Chorley Council

Report of	Meeting	Date
The Chief Executive (Introduced by the Executive Member for Resources, Policy and Performance)	Executive Cabinet	17 January 2013

BUDGET AND MEDIUM TERM FINANCIAL STRATEGY

PURPOSE OF REPORT

1. To set out the budget position for 2013/14 and forecast for the following 2 years to 2015/16 and also present the relevant proposals in respect of:
   - Potential investment in the Council's Corporate Strategy priorities in 2013/14.
   - Increasing budget resilience in the longer term.
   - Budget Consultation.

RECOMMENDATION(S)

2. That Members review the contents of this report in order to start the Budget Consultation process.

EXECUTIVE SUMMARY OF REPORT

3. The Medium Term Financial Strategy (MTFS) has been updated. There have been a number of significant changes locally and also within the public finance sector nationally during 2012/13, the main changes being:
   - The election of a new administration in May 2012.
   - The first updated Local Government Finance Settlement since CSR 2010 which published confirmation of actual core funding levels for 2013/14 and 2014/15.
   - Wide ranging changes to fundamental public finance funding regimes, namely Council Tax Support and Business Rates Retention.

4. The recent Local Government Finance Settlement announced further significant reductions in core grant for the years 2013/14 and 2014/15 adding to the previous cuts since the Comprehensive Spending Review in 2010:

Year	Reduction £000	%
2011/12	1,154	-13.6
2012/13	857	-11.7
2013/14	435	-7.4
2014/15	824	-15.1
Total	**3,270**	

5. The above reductions have resulted in an anticipated increased budget deficit over the next three years as summarised below despite the fact that early preparation for further funding reduction has realised budgetary savings totalling £0.816m during this year.

	2013/14	2014/15	2015/16
Revised Budget Deficit	419	1,000	1,584
Recurring Budgetary Savings Already Achieved	(743)	(73)	-
Budget (Surplus)/Deficit *	**(324)**	**927**	**1,584**

*** Excludes any new homes bonus generated from 14/15 onwards**

6. It is important to note that the latest budget position is based on the following key assumptions:

Key Assumptions	2012/13	2013/14	2014/15	2015/16
Reduction in Government Grant Settlement	£857k	£435k	£824k	£0k
Profiled Reduction in Grant Settlement	-11.7%	-7.4%	-15.1%	0.0%
Payaward	0	1%	1%	1%
Pensions Increase	0.5%	0.5%	0.0%	0.0%
Increase in Council Tax	-1%	0%	0%	0%
Grant for Freezing Council Tax	£318k	£159k	£159k	£0k
Grant for Freezing Council Tax 2013/14	£0k	£65k	£65k	£0k
Use of New Homes Bonus (NHB) in the base budget to date	£1.044m	£1.044m	£1.044m	£1.044m
Additional Income Received – Business Rates Retention	-	-	-	-
Net Parish Precepts and Council Tax - Parishes	£38k	£38k	£38k	£38k

7. In addition to the above assumptions also within the budget the following approach has been taken:-

- NHB receipts in respect of 2013/14 have not been built into the base budget as recurring core funding to enable the Council to improve budget resilience and flexibility to respond to future annual uncertainty inherent in the new public finance funding regimes. Future years awards will be dependent upon the level of housing development.

- No Business Rates retained income has been included in the budget forecast at this stage as forecasted receipts will only be finalised at the end of January 2013. At this point in time the final outcome will be dependent on movements in the local tax base and also collection performance including the outcome of appeals. This complex new system is summarised and explained later in the report.

- Contained within the four year budget summary in Appendix One is the fact that the new reduced Council Tax Base set as a result of the implications of the new Council Tax Support Scheme has resulted in a reduced amount of income generated in respect of the parishes when compared to that raised in 2012/13.

8. Despite the additional funding cuts announced on 19th December 2012 early and well planned preparation has enabled the Council to achieve a notable level of cash resource to invest in the corporate strategy in 2013/14.

9. This major achievement means that despite the significant reductions in grant funding the Council has been successful in achieving a budget surplus next year, it is important to note however, this is not a sustainable position. This presents the Council with an opportunity to invest in the Council's corporate priories, these aim to :

   - **INVOLVE RESIDENTS IN IMPROVING THEIR LOCAL AREA AND EQUALITY OF ACCESS FOR ALL.**
   - **CLEAN, SAFE AND HEALTHY COMMUNITIES.**
   - **AN AMBITIOUS COUNCIL THAT DOES MORE TO MEET THE NEEDS OF RESIDENTS AND THE LOCAL AREA.**
   - **A STRONG LOCAL ECONOMY.**

10. Potential investment proposals are summarised in the report and set out in detail in project mandates detailed in Appendix Two. Funding has been achieved by providing headroom in the budget for 2013/14 and not building 2013/14 New Homes Bonus income into the base budget. This approach has been taken to enable the council flexibility and resilience in order to address the variable nature of future core funding. New homes bonus is top sliced from the government grant pot, and whilst recurrent for a number of years, it is not guaranteed in the future and is of course dependent on future housing development.

11. Reallocation of budget previously allocated to investment proposals in the sum of £80k has also been taken into consideration.

12. The projected budget position in future years shows there remains a significant budget gap in 2014/15 and 2015/16 together with heighted uncertainty and risk in the form of year on year variable new funding regimes, for example, New Homes Bonus and Retention of Business Rates.

13. The financial forecasts shows that to plug the gaps caused by the reduction in grant funding would require Council Tax increases, to be made up of the following:

    2014/15 – 7.5%   2015/16 – 14.2%

    This assumes that it is not possible to make further efficiency savings. The Government have indicated that Councils should not raise Council Tax by more than 2% before asking residents through a referendum if a greater increase is acceptable.

    For this reason small sustained increases which are more manageable would be the correct approach to be adopted if Council Tax increases are to be used to plug some of the gap as we move forward. This approach previously resulted in a very small average increase being implemented annually. Paragraph 41 details the potential financial impact of such an approach.

    The decision on Council Tax becomes key as the Council over the last few years is becoming less dependent on Government support. This trend is likely to continue with the Council having to find innovative ways to become more self sufficient. This accords with the Government's approach to funding local government and the aspiration for localism.

14. Emerging issues that will have a direct impact on the final budget position for the Council but are presently unknown are:

- Business Rates Retention and finalisation of next year's forward estimates.
- Impact on the Capital Programme of decisions on the investment projects put forward for consideration.
- Triennial review of the pension fund.

15. Consultation on the proposed budget for 2013/14 will commence following approval of the proposals by Executive Cabinet at this meeting. The consultation will focus on obtaining feedback on the key investment areas in order to help prioritise activity. It will also highlight the impact of a reduction in Council funds and ask residents to give us their views on the levels of Council Tax. The consultation will invite responses from residents, partners, parish groups and other stakeholders through a variety of methods including a short survey (available both in hard copy and online) and events in the community such as the Flat Iron market. Results will be analysed and published in February for consideration as part of budget finalisation.

Confidential report Please bold as appropriate	Yes	**No**

Key Decision? Please bold as appropriate	**Yes**	No

Reason Please bold as appropriate	(1) **A change in service provision that impacts upon the service revenue budget by £100,000 or more.**	(2) A contract worth £100,000 or more.
	(3) A new or un-programmed capital scheme of £100,000 or more.	(4) Significant impact in environmental, social or physical terms in two or more wards.

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

16. To progress the Council's 2013/14 Budget Setting process to achieve an approved and balanced budget.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

17. Setting the budget is a statutory responsibility.

CORPORATE PRIORITIES

18. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all	X	A strong local economy	X
Clean, safe and healthy communities	X	An ambitious council that does more to meet the needs of residents and the local area	X

BACKGROUND

19. The previous Medium Term Financial Strategy (MTFS) covering the period 2012/13 to 2014/15 contained the following budget deficit projection. This being estimated on the basis of the information published within the Government's Comprehensive Spending Review (CSR) 2010 and the subsequent Local Government Finance Settlement announcement. Unfortunately the announcement only covered two years to 2012/13 inclusively which gave definitive core funding for just two years, therefore the MTFS was based on estimates and key assumptions.

	2013/14 £000	2014/15 £000
Estimated Forecasted Budget Gap	820	1,187

20. Since this time there have been a number of significant changes being:
    - The election of a new administration in May 2012.
    - The first updated Local Government Finance Settlement since CSR 2010 which published confirmation of actual core funding levels for 2013/14 and 2014/15.
    - Wide ranging changes to fundamental public finance funding regimes, namely Council Tax Support and Business Rates Retention.

21. Although the detailed figures within the Local Government Finance Settlement have only recently been announced, preparation has been progressing since the spring of this year in anticipation of the major changes in the pipeline. This has enabled the Council to achieve as much as possible to mitigate the risk inherent in such fundamental and complex changes.

22. As a result of this approach the Council has positioned itself to, not only balance the budget in 2013/14 but also, provide headroom in the budget for the forthcoming year to invest in the corporate priorities in the new Corporate Strategy.

THE CURRENT BUDGET POSITION

23. The recent publication of the Local Government Finance Settlement resulted in a further reduction in grant for 2013/14 in the sum of £0.435m (being -7.4%) and another £0.824m reduction (equalling -15.1%) in 2014/15. This is in addition to the reductions in 2011/12 £1.154m (-13.6%) and 2012/13 £0.857m (-11.7%). Thus making the four year reduction in grant total £ 3.270m or 38.5%.

24. The updated budget position within the latest MTFS is summarised below together with the key budget assumptions that have been applied. The table below identifies that funds are available for investment in 2013/14 but a significant budget gap is expected thereafter. More details are included in the Four Year Budget Summary in Appendix One. Potential investment proposals are set out later in the report with detailed project mandates listed in Appendix Two.

Budget Assumptions	**2013/14**	**2014/15**	**2015/16**
Revised Budget Deficit	419	1,000	1,584
Recurring Budgetary Savings Already Achieved	(743)	(73)	-
Budget (Surplus)/Deficit	**(324)**	**927**	**1,584**
Uncommitted/Surplus NHB	(739)	(1,500)*	(2,300)*
Funds available for investment in 2013/14	**1,114**		

***assumes some growth in future years but this is not guaranteed.**

	2012/13	2013/14	2014/15	2015/16
Reduction in Government Grant Settlement	£857k	£435k	£824k	£0k
Profiled Reduction in Grant Settlement	-11.7%	-7.4%	-15.1%	0.0%
Pay award	0%	1%	1%	1%
Pensions Increase	0.5%	0.5%	0.0%	0.0%
Increase in Council Tax	-1%	0%	0%	0%
Grant for Freezing Council Tax in previous years	£318k	£159k	£159k	£0k
Grant for Freezing Council Tax 2013/14	£0k	£65k	£65k	£0k
Use of New Homes Bonus (NHB) in the base budget to date	£1.044m	£1.044m	£1.044m	£1.044m
Additional Income Received – Business Rates Retention	£0k	£0k	£0k	£0k
Net Parish Precepts and Council Tax - Parishes	£38k	£38k	£38k	£38k

25. Please note that NHB monies received in previous years have been factored into the base budget as recurring funding. In 2013/14, however, NHB receipts have not been built into the base budget. The purpose of this approach is to maximise the Council's ability to adjust its budget to respond more quickly to future variations in funding levels. As documented in previous financial planning and preparation reports and strategies, public sector finance has entered a new era of year to year uncertainty with annual fluctuations now built in permanently to the total core funding regime. It is essential, now more than ever, that the Council's budget is able to demonstrate resilience and be flexible in order to respond to annual fluctuations in levels of core funding. It is for these reasons that new NHB received will not be built into the base budget as permanent recurring funding at this stage.

26. With regard to the Business Rates Retention our projected additional retained income, over and above the Start-Up Funding Assessment published in the recent settlement, remains to be finalised as part of the submission of the NNDR1 return in January 2013. As reported previously, the risks of in year tax base movements and also collection (including appeals), will directly affect the income actually received for 2013/14, therefore the amount that the Council will actually retain is very likely to change. For this reason no provision has been made in the assumptions above at this stage. Further details of how this new system will operate during the year are set out in the section below.

27. Contained within the four year budget summary in Appendix One is the fact that the new reduced Council Tax Base set, as a result of the implications of the new Council Tax Support Scheme, has resulted in a reduced amount of income generated in respect of the parishes when compared to that raised in 2012/13. The basis of this calculation is set out in statute and the Government's view is that all tiers of Councils should have to deal with the consequences of welfare reform. The total amount of parish expenditure, however, has been maintained at the same level as 2012/13. This means that the £38k shortfall is included within the Councils overall budget within the current MTFS. The Government has given the Council discretion to make this good from the Council Tax Support Grant it receives. It will therefore be assumed in preparing the budget that parish income will be protected at its 2012/13 level of £567k.

BUSINESS RATE RETENTION EXPLAINED

28. In the provisional Local Government Finance Settlement for 2013/14, Chorley Council's Start-Up Funding Assessment was £6,431,275, of which £5,447,924 was Formula Funding and £983,351 rolled-in grants (Council Tax Freeze Compensation, Council Tax Support Funding, and Homelessness Prevention Funding). The funding of the Start-Up Funding Assessment is split between Revenue Support Grant (RSG) and business rates in proportions calculated nationally, taking account of the Spending Control Total and the local share of the estimated business rates total. For Chorley, the split is £3,861,995 RSG and £2,569,280 business rates (baseline funding level).

29. Provisional NNDR1 Return - The NNDR1 Return provides central government with an up-to-date estimate of the Net Rate Yield for 2013/14, and calculates the amounts to be paid to central government, Lancashire County and Lancashire Fire, the balance being retained by Chorley. The starting point is the actual aggregate rateable value on the rating list as at 30 September 2012, which produces the Gross Rate Yield (£31,520,861) before reliefs and other adjustments. Mandatory and discretionary reliefs are expected to total £3,921,776, and the allowance for Cost of Collection would be £133,847.

The estimated figures included in the draft return are as follows:

- Losses in collection £ -350,000
- Estimated change in receipts 1/10/12 - 30/9/13 £ - 86,565
- Estimated adjustment due to appeals £-1,000,000

30. Each of these figures is based on previous performance, known changes from 1 October to 31 December, and forecasts to 30 September 2013. In particular, the provisional return includes an estimated reduction in receipts as a result of an estimated net fall in rateable value. Deletions from the rating list for the year to 30 September 2013 are estimated to exceed additions. These figures would be monitored during the year, and differences between actual performance and estimated would be reflected in the year-end NNDR3 return.

31. After taking account of these adjustments, the Net Rate Yield for 2013/14 is estimated to be £26,028,673. Of this total, central government would be paid 50% (£13,014,336), County 9% (£2,342,581), and Lancashire Fire 1% (£260,287). The balance relating to Chorley (£10,411,469) would have a tariff of £7,499,515 deducted, which is the difference between Chorley's baseline funding level (£2,569,280) and central government's calculation of Chorley's business rates baseline (£10,068,795). This would give retained rates income of £2,911,954, but there is a further comparison to the baseline funding level of £2,569,280, showing growth of £342,674 compared to the figure assumed by central government. This is subject to a 50% levy, which means that a further sum of £171,337 is paid to central government. After deduction of the levy, Chorley could retain business rates of £2,740,617, which is £171,337 more than the baseline funding level assumed in the Start-Up Funding Assessment total, but this is subject to confirmation.

32. Certified NNDR1 Return - The certified NNDR1 return must be submitted by 31 January 2013, which means that there would be an opportunity to review the figures submitted in the provisional return.

33. Differences from estimates - Payments to central government, County and Lancashire Fire would be based on these estimated figures. At 2013/14 year-end, figures reflecting actual collection losses, change in receipts, and appeals would be submitted in the audited NNDR3 return. Adjustments to payments would be made after the end of the financial year.

34. Sensitivity to changes in rateable value - The provisional NNDR1 return includes an estimated net reduction in rateable value of 0.27%. The effect of this is to reduce retained business rates by £17,313 compared to a position of no change. If rateable value was not expected to change, resources would increase by £188,650 rather than £171,337 per the draft NNDR1 calculation. The sensitivity of the calculation to alternative scenarios has been tested. If rateable value was expected to increase by 1%, and no other parameters changed, then retained business rates would be £251,691 more than the baseline funding level, after deducting the 50% levy on growth. The 1% increase would give £63,041 more income than if rateable value did not change. On the other hand, a net reduction in rateable value by 1% would mean that retained business rates would be only £125,607 more than the baseline funding level. Rateable value could reduce by just under 3% before retained business rates equalled the baseline funding level, the reason being that actual rateable value exceeds the estimated figure used by central government in the calculation of the baseline funding level. Should rateable value be expected to reduce by more than 3%, retained business rates would be less than the baseline funding level. In such cases, central government would make a safety net payment only for the reduction in resources excess of 7.5% of the baseline funding level. This means that the maximum shortfall in resources compared to the Start-Up Funding Assessment would be £192,696, after which the council would receive the safety net payment. Up to that point, the council would suffer the loss of resources. A safety net payment would be receivable should rateable value be estimated to reduce by just over 4.5%.

AN OPPORTUNITY FOR SUBSTANTIAL INVESTMENT IN CORPORATE PRIORITIES

35. Early and well planned preparation has enabled the Council to address the recently published funding cuts immediately in 2013/14 and also provide a notable level of cash resource to invest in corporate priorities.

36. Previous budget investments have also been assessment and re-based according to the actual resources now required. This has freed up £80k to re-investment in new corporate priorities.

37. This major achievement means that despite the significant reductions in grant funding the Council has been successful in achieving a budget surplus next year, it is important to note however, this is not a sustainable position. This presents the Council with an opportunity to invest in the Council's corporate priories, these aim to :

- **INVOLVE RESIDENTS IN IMPROVING THEIR LOCAL AREA AND EQUALITY OF ACCESS FOR ALL.**
- **CLEAN, SAFE AND HEALTHY COMMUNITIES.**
- **AN AMBITIOUS COUNCIL THAT DOES MORE TO MEET THE NEEDS OF RESIDENTS AND THE LOCAL AREA.**
- **A STRONG LOCAL ECONOMY.**

38. The potential programme of investments is summarised below and also set out in more detail within individual mandates for each proposal in Appendix Two (attached). The investment projects link to the Corporate Strategy and the priorities contained within it.

Corporate Priority: INVOLVING RESIDENTS IN IMPROVING THEIR LOCAL AREA AND EQUALITY OF ACCESS FOR ALL	
Investment	**Overview**
Neighbourhood Working, involves the implementation of the neighbourhood working review and making further improvements which requires investment in:-	
Proactive Clean Up Team	A Team to deal with areas that repeatedly fall into disrepair in neighbourhood areas revisiting areas on a regular proactive basis.
Neighbourhood Working Pot	To provide additional funding supporting works over and above business as usual.
Community Development Support and Volunteering Project	Working with the social enterprise SPICE on a project that would: • Develop and extension to the current project to make time credits system available to the whole borough. • Provide additional community development capacity to support the launch and development of neighbourhood working.
16/17 Year Old's Drop In Scheme	Provision of a drop in service for 16/17 year olds to continue for another year. The drop in centre provides housing advice, family mediation and counselling for young people.
Corporate Priority: **CLEAN, SAFE AND HEALTHY COMMUNITIES**	
Investment	**Overview**
Tree Policy	The current policy states that work will only be carried out on dead, dangerous and diseased trees, however, many requests for service are for pruning overhanging branches and topping tress.
Extension and Improvement of Street Furniture	Extension of the current replacement and refurbishment programme by another 300 bins (25% of stock) during 2013/14.
Active Generation	Enables the continuation of the Active Generation scheme for a further 12 months providing a variety of activities aimed at encouraging the 50+ age group to be more active and promote healthier lifestyles.
Street Games	Facilitates the continuation of the Street Games scheme for another 12 months, a specific project aimed at delivering doorstep sport in a low cost way with a key emphasis on the most deprived communities in the borough.
Improvements to Play Areas	Improvements to Astley park and four other play areas in the borough.
Free Swimming	Make available free afternoon swimming sessions for under 16's during the summer holidays (Monday – Fridays) at the Council's leisure facilities: All Seasons Leisure Centre and Brinscall Swimming Baths. This project will run for 12 months.

Corporate Priority: AN AMBITIOUS COUNCIL THAT DOES MORE TO MEET THE NEEDS OF RESIDENTS AND THE LOCAL AREA	
Investment	**Overview**
Employee Health Scheme	Continuation of the employee health care cash plan for a second year.
Campaigns and Events	Support the delivery of campaigns and events that are planned over the next 12 months, including: • Civic Pride. • Town centre marketing and revitalising the Town centre. • Delivery of a Campaigns and Engagement Strategy. • Christmas Lights switch on.

Corporate Priority: A STRONG LOCAL ECONOMY	
Investment	**Overview**
Purchase of Key Town Centre Sites	Purchase of key Town Centre sites enabling the Council to proactively influence further retail development.
Car Park pay and Display Income Reduction	Implementation of a revised and reduced car parking tariff system.
Inward Investment Pot	Enables the development and delivery of an Inward Investment Plan to bring forward key employment sites.
Town Centre Master Plan	The plan will form the foundations for a strategic and planned approach to attract future investment to key development sites, enhance the public realm and improve the town centre offer.
Support the Expansion of Local Business	Establishing a business advice and support service for existing businesses in the Borough who have been trading for more than 3 years in order to help them to survive and grow.
Implement a Joint Employment Initiative with Runshaw College	A budget to be used to help overcome some of the barriers that young people face in accessing and sustaining apprenticeships.

OPTIONS TO BE CONSIDERED TO ACHIEVE SUSTAINABLE AND RECURRING BUDGET RESILIENCE

39. As set out in the paragraphs above the Council still faces a significant budget deficit in the medium term to 2015/16 with further possible reductions in future years thereafter. Therefore further action is required to achieve a balanced budget after 2013/14.

40. An option that is available to the Council to progress towards a balanced budget position across the lifetime of the MTFS is to increase Council Tax. An increase, together with further savings options, would not only help to address the budget deficit but could also be used to invest in ambitious projects that support delivery of the Council's new priorities, and generate further revenues for the Council.

41. The table below shows the impact of increasing Council Tax between 0.5 % and 2% in each of the three years, 2% is the current cap before needing to undertake a referendum.

% Each Year	2013/14	2014/15	2015/16
0.5	£29,000	£58,000	£87,000
1.0	£58,000	£116,000	£174,000
1.5	£87,000	£174,000	£261,000
2.0	£116,000	£232,000	£348,000

42. The table also shows that below inflationary increases do have a significant, cumulative and permanent effect, something that the Council Tax Freezing Grant option lacks as it is awarded for a short term temporary period after which it is lost. Even over a short term period approximately £348,000 can be raised.

43. The sum of £116,000 generated by the 2.0% increase can also be put into context with regard to its impact per household in the borough. For example, based on the 2013/14 Band D tax base this amounts to approximately £3.54 per household or 7 pence per week in 2013/14 (based on Council Tax Base). This increase facilitates a significant cumulative sum, therefore, small sustainable council tax increases can generate significant levels if income that can be used to bridge the budget gap. Over the last 5 years the average increase is just below 1% taking into account the 1% cut made in 2012/13. Further cuts are probably unsustainable given the scale of the forecast deficit by 2015/16.

OTHER RELEVANT ISSUES

44. The feasibility of achieving additional income in 2013/14 with regard to Business Rates Retention is currently being assessed and will be estimated on the information submitted in the Council's return to central Government (NNDR1) in January 2013. It should be noted that the information submitted is estimated and being assessed for the first time under the new regime. In the past income raised has varied during the year as a result of variable factors, for example, closures, appeals and collections with values in nature, being potentially significant. As a result of potential in year tax base shift this source of income is attached with some risk, risk that is being transferred from Central Government to Local Authorities with effect from 2013/14.

45. This report has dealt with the Council's revenue budget, however, implicit in the investment programme set out above are the financial implications for the Capital Programme, for example, investing in the local economy and buying Town Centre sites to boost /improve the local economy. The budget forecasts include the cost of the current programme and one of the investment opportunities is to enhance the capital programme, the impact of which will be dealt with when the final budget proposals are made.

46. In addition to the large scale changes that have come into effect in 2013/14 there is also another issue on the horizon that may well have a further negative implications on the budget. The pension fund is due to be re-valued next year and although employer's pension contributions have increased steadily in the past few years it is still unknown if these increases have plugged the fund's deficit position. This poses another possible amendment to the key budget assumptions. The assumption table shows that after 2013/14 nothing has been factored into futures budgets for any increases in Employers' Pension Contributions as this is at present unknown. Implicit in the recent changes made to the pensions scheme was the desire to mitigate the costs to employers, but the impact will not be quantified until the re-evaluation.

BUDGET CONSULTATION

47. Consultation on the proposed budget for 2013/14 will commence following approval of the proposals by Executive Cabinet. The consultation will focus on obtaining feedback on the potential key investment areas in order to help prioritise activity. It will also highlight the impact of a reduction in Council funds and ask residents their views on Council Tax levels. The consultation will invite responses from residents, partners, parish groups and other stakeholders through a variety of methods including a short survey (available both in hard copy and online) and events in the community such as the Flat Iron market. Results will be analysed and published in mid-February for consideration as part of budget finalisation.

IMPLICATIONS OF REPORT

48. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	X	Customer Services	
Human Resources	X	Equality and Diversity	
Legal	X	Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	X

COMMENTS OF THE STATUTORY FINANCE OFFICER

49. The financial implications of the above report are all contained in the text above but to clarify all proposals are funded and can be accommodated within the 2013/14 Budget. The report does contain some assumptions with regard to what the final out-turn position will be for 2012/13, however, should this change due to unforeseen significant circumstances arising before 31st March 2013 this will be reviewed and reported.

COMMENTS OF THE MONITORING OFFICER

50. There are no legal implications in adopting the Budget proposals for consultation.

GARY HALL
CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
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