targets for improving health and social care in Luton by 2011;

- Halve the gap between life expectancy of people in Luton and the rest of the country
- Bring death rate for babies in Luton down to the national average.
- Increase proportion of people misusing drugs or alcohol who receive treatment and target resources towards the prevention of such misuse
- Increase proportion of people aged over 65 and vulnerable adults, supported by the Council to continue to live independently in their own homes.

The draft budget includes increased provision for the drugs and alcohol service, and the plan for modernising services for the elderly to increase independence.

OTHER TARGETS AND ACTIVITIES

Children and young people's health and well-being

- Implement the provisions of the Children Act, to provide seamless service delivery with schools, the Police and Health sector.
- Achieve participation by more schools in the Healthy Schools initiative
- Review and monitor all unallocated Children's cases more effectively, ensure all statutory child protection and looked after children cases are allocated
- Continue to develop support for foster carers
- Improve access to respite care and shared care for children with disabilities

- Maintain recent improvements regarding adoptions
- Look after the health of children in the authority's care
- Increase the number of schools participating in the Healthy Schools initiative
- Increase the percentage of children going to school on foot or by bike, by providing safe routes, walking convoys and cycle training.
- Support the Luton Young People's Executive to act as an advocate for young people in the town.
- With partners, implement the Luton Young People's Consultative Strategy
- Appoint a Member of the ruling Group to be Young People's Champion in Council decision-making

The medium term plan continues to make provision for the Council's Children's Services, and there is growth in the cost of fostering placements.

Drugs and alcohol misuse

We will:

- Provide public education programmes targeted at different audiences, to prevent drugs and alcohol misuse, for example, peer mentors working with young people.

The medium term plan continues to make provision for the council to work in partnerships to address issues of drugs and alcohol misuse.

Mental health

We will:

- Increase the number of young men from Luton who access the CALM help-line
- Improve links between primary and secondary care for people with mental illness
- De-stigmatise mental illness in schools, youth centres and other areas through providing advice on good mental health
- Appoint three community support workers to provide "floating" support for increased provision of supported housing for clients of the mental health and drugs and alcohol service.

The budget includes £100k growth in mental health care packages (£50k identified in 2007/08) though it should be noted that Luton's spend is low in this area, compared with other authorities.

Support for older people

- Through the Older Peoples Independence Team, help older people continue to live in their own homes, by providing home care, suitable equipment and adaptations, home improvements such as energy efficiency measures and fire safety measures. Meet the Local PSA target for increasing the proportion of older people receiving help to stay in their

own homes. The budget makes provision for the implementation of stage 1 of the future living needs for the elderly strategy.

- Support the Luton Senior People's Forum to act as an advocate for older people in the town.
- Appoint a Member of the ruling Group to be Older People's Champion in Council decision-making

Promoting independence

- Increase number of clients choosing and paying directly for their care package.
- Social Enterprise developments to provide part time employment activity (minimum 2 days per week) for 35 disabled people as an alternative to day care attendance
- Through the Chaul End facilities service users to access community based activities. The budget and medium term plan makes full provision for the cost of the Chaul End Centre.

The medium term financial plan recognizes increases in the numbers and costs of the elderly and disabled who will need help in future. This is one of the main financial challenges facing the council.

Access to information, and customer care

- Continue to improve public information and accessibility of services
- Establish stakeholder group including users and carers to support implementation of 'Better Care, Higher Standards' with a commitment to quarterly meetings where key statistics on quality monitoring will be shared and stakeholders consulted to make standards more closely linked to user/carer priorities
- Working with Health partners, develop a Single Assessment Process for older people, to save time in delivering a care package

Provide culturally sensitive services

- Provide advice and support to BME community organisations to enable 50% providers to expand service provision through Direct Payments.
- In response to assessed need for increased access to culturally appropriate day services provide:
 - o 5 day opening of African-Caribbean day centre from earmarked grant funding for African Caribbean elders.
 - o 8 additional day sessions per week through Asian community organisation lunch clubs

Prevention of accidents

- Through road safety training, traffic calming, safe routes to school etc., reduce the number of children killed or seriously injured in road crashes by 50% from 2000 to 2010.

- Help Fire and Rescue Service to reduce number of accidental fires in dwellings by 10% each year, by referring vulnerable people for fire safety checks and installation of smoke alarms and inspecting fire safety of Houses in Multiple Occupation.
- Test products on sale and remove unsafe ones from sale.
- Work with the Bedfordshire Accident Prevention Group to reduce accidents

Road safety funding is an important part of the Area Based Grant.

Address the wider determinants of health

- Evaluate the impact on local people's health of major council proposals, and ensure adverse effects are eliminated or minimized
- Develop a town wide health improvement strategy for Luton in partnership with Luton tPCT, focusing on the priorities identified by the tPCT and on the wider determinants of health
- Provide quality nutrition in school meals and leisure catering
- Support the Luton Food Network in their efforts to ensure local people eat well
- Provide grants to renovate unfit houses and to improve energy efficiency, and ensure Houses in Multiple Occupancy (HMOs) are in good condition
- Increase benefits take-up through providing benefits advice and a publicity campaign
- Continue to provide exercise by prescription; GPs prescribing exercise at local leisure centres
- Inspect food premises and provide hygiene training, to reduce the incidence of food poisoning
- Provide a free pest control service for removal of rat infestations

2007/8 Corporate Plan Addendum Objectives

1. Developing a financially sound and efficient Council.

The 2008/09 budget is intended to provide a sound financial basis for development, with adequate budgets reflecting need, and with savings made from efficiencies rather than service reductions. The medium term financial strategy is based on continuing this approach.

2. Ensuring dignity and respect for older and vulnerable adults.

Over £3million of the growth in the 2008/09 budget relates to adult social care, to ensure the Council meets needs in this area.

3. Ensuring a brighter future for children and young people.

The dedicated schools grant is focussed on this priority, and the Council puts in significant resources in terms of school improvement and access services.

4. Maintaining a cohesive, equal and inclusive community.

This is key to the whole Council approach, and the growth in the Chief Executive's department, the LSP/LAA governance, and the growth for funding the equality agency and council of faiths is focussed specifically on this key area. The growth also includes provision for additional costs of the

carnival, and a summer festival, important events for maintaining cohesion.

5. Ensuring and maintaining a safer, cleaner and greener Luton.

The budget maintains the provision for grounds maintenance and the 7 day street cleaning service, and mainstreams the area community safety officers.

6. Making a visible difference to our physical environment.

The capital programme includes major schemes such as the East Luton Corridor, and the Town Centre Gateway, which will make a significant difference to the town's physical environment.

7. Creating a more empowered, creative and skilled community.

Fundamental to the budget is the creation of the Luton Cultural Services Trust, which will be a key driver in this area. The capital programme includes the development of the Stockwood Park complex, and the budget continues to provide for the Regeneration Service to facilitate opportunities for additional skilled jobs in the town.

OTHER KEY STRATEGIES

People Strategy

The Council's people strategy also aligns with Luton 2011, and is intended to

- a) provide **leadership**, direction and set performance standards for its employees to promote excellence
- b) be an "**employer of choice**" to attract and retain the best staff
- c) recognise and **value staff** for their commitment
- e) build **the organisations capacity** to meet the changing needs of the Council
- f) develop clear and timely **two way internal communications** with employees
- g) **optimise the performance** of the workforce by ensuring they have the right skills, knowledge and attitudes to fulfil the requirements of the Council
- h) recognise that **training and development adds value** to the achievement of the organisation's goals
- i) develop a **workforce that is flexible**, well motivated and able to adapt to new circumstances and embrace change
- i) **develop H.R. practices, policies** and procedures that are aligned to the organisation's objectives and changing needs
- k). develop an **employee relations environment** that is characterised by trust, respect and openness with all recognised trade unions and its employees
- l) set continuous **improvement targets** across a range of Human Resources activities

The medium term financial strategy aligns with this by providing for the continuation of the local government pension scheme, which as an inflation-proofed final salary scheme is a significant financial benefit in helping to make the Council an employer of choice. The budget is based on full provision for each established post (budgeting in line with the aim to build the organisation's capacity), less an allowance for turnover, acknowledging that

the Council, like many other employers, works with a base level of vacancies (total turnover provision is approx £2.9million per annum).

The financial strategy includes provision for staff training to meet the organisation's goals. The evidence based budgeting process has challenged the Council's HR operations to review costs and practices, and a review is currently taking place. The medium term budget is prepared on the assumption that this will result in further savings from 2009/10.

Information Management Strategy

The medium term financial plan is based on supporting the identified and quantified investments agreed by the Information Technology Forum, and the general principles of the Council's enterprise information strategy. The capital programme includes provision for the development of the matrix project, the upgrades of application software on a phased basis, and the integration of application software with the matrix project. The revenue budget reflects the ongoing costs of IM, combined with a number of efficiency savings in this area.

NATIONAL CONTEXT

Introduction

8. Luton's financial and service planning takes place within the context of the national economic and public expenditure plans. This part of the Medium Term Plan discusses the broad assumptions within which the budget and Medium Term Plan are framed.

The Economy and Public Expenditure

Comprehensive Spending Review 2007 (CSR2007)

9. CSR2007 set the context for all public spending for the period to 2010/11. The settlement for local government overall offers 4.2% in 2008/09, 3.5% in 2009/10, and 3.4% in 2010/11, including PFI credits. Using the Government's projections for inflation, this equates to a 1% real terms increase overall. While this may seem generous at a time of limited funds available for public expenditure, it needs to be seen in the context of the spend pressures facing local government. It should also be noted that the grant figures excluding PFI are 3.7%, 2.5%, and 2.1% over the next 3 years.

Spending pressures for local government nationally

10. The LGA set out the key pressures in their submission to the CSR2007. This noted in particular the pressures on care services from demographic change and cost increases, the costs of home to school transport rising by 6% nationally, and the need for spending on waste management and disposal to increase by 10% per annum.

Inflation

11. The Government's preferred rate of inflation is currently running at 2.1% (CPI December 2007).

12. The rate of the Retail Price Index as at September 2007, which will be used for uplifting benefits, was 3.9%. The rate in November was 4.3%, and in December was 4%. There is no specific measure of public sector inflation, but if there was, it would probably be above the general measure.

Council Tax Levels

13. Council Tax has been increasing at a level significantly above inflation for a number of years. Luton's basic tax level is below average, and the amount raised by a 1% increase in Council Tax in Luton is also well below average for a town of Luton's size, due to the number of dwellings in low tax bands. This combination of factors continues to put pressure on Luton's financial position.

14. The table below shows the national average increases in band D council tax for 2 adults, compared with Luton's increases since it became a unitary authority.

Tax Increases	National Tax Increase	Luton Council Tax Increase	Increase to Luton taxpayers
Year	%age	%age	%age
1997-8	6.5	-9.01	-7.4
1998-9	8.6	8.8	8.6
1999-0	6.8	7.9	8.1
2000-1	6.1	7.5	7.6
2001-2	6.4	5.9	5.8
2002-3	8.2	14.7	14.5
2003-4	12.9	6.3	7.4
2004-5	5.9	0 (see note)	8.4
2005-6	4.1	4.9	4.5
2006-7	4.5	4.9	4.9
2007-8	4.2	4.8	4.8
Note: Fire was included in the LBC figure in the years to 2003-4, but not in 2004-5. The figures for these years are therefore not directly comparable			

15. This year, the Minister made clear that the Government is prepared to use its capping powers, and stated that the Government expect the average level of Council Tax increase to be 'substantially below 5%'.

The Future of Local Government Funding

16. A Balance of Funding Review was originally set up in April 2003. The purpose of the review was to examine the balance of funding for local government - how much money is raised centrally and how much locally - and the different options for the sustainable funding of local government in the long term.

17. The Review reported its findings on 20 July 2004. The main conclusions drawn in the balance of Funding Review report were that:

- The Balance of Funding is a major issue as far as the local government finance system is concerned, notably because of the problem of gearing;
- There is therefore a case for shifting the balance of funding; but measures for achieving this must be looked at on their own merits;
- It is possible to shift the balance of funding towards a higher proportion of local revenue whilst still allowing the system to equalise for higher needs and resources.

18. In presenting the Report to Parliament on 20 July 2004, the then Local Government Minister stated that the Government accepted the Review's conclusion that Council Tax should be retained but reformed.
19. The Minister then announced an independent inquiry into local government funding, chaired by Sir Michael Lyons. The Lyons Inquiry reported alongside the 2007 budget. The Lyons proposals do not amount to significant reform, and the government's reaction was lukewarm.
20. The CSR proposed the option of a supplementary business rate of up to 2p in the pound, for economic development. This, and the community infrastructure levy, are likely to be available from 2010/11. However, the supplementary business rate is subject to a ballot, which requires a majority by numbers eligible to vote, and by rateable value.
21. The community infrastructure levy is a charge on development, which in many ways is likely to replace s106 agreements.
22. There will also be a successor to the Local Authority Business Growth Incentive (LABGI) scheme, from 2009/10. However, only £50m is available nationally in that year, and Luton is unlikely to gain anything from such a scheme.

Efficiency Requirements

23. Until 2007/08 efficiency savings of 2.5% per annum were required of all councils, of which 1.25% had to be cashable. With effect from 2008/09, the Government has assumed, within its calculations of how much funding local authorities need, that councils will achieve 3% net cashable efficiency savings. However, the reporting requirements have reduced, and one of the 198 performance indicator targets is a measure of efficiency.
24. The Council continues to work with the Regional Centres of Excellence for Procurement to try to drive efficiencies throughout local government.

Local Area Agreements

25. The Council is now in the second year of its second Local Public Service Agreements (LPSA) with Government and other local

organisations. There are specific targets, and a reward grant is payable if the targets are achieved in full.

26. No income is assumed in the medium term plan from performance reward grant, and if the reward is achieved, a proportion will be made available to the Local Public Service Board to prioritise spend on a local area basis, and a proportion will be made available to the service achieving the reward, for them to develop the service in line with plans showing how the investment is designed to aid the achievement of the Council's key objectives.
27. The council and LPSB are currently negotiating a new local area agreement with government, based on 35 key targets. It is likely that this also will be subject to a reward grant. Again, no assumptions on this are included in the medium term plan, on the basis that any grant will be jointly achieved with partners, and will need therefore to be jointly used.
28. For 2008/09, it is assumed that area based grant is allocated as in 2007/08. No estimate is made of additional costs arising in future years, so the assumption here is that if there is a reprioritisation of the grant, it is achieved by making savings in an existing area of service provision.

Education Funding

29. The DfES launched its five-year strategy for Children and Learners in July 2004, which set out key reforms including guaranteed three-year budgets for every school from 2006, geared to pupil numbers, with every school also guaranteed a minimum per pupil increase each year.
30. The DfES introduced this funding mechanism in the form of Dedicated Schools Grant (DSG) in 2006-07. A 3 year settlement has been announced for 2008/09, but this is a per pupil settlement, so the actual sums receivable will only become clear when the pupil numbers are definitively established. The minimum per pupil increases for schools are 4.2% for 2008/9, 3.6% for 2009/10, and 4.1% for 2010/11.
31. Decisions on schools budgets have to be taken before DfES announce the final DSG, due to lags in the DfES systems for processing and verifying pupil data. Local decisions therefore have to be based on indicative allocations with a mechanism to deal with under and over allocations.
32. Decisions on school budgets have to be made, in conjunction with the Schools Forum, for three years, based on these per pupil guarantees.

Concessionary Fares

33. The Government have extended the concessionary fares scheme on a national basis from 2008/09, with specific grant funding. The shortfall

for Luton is estimated to be £700k, and could increase in future years if take-up increases.

LUTON'S LOCAL CONTEXT

Capital

34. The Capital Programme included in the Estimates Book is set out for 5 years, in line with the medium term revenue projections. The estimated revenue costs of the capital programme are included in the revenue projections set out below, with the following key assumptions.
35. The biggest single item is the Building Schools for the Future project. The Council has to meet the initial costs of procurement in full. Subsequently it is assumed that grant, PFI, and supported borrowing cover the capital costs in full, and that schools make a significant contribution towards ongoing costs, but that the Council meets the costs of the Local Education Partnership, expert advice, and a proportion of the 'lifecycle gap', the facilities costs to keep the facilities in optimum condition.
36. The estimates assume there are no additional revenue costs arising from the guided busway. This is an optimistic assumption and depends upon the capital being fully funded by grant and receipts, and the use of a lengthy warranty agreement by the builder.
37. The risks relating to the size of the programme are addressed in the Budget Risk Management Strategy, appendix B of the budget report.
38. The capital programme includes £10m for a performing arts venue, assumed fully funded by a third party. These estimates do not include provision for the running costs of such a venue. It should be noted that national statistics show such venues normally require major levels of subsidy, and that if the Council becomes responsible for this, it is likely to add at least £500k per annum in cost from 2011-12 onwards.
39. The funding for a replacement swimming pool remains unchanged, at £10million, assumed £5m third party contribution, and £5m from capital receipts. This is likely to require updating in the future, when the project team has had a chance to determine options.

Revenue

40. In the light of the national context and the Council's aims, set out above, this section includes estimates of the Council's potential medium term financial position. The optimistic estimates assume the Council's formula grant increasing as announced for the next 3 years, followed by 3% per annum; inflation increasing by 2.5%; the Council's average investment rates reducing slightly, and pay increases of 2.5%, a little above the Chancellor's 2% target for the public sector. It should be noted that if actual pay costs are in excess of these levels, many Councils have required their managers to manage within a cost limit significantly less than the actual increase in pay.

41. The optimistic forecast makes no provision for a future increase in pension costs. It should be noted that a substantial proportion of the pension fund's assets are in stocks and shares, and unless the value of stocks and shares in March 2010 is significantly greater than their value at March 2007 (the date used for the last valuation) then pension costs will increase significantly from 2011/12.
42. The impact of savings and growth have been projected for 5 years. This means that best estimates have been developed for the demographic impact of the increasing numbers of elderly and disabled requiring care, using the current care threshold, whereby needs must be substantial before care is offered. This remains the largest single growth area – which is in line with the LGA's view of the position nationally.
43. The estimates for the costs of waste disposal are also crucial. The Council is now subject to annual targets for amounts sent to landfill, and the landfill allowance trading scheme is in action (the Council has not yet traded). If a Council does not meet its targets, it is subject to LATS fines of £150 per tonne. In certain years (the first being 2009-10), Councils cannot trade allowances to meet the targets, and if more waste is sent to landfill than allowed, Councils will be fined. This forces Councils to develop methods of waste disposal for non-recyclable waste that do not involve landfill. Such methods are extremely expensive, and little or no help is available to pay for them. The growth included in the optimistic estimate is based on current data and negotiations with the Council's waste disposal contractor concerning additional disposal at an energy from waste plant. However, as the position is volatile, dependent on how the waste stream develops (and currently it is increasing at 7% per annum) the final position could be very different.

44. Optimistic Forecast assuming no new growth added in future years

Medium Term Estimates	2008/09	2009/10	2010/11	2011/12	2012/13
Non-Schools Budget	£M	£M	£M	£M	£M
Base Budget	151.2	158.2	164.5	169.4	175.7
Impact of Growth	7.1	11.5	15.2	18.4	21.9
Impact of Efficiency Savings	-5.2	-5.1	-4.8	-4.5	-4.5
Proposed Net Budget	153.1	164.6	174.9	183.3	193.1
Estimated Formula Grant	-83.4	-86.8	-89.9	-92.6	-95.4
Area Based Grant	-9.9	-15.3	-15.1	-15.1	-15.1
Loss of Supporting People Grant (switched into Area based grant)		4.5	4.5	4.5	4.5
Council Tax (4.5% yield)	-59.8	-62.5	-65.3	-68.2	-71.3
Level of further Efficiency Savings Required	0.0	5.4	9.8	12.6	16.5

(The increase in Area Based Grant for 2009/10 is principally the switch of supporting people grant into area based grant, which of itself adds no additional resource. The £900k net increase is principally funding for extended schools start up £300k, positive activities for young people £200k, and increases in funding for care, and carers.)

45. It should be noted that the efficiency savings requirements are cumulative. So if an additional £5.4million of ongoing savings is found in 2009/10, then the additional requirement for 2010/11 is £4.4million, and if all those are ongoing, the additional requirement for 2011/12 is £2.8million.
46. These levels of saving requirements are consistent with the savings achieved in the 2008/09 budget.
47. The key to achievability will be limiting further growth pressures. In the 2007/08 budget process, officers felt that they had identified the key ongoing pressures for the next 5 years. However, the 2008/09 budget process has clearly identified that they did not, and additional pressures of £7.1million are included in this budget.
48. The medium term plan assumes that if resources are reallocated within the area based grant funded services, there will be real reductions in budgets, which may have service impacts, to fund any changed allocation.

49. Corporate directors are determined to work within the parameters of the optimistic medium term forecast. However, it is easy to see that there could be alternative scenarios.

Sensitivity Analysis

50. In 2008/09, £7.1million of newly identified growth was required. Over the last five years, a below average guideline level of new ongoing growth identified in a year has been £3.5million. If this level of newly identified ongoing growth occurs over each of the next five years, with no other changes to the assumptions, the level of savings required will be as follows.

Medium Term Estimates – optimistic forecast with new low levels of new growth added	2008/09	2009/10	2010/11	2011/12	2012/13
Non-Schools Budget	£M	£M	£M	£M	£M
Further efficiency savings required	0	8.9	16.8	23.1	30.5

51. Other alternatives include:

- An additional 1% per annum pay and price inflation. This would add the following amounts to the deficit:

Year	Addition to the deficit in £m
2008/09	1.7
2009/10	3.5
2010/11	5.3
2011/12	7.1
2012/13	9.0

- A lower level of increase in the yield from council tax. The taxbase for 2008/09 is based on the optimistic assumption of an increase of £500k from a reduction in single person discounts and improved collection. If this does not achieve the £500k estimated, and if the council resolves on a lower level of increase in tax yield (which is a combination of the impact of additional dwellings and a tax increase), then an alternative pattern might be no increase in yield for 2009/10, and a 4% increase in yield from 2010/11 onwards. This would add the following amounts to the deficit:

Year	Addition to the deficit in £m
2008/09	0
2009/10	2.7
2010/11	3.1
2011/12	3.6
2012/13	4.0

52. In addition, increased costs could easily arise from landfill in the target years, 2009/10 and 2012/13, say £1million per annum, from pension costs in 2011/12 onwards, say £1million onwards. It should also be noted that there will be carbon reduction targets, and potential carbon

trading, for local authorities from 2010 onwards, which could also add to cost.

53. As noted in the risks section, a key risk in the medium term is the size of the capital programme, and the fact that for grant funded schemes the council will have to cover any cost shortfall. A cost overrun on building schools for the future, the guided busway, and the town centre redevelopment schemes could easily cost over £10million.
54. If the Luton Cultural Services Trust does not achieve charitable status, the deficit will rise by £1.4million per annum.

Medium Term Financial Strategy

55. The medium term financial plan and sensitivity analysis above shows that if costs are allowed to escalate, or the levels of increase in income are less than expected, the potential deficits could reach levels that will be extremely difficult to sustain. For this reason the key principles in the Council's medium term financial strategy are as follows.
- Officers will attempt to keep costs within the overall envelope set out in the optimistic forecast assuming no new additional growth, set out in the medium term financial plan
 - The Luton Excellence project will aim to deliver savings to make a major contribution towards balancing the budget on an ongoing basis.
 - The council will use lean principles in its aim to produce excellent services at less cost.
 - Plans will continue to be developed to address and try to use preventative measures to reduce budget growth in the key demand-driven services, such as caring for complex disabilities in both adults and children, home care and residential care for the elderly, and the costs of looked after children.
 - Street services will continue to develop plans to maximise recycling and minimise landfill, using the waste model developed in conjunction with environment and regeneration finance to assess potential impact.
 - Every service will continue to focus on value for money, in terms of efficiency, effectiveness and economy, in order to minimise costs and improve services to the public.
 - The council will aim to use its information technology to support transformation, reduce long-term requirements for office accommodation, minimise manual administration and hence reduce costs. It will aim to use its human resources services as an agent of organisational development to improve service and minimise costs.
 - Officers will use e-procurement to ensure transparent procurement policies and the use of corporate framework contracts to minimise costs and achieve rebates where appropriate.
 - Structures will be assessed on a one council basis to ensure that the organisation is focussed on excellent customer service at the minimum cost to the council taxpayer, and that structures facilitate rather than hinder achievement.

- Officers will continue to monitor budgets extremely closely, ensuring that outturn predictions reflect current realities, and that all variations are raised corporately in order that the budget can be managed effectively at an overall level, avoiding unexpected overspends so that the accounts can be closed in line with estimates. This remains key to managing budget risks, and avoiding the need to increase reserves.
 - The medium term financial planning assumption will be that the council maintains costs within the optimistic planning forecasts, and the Luton Excellence project, plus the focus on value for money and evidence based budgeting assessments and reviews will achieve sufficient efficiency savings to balance the budget over the five year planning period without service reductions.
 - The council will continue to make representations to the office for national statistics and government until the true level of population of Luton is recognised in the formula grant assessment, and Luton's grant is increased accordingly in the longer term.
56. Budget priorities and the medium term strategic aims will be reassessed in line with the sustainable community strategy and the new corporate plan, when developed, but that reassessment will be within the spending envelope shown in the medium term planning assumptions.
57. A key aim will be to improve collection of Council Tax, including arrears, in order to maximise the income available to the Council, and to ensure that those who do pay their tax are not subsidising those who can afford to pay, but try to avoid paying.
58. Council tax levels will be kept below the national average, and every attempt will be made to minimise the level of tax increase, consistent with the need to maintain key services to the public.
59. The Council will strive to minimise costs and maximise income from treasury management, within the principles of the treasury management and investment strategies, and this may contribute towards balancing the budget in the short term. However, the volatility of interest rates, and the recent changes introduced by the Public Works Loans Board, which make debt restructuring financially unattractive at present, mean that investments and treasury management cannot be relied upon in the long term as a method of balancing the budget.
60. The council will continue to develop sites, and market for sale non-operational land and buildings which do not yield significant rental income in order to generate capital receipts to pay for capital expenditure on the maintenance of buildings, highways and street lighting, including work required for health and safety reasons.

61. The Executive will aim to optimise the opportunities offered to Luton by the Government's Building Schools for the Future project, in terms of the provision of improved school facilities, and the rationalisation of community facilities within extended schools. The Executive acknowledges the financial priority of the programme, with the attendant risk that if the costs of the Building Schools for the Future programme escalate for any reason, further efficiency savings will have to be found in other programmes or services to pay for it. The Council will review how this risk can be managed.
62. The scale of the Council's current capital programme is far greater than it has ever been in the past. This brings with it new risks and risk management requirements, particularly in terms of managing the level of financial risk and commitment made at any one time across the programme as a whole, rather than simply managing the risk of a single project, or a single department's projects. If two very large projects overspent at the same time, this would have huge negative financial implications. Therefore a key part of the strategy is that the major projects are planned, reviewed and managed in a co-ordinated way.
63. The other general principles guiding the strategy will be:
- To maintain a balanced budget position without the ongoing use of reserves, and as part of the budget process, to set a medium term financial plan demonstrating how that position will be maintained.
 - Spending plans will be aligned with the Council's aims and objectives.
 - The Council will maintain a prudent level of reserves on an ongoing basis.
 - Revenue and Capital budgets will be continually reviewed and modified where necessary to ensure that resources are used effectively and targeted to achieve key objectives.
64. Service heads will update their value for money assessments on an exception basis, as part of the budget process.
65. Additional airport income will continue to be used for capital and spend to save schemes, including transformational projects, as determined by the Executive.