

Report of	Meeting	Date
Executive Cabinet (Introduced by the Executive Member for Resources, Policy and Performance)	Special Council	28 February 2013

## **GENERAL FUND REVENUE AND CAPITAL BUDGET AND COUNCIL TAX 2013/14**

### **PURPOSE OF REPORT**

1. To seek approval of the Executive's budget proposal including the Council Tax yield to be received in 2013/14.

### **RECOMMENDATION(S)**

2. The Executive recommends that Council:
  - a) Approves the budget and proposals set out in this report including:
    1. Council Tax set out in the resolutions (at Appendix A1).
    2. The Council's Pay Policy (at Appendix A2) and publication on the Council's website from April subject to the changes proposed in the Medium Term Financial Strategy attached to this report (at Appendix F).
    3. Maintain fees and charges at current 2012/13 levels (at Appendix A3).
  - b) Approve the Capital Programme to 2015/16 (Appendices B1, B2, B3 and B4).
  - c) Approve the Budget Investment Package Report (Appendix C and C1).
  - d) Approve the Treasury Management Strategy and its core principles set out in Appendix D.
  - e) Note the advice of the Statutory Finance Officer in relation to the robustness of the budget and the risks contained in the budget set out in the Statutory Report at Appendix E.
  - f) Approve the Council's Medium Term Financial Strategy (MTFS) (at Appendix F and F1).
  - g) Note Significant Budget Movements from the 2012/13 budget (at Appendix G).
  - h) Note Special Expenses and Parish Precepts (at Appendix H).
  - i) Note the Budget Consultation 2013/14 report (at Appendix I).
  - j) Note the Assessing the Impact of Budget Proposals 2013/14 report (at Appendix J).

## EXECUTIVE SUMMARY OF REPORT

3. This is the first budget set by the new Administration which aims to allocate resources to enable delivery of its new Corporate Strategy and the priorities stated within it. In this inaugural year The Executive have not only successfully delivered the 2012/13 budget but also contained spending and achieved significant efficiencies in the sum of £0.565m to secure an underspend against the original budget set. The Executive presents a budget that:-

- Freezes Council Tax in 2013/14.
- Finances a programme of new investment totalling £2.824m.
- Set aside funds to reduce the cost of borrowing and the impact this has on Council Tax.

4. The budgetary resources have been allocated consistent with, the following key priorities, which are:

- **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.**

5. Council Tax Yield 2013/14

**It is proposed to freeze Council Tax in 2013/14 at 2012/13 levels.**

6. This is the first year of the new Administration and the decision has been taken to freeze Council Tax at the same level as 2012/13 and take advantage of grant that is available for a two year period. This has been facilitated by the fact that the budget efficiency programme is well ahead of schedule and budget savings have been secured thus presenting a budget surplus in 2013/14. This is in preparation to redress the significant budget deficit position and growing risk of funding volatility risk facing the Council from 2014/15.
7. For not increasing Council Tax in 2013/14 the Council will receive a freezing grant of £65k in 2013/14 and 2014/15 at which point all Council Tax freezing grants will cease thus increasing the budget deficit by £0.225m. It is evident from the budget forecasts contained in the Medium Term Financial Strategy (MTFS) that the Council will be presented with a challenging financial outlook in the medium term. The Executive is mindful that a sustainable approach needs to be taken in order to deliver a Medium Term Financial Strategy that achieves the optimum beneficial state of delivering ambitious investment and regeneration within the local area as well as addressing the current forecasted budget deficit.

8. The Executive has already successfully achieved budgetary savings totalling £0.745m that have already been approved for 2013/14. This report contains a further saving of £0.060m for approval resulting in total savings for 2012/13 of £0.805m.
9. Approval is now sought for additional savings that have been identified in the sum of £0.060m, a summary of which is set out below:

It is recommended by the Executive that £0.450m is set aside to restructure debt and achieve a saving in the revenue budget of £0.060m. This recommendation is made as the level of general balances in the General Fund Reserve can be maintained at a level consistent with the MTFs, that is, no lower than £2.0m without any further contributions being made from the forecasted underspend in 2012/13.

10. The headlines budget summary for 2013/14 is as follow:-

	£m
Budget Surplus 2012/13	(0.495)
Surplus New Homes Bonus	(0.739)
Underspend from 2012/13	(0.115)
<b>Total Headroom in 2013/14 Budget</b>	<b>(1.349)</b>

11. The new budget investment package is focussed on the new corporate strategy and priorities and also consistent with the findings of the budget consultation process with the local community (see Appendix I). The programme is listed below, is summarised further in Appendix C and also advanced enough in the planning stage to be set out in project mandates contained in Appendix C1. A number of new budget growth items requiring recurring investment have been factored into the MTFs for approval as highlighted below and contained in Appendix F1.

**The key new revenue budget investment proposals are:**

Priority	£m
<b>Involve residents in improving their local area and equality access for all</b>	
Revenue investment	<b>0.250</b>
Capital investment	<b>0.135</b>
<b>Clean, safe and healthy communities</b>	
Revenue investment	<b>0.284</b>
Capital investment	<b>0.060</b>
<b>An ambitious Council that does more to meet the needs of residents and the local area</b>	
Revenue investment	<b>0.160</b>
Capital investment	<b>0.280</b>
<b>A strong local economy</b>	
Revenue investment	<b>0.655</b>
Capital investment	<b>1.000</b>
<b>TOTAL INVESTMENT PACKAGE 2013/14</b>	<b>2.824</b>

<b>INVESTMENT AREA</b>	<b>Amount £</b>
Neighbourhood working: <ul style="list-style-type: none"> <li>• Proactive clean up team*</li> <li>• Neighbourhood working pot</li> <li>• Community development and volunteering **</li> </ul>	<b>50,000</b> 100,000 70,000
Support to the VCFS Network – Increasing volunteering in the borough**	15,000
Chorley Community Bank **	50,000
16/17 year old drop in scheme	15,000
Tree Policy *	<b>30,000</b>
Extension and improvement of street furniture	65,000
Active Generation	31,000
Street Games	50,000
Play area improvements **	100,000
Free Swimming	7,500
Employee health scheme	20,000
Campaigns and events	40,000
Regeneration Projects *	<b>40,000</b>
Car park pay and display income reduction	75,000
Inward investment delivery	350,000
Town Centre Masterplan	30,000
Support the expansion of local businesses	110,000
Implement a joint employment initiative with Runshaw College	50,000
Private Property Improvement Scheme Trial	50,000
<b>TOTAL NEW INVESTMENT</b>	<b>1,348,500</b>

\*This is a recurring investment in the sum of £0.120m in services with the required budgetary provision for these items being accounted for on a continual basis in future years. These schemes have been identified to ensure service provision beyond 2012/13 to support the delivery of the Corporate Strategy (included in Appendix F1).

\*\* These items are recurring for 3 years and therefore have first call on future NHB receipts (included in Appendix F1).

12. Five further Capital Programme/Budget investments are proposed:

<b>INVESTMENT AREA</b>	<b>Amount £m</b>
Regeneration Projects	1.000
Astley Hall Development Works	0.250
Astley Hall Farm	0.030
Clayton Brook Village Hall Extension	0.135
Yarrow Valley Country Park reservoir works	0.060
<b>TOTAL NEW INVESTMENT</b>	<b>1.475</b>

13. The Capital Programme is set out in detail in Appendices B1 to B4 covering the proposed capital schemes to support the new Corporate Strategy together with the planned financing arrangements and details of available s106 Developers Contributions.

14. The Capital Programme also includes the five Budget Investments in the above table totalling £1.475m. The five new budget investment projects are also included, together with £6.650m budgeted for Chorley East Health Centre, in the total Capital Expenditure planned to be incurred over the next three years totalling £14.396m:

MTFS Year	2012/13 £m	2013/14 £m	2014/15 £m
<b>Total Capital Expenditure</b>	<b>11.951</b>	<b>1.216</b>	<b>1.229</b>

15. The above Capital Expenditure will be financed as follows:-

	£m
Prudential Borrowing	3.577
Prudential Borrowing – Health Centre	6.650
Unrestricted Capital Receipts	0.360
Revenue Budget	0.038
External Contributions	2.157
Government Grants	1.615
<b>Total Capital Financing</b>	<b>14.397</b>

16. The new investment package of £1.475m has been delivered with no additional overall on-going cost to the Council Tax payer. This has been achieved by the consistent application of the MTFS which contains provision for voluntary set aside to restructure the Council's debt. This will reduce the cost of servicing debt thus reducing costs in the Council's revenue budget. This approach has been successful and sufficient enough to fund the facility to invest £1.0m in regenerating projects whilst also achieving savings to the Council's overall budget. In addition, savings achieved in respect of debt restructuring assist in reducing spending but they are contained within an area that has no impact on front line services.
17. The Localism Act now requires that the Pay Policy is approved formally by the Council and published on the website in April 2013/14. The Pay Policy for 2013/14 (attached at Appendix A2) is under review and will be subject to change prior to the commencement of 2013/14 consistent with the reference within the MTFS (attached at Appendix F).

<b>Confidential report</b> Please bold as appropriate	Yes	No
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<b>Key Decision?</b> Please bold as appropriate	Yes	No
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## REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

18. To ensure that the Council complies with the requirement to set the budget for 2013/14.

## ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

19. None.

## CORPORATE PRIORITIES

20. This report relates to the following Strategic Objectives:

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

## BACKGROUND

21. The Executive published the outline budget and MTFs at the Executive Cabinet meeting on 17<sup>th</sup> January 2013 setting out its intention for spending and investment in the borough for the forthcoming financial year 2013/14. These papers build upon that report and set out in more detail for Council the Executive's budget proposals for 2013/14.

## BUDGET CONSULTATION

22. The outline budget proposals were agreed by members in the report to Executive Cabinet on 17<sup>th</sup> January 2013. Public consultation was based on priorities outlined in the report, residents were asked to provide their opinions on:

- The specific key investment areas aligned with the Council's corporate strategy priorities
- The future level of Council Tax given the impact of a reduction in Council funds

23. The feedback from the consultation is shown at Appendix I and is supportive of the budget proposals adopted by the Executive. Consultation comprises of an on line survey, an e-mail survey sent to approximately 2,500 residents, an e-mail survey sent to Parish Councils, press releases, face to face consultation, paper surveys and the use of social media.

24. The results of the consultation ranked the 8 items below in the following priority order:-

Rank	
1st	Supporting businesses
2nd	Improving the Town Centre
3rd	Neighbourhood working
4th	Schemes to support young people
5th	Sporting activities young and old
6th	Events in the borough
7th	Improvements to play areas
8th	Improvement of street furniture

## BUDGET PROPOSALS

25. The starting point for any budget is a roll forward from one year to the next of the Council's continuation budget which is the cost of the current levels of existing services. This position has been updated to reflect inflation, change in volumetrics and the policy changes made by the Council in the current year.
26. Set out in the Council's Medium Term Financial Strategy is an analysis of these changes year on year over the next financial planning period 2013/14 to 2015/16 in Appendix F1.
27. Members will be aware that the outlook for public sector finances is uncertain, and more significantly, increasingly exposed to the risk of fluctuations in core funding on an annual basis. This has been brought about by the transfer of core funding from quadrennial set formulae grant to a number of funding arrangements that are based on annually variable factors and in regard to New Homes Bonus. The next MTFs will be the first that incorporates the new funding regimes being Business Rates Retention and Council Tax Support Scheme.
28. Business Rates Support - 2013/14 is year one of implementation for the new funding regime whereby local authorities are allowed to retain a proportion of additional income generated from growing the tax base for businesses in their area. This new system is one of two large scale changes to the way in which authorities are funded bringing with it significant uncertainty and year on year annual fluctuations to core funding levels in addition to the Formula Grant reductions. Although this new scheme means that some of the financial benefit of net tax base growth is realised by the authority it also results in the risk of collection also transferring to local authorities. Included within the budget assumptions incorporated into the budget and as set out in this report, is the forecasted financial benefit that could be realised by Chorley in 2013/14. The Government has allocated the Council with a Start Up Funding Assessment of £6.431m, current estimates preceding the financial year indicate that total funding could amount to £6.602m due to the forecasted net growth in the Business Rates tax base. Should this level of receipt be achieved it will result in Chorley Council receiving an additional £0.171m in 2013/14 (£6.431m less £6.602m).
29. Council Tax Support Scheme - The second large scale change to core funding is the introduction of the Council Tax Support Scheme to replace Council Tax Benefit. In October 2010 the Government published its white paper on welfare reform in which it announced its intention to replace Council Tax Benefit with a localised Council Tax Support scheme. With regard to the budget setting process the new scheme impacts in two significant areas, these being:-
  - Conversion of benefits paid into Council Tax discounts serves to reduce the Council Tax base within the borough. This directly reduces the amount of Council Tax that can be raised as total Council Tax received is calculated by multiplying the Council Tax rate by the Council Tax base. Despite keeping Council Tax at the same rates as the previous year a reduction in the base will invariably reduce the amount of income that can be generated.
  - Central Government will now, instead of refunding Council Tax benefit paid, provide the authority with a grant. For 2013/14 this will be £0.753m. This grant distribution methodology, however, changes again in 2014/15 when this grant is rolled up into the Formula Grant and no longer separately identifiable.
30. Despite this uncertainty budget forecasting remains an integral component of budget setting, therefore, the Medium Term Financial Strategy has proceeded based on the following key assumptions:-

### Key Budget Assumptions

<b>Assumption</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
Council Tax Increases	0.0%	0.0%	0.0%
Grant for Freezing Council Tax	£0.225m	£0.225m	-
Reduction in Grant Settlement (AEF)	£0.435m	£0.824m	-
New Homes Bonus in Base Budget	£1.044m	£1.044m	£1.044m
New Homes Bonus – estimated receipts in future years from 2013/14	£0.739m	£1.500m	£2.300m
Business Rates Retention 2013/14	£0.171m	£0.171m	£0.171m
Pension Contribution Increase	0.5%	-	-
Pay Award	1.0%	1.0%	1.0%

31. The table shows the key assumptions made in forecasting forward the Council's financial position. Please note these do not determine what might actually happen in future years, particularly with regard to Council Tax levels as these are determined annually based upon the latest up to date information. Some key messages are:

- The Executive's proposed budget assumes that Council Tax will not be increased.
- Council Tax Freeze Grant is for a limited period and will cease after 2014/15. The budget deficit will therefore be increase by £0.225m in 2015/16.
- No additional reductions have been applied to core funding received from Central Government via formula grant after 2014/15 which is based on the recent provisional settlement. The next Comprehensive Spending Review (CSR) is due to take place in 2014 and is expected to contain further budgetary cuts for local authorities from 2015/16 onwards.
- No NHB due to be received post 2012/13 has been built into the base budget as recurring funding as the grant is awarded for a period of 6 years only and therefore temporary in nature. This enable the Council to improve budget resilience and flexibility to respond to future annual uncertainty inherent in the new public finance funding regimes described above. Future years will be dependent upon the level of housing development, however, assuming the base budget is in balance this will be surplus and available to fund investments that can be ceased or scaled down simultaneously as income stops. This approach is consistent with a key financial objective of the Councils MTFs that is, sustainability over the medium to long term.
- The expected receipt of additional income brought about by the new Business Rates Retention funding arrangements has been included in the budget in 2013/14 as the system is now a permanent element of core funding. The amount to be received, however, is based on forward looking estimates with regard to tax base changes and collection variables during the forthcoming year and therefore may be subject in year fluctuations.
- The triennial review of pensions is due to be undertaken in 2014 which reveal if the action taken to attempt to reduce the cost of pensions for the employer has been successful or not. Therefore no increase in employer's pension contribution rates has been included in the budget assumption underpinning the budget forecast.



- Contained within the four year budget summary in Appendix F1 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 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 Council's overall budget within the current MTFS. It will therefore be assumed, in preparing the budget, that parish income will be protected at its 2012/13 level of £567k. To clarify, however, although this commitment is given within this budget it will be reviewed annual as part of the budget setting process.

32. The budget has also been constructed in accordance with the Council's Pay Policy. The Localism Act requires that the Pay Policy is approved formally by the Council and published on the website in April 2013/14. The current policy (attached at Appendix A2) will be subject to amendment consistent with the reference made within the MTFS (attached at Appendix F).
33. After the budget has been updated as described above it is amended to take account of new adjustments such as new budget investment and budgetary savings achieved, these adjustments are made to the budget in line with the new corporate priorities. The amendments consist of new budget investment schemes identified to ensure service provision is maintained or improved to deliver the Corporate Strategy and budget savings achieved and proposed to balance the budget. A further explanation is set out below with a breakdown of the above figures is listed within the MTFS at Appendix F1.

#### **AN OPPORTUNITY FOR INVESTMENT IN CORPORATE PRIORITIES**

34. Both the Revenue and Capital budget contain significant new proposed investments. The new budget investment package is focussed on the new corporate strategy priorities and also consistent with the findings of the budget consultation process with the local community (see Appendix I). The programme below, is summarised further in Appendix C and also advanced enough in the planning stage to be set out in project mandates contained in Appendix C1. A number of new budget growth items requiring recurring investment have been factored into the MTFS for approval as highlighted below and contained in Appendix F1. The new budget investment package on delivering priorities is:

<b>Priority</b>	<b>£m</b>
<b>Involve residents in improving their local area and equality access for all</b>	
Revenue investment	<b>0.250</b>
Capital investment	<b>0.135</b>
<b>Clean, safe and healthy communities</b>	
Revenue investment	<b>0.284</b>
Capital investment	<b>0.060</b>
<b>An ambitious Council that does more to meet the needs of residents and the local area</b>	
Revenue investment	<b>0.160</b>
Capital investment	<b>0.280</b>
<b>A strong local economy</b>	
Revenue investment	<b>0.655</b>
Capital investment	<b>1.000</b>
<b>TOTAL INVESTMENT PACKAGE 2013/14</b>	<b>2.824</b>

<b>INVESTMENT AREA</b>	<b>Amount £</b>
Neighbourhood working:	
• Proactive clean up team *	<b>50,000</b>
• Neighbourhood working pot	100,000
• Community development and volunteering **	70,000
Support to VCFS Network – Increasing volunteering in the borough **	15,000
Chorley Community Bank **	50,000
16/17 year old drop in scheme	15,000
Tree Policy *	<b>30,000</b>
Extension and improvement of street furniture	65,000
Active Generation	31,000
Street Games	50,000
Play area improvements **	100,000
Free Swimming	7,500
Employee health scheme	20,000
Campaigns and events	40,000
Regeneration projects *	<b>40,000</b>
Car park pay and display income reduction	75,000
Inward investment delivery	350,000
Town Centre Masterplan	30,000
Support the expansion of local businesses	110,000
Implement a joint employment initiative with Runshaw College	50,000
Private Property Improvement Scheme Trial	50,000
<b>TOTAL NEW INVESTMENT</b>	<b>1,348,500</b>

\*This is a recurring investment in the sum of £0.120m in services with the required budgetary provision for these items being accounted for on a continual basis in future years. These schemes, as listed below, have been identified to ensure service provision beyond 2012/13 to support the delivery of the Corporate Strategy (included in Appendix F1).

\*\* These items are recurring for 3 years and therefore have first call on future NHB receipts (included in Appendix F1).

35. Five further Capital Programme/Budget investments are proposed:

<b>INVESTMENT AREA</b>	<b>Amount £m</b>
Regeneration Projects	1.000
Astley Hall Development Works	0.250
Astley Hall Farm	0.030
Clayton Brook Village Hall Extension	0.135
Yarrow Valley Country Park reservoir works	0.060
<b>TOTAL NEW INVESTMENT</b>	<b>1.475</b>

36. The Capital Programme is set out in detail in Appendices B1 to B4 covering the proposed capital schemes to support the new Corporate Strategy together with the planned financing arrangements and details of available s106 Developers Contributions.

## CAPITAL PROGRAMME

37. The proposed three-year capital programme for the period 2013/14 to 2015/16 is contained in Appendices B1 to B4. Details of the Capital Programme for 2012/13 are also included in order to indicate the re-phasing of expenditure to 2013/14 to 2015/16.
38. Appendix B1 - Capital Programme 2012/13. This table sets out the changes made to the programme in the current year and summarises the amendments reported to Executive Cabinet meetings in January and February 2013.
39. Appendix B2 - Capital Programme 2013/14 to 2015/16. This table includes the five new capital projects in the sum of £1.475m that provides investment in Regeneration Projects, development of Astley Hall, the extension at Clayton Brook Village Hall and works to develop Yarrow Valley Country park reservoir.
40. No other new schemes will be added to the programme from 2013/14 to 2015/16 at this stage, other than those that are contractual or that can be financed from external resources such as grants and contributions or rental income. This is to ensure that the revenue consequences of the capital programme are affordable. Consequently the proposed spending for the period is as follows:

2012/13	2013/14	2014/15
£11,951,340	£1,215,860	£1,229,190

41. The pressure on capital resources will continue to be an issue for the Council over the medium-term. The depressed state of the property market means potential asset sales have been postponed until the market improves, therefore only one new capital receipts has been taken into account in the financing of the 2013/14 to 2015/16 programme. This leaves prudential borrowing as the only source of financing for the other budgets included in the programme.
42. As a consequence the anticipated borrowing (excluding Chorley East Health Centre) for the period 2013/14 to 2015/16 is as follows:

2013/14	2014/15	2015/16
£2,214,780	£597,250	£764,690

43. Despite borrowing to fund the £1.0m investment in regeneration projects the cost of borrowing impacting on the revenue budget is being reduced. This has been brought about by financing some investment via the transfer of funding from other schemes and also the successful application of the strategy to restructure debt. The positive budget performance achieved in 2012/13, where spending has been contained, has presented the opportunity to set monies aside to more than cover the on-going costs of borrowing. This results in a budget efficiency savings and the delivery of an enhanced and improved Capital Programme with the on-going cost being contained with the current budget.
44. With regard to Chorley East Health Centre the proposal remains that a budgeted scheme is included in the 2013/14 programme. This will assist the Lancashire Care NHS Foundation Trust with the development of the Chorley East Health Centre on Friday Street. The estimated cost is £6.650 million including land acquisition. The revenue budget cost of the borrowing that would be required to implement this project would be covered by rental income, so that this facility would be achieved at no cost to the council. Any final agreement reached will contain the proviso that any increased project costs to those originally agreed will be underwritten and met solely met by the Lancashire Care NHS Foundation Trust as with on-going costs.

45. Appendix B4 analyses the use of developers' contributions to finance the capital programme. Some contributions are uncommitted at present, and schemes will be recommended for addition to the capital programme or revenue budget as appropriate. It is likely that additional contributions will be received from 2013/14 onwards, and new schemes will be proposed in future budget monitoring reports if the opportunity arises.

## **FUTURE YEARS PROPOSALS TO ACHIEVE SUSTAINABLE AND RECURRING BUDGET RESILIENCE**

46. Contained in the MTF5 (Appendix F) is a summary of the forecast position for the Council's budget up to and including 2015/16. The forecast is based on the following key assumptions:
- A continuation of current service provision to the same level and in the same way over that period.
  - Increase in costs for the Council's pension bill have been included at the rate of 0.5% in 2013/14 with pay-award estimates at 1.0% in each year.
  - No allowance at this stage has been made for any future increase in Council Tax.
  - No allowance has been made for potential decreases in external financial support from the Government from 2015/16 onwards pending the outcome of CSR 2014.
  - Additional New Homes Bonus post 2012/13 has not been built into the base budget.
47. The key message is that the Council remains in a period of continued uncertainty due to the new core funding regimes and the resulting increase risk exposure. The strategy aims to address the budget gap taking a long term and sustainable approach.
48. That said, the Council must plan on some basis and the figures show that further significant savings will be needed over the medium term to balance the budget based upon the assumptions already made. The financial strategy sets out the areas where the Council may want to concentrate its efforts in terms of achieving the savings required.

## **CONCLUSION**

49. This paper outlines for the Council the Executive's budget proposals for 2013/14:
- Council Tax for 2013/14 will be frozen and maintained at the same rate as last year.
  - A package of Budget Investments can be funded in 2013/14:
    1. 18 Revenue Budget and 5 Capital Budget schemes. This brings the total investment promoting the local economy to over £2.824 million.
    2. Recurring revenue budget growth to mainstream 3 areas of enhancements to services, being (i) Proactive clean up team, (ii) Tree Policy, (iii) Regeneration projects.
  - Investments will be made in key areas to support the new Corporate Strategy:
    1. INVOLVE RESIDENTS IN IMPROVING THEIR LOCAL AREA AND EQUALITY OF ACCESS FOR ALL.
    2. CLEAN, SAFE AND HEALTHY COMMUNITIES.
    3. AN AMBITIOUS COUNCIL THAT DOES MORE TO MEET THE NEEDS OF RESIDENTS AND THE LOCAL AREA.
    4. A STRONG LOCAL ECONOMY.

- Significant progress has been made towards achieving budgetary savings that have already been identified and approved resulting in a planned budget surplus in 2013/14.
- Budget savings achieved and proposed to date total £0.805m.
- Savings have been achieved from areas that have not reduced front line services supporting the Council in maintaining high performance.
- The Capital Programme continues to progress the MTFs objective of setting aside monies to restructure the Council's debt position this enables the budget gap to be reduced and does not impact on service provision.
- The assumptions included in the budget have been assessed in the light of the latest information available at this time and adheres to the Council's Pay Policy as set out in Appendix A2.

50. Future saving will be required and an efficiency programme is proposed and contained in the Medium Term Financial Strategy at Appendix F.

51. The Council will need to continue working extremely hard, be innovative and creative to continue to make efficiencies and at the same time minimise the impact on services. There are still factors that may affect the current forecast financial position, namely the forthcoming CSR and the triennial review of pensions in 2014, in addition, the Council's income streams will remain under pressure. The overall approach to be adopted in terms of further efficiencies is set out in the Medium Term Financial Strategy which is appended to this report.

52. The contents of this report are supplemented with additional reports, policies and statements to provide further details as referenced below:

Appendix A1	Formal Council Tax Resolution 2013/14
Appendix A2	Pay Policy 2013/14
Appendix A3	Fees and Charges Income 2013/14
B1	Capital Programme 2012/13
B2	Capital Programme 2013/14 to 2015/16
B3	Proposed Changes and Investments 2012/13 to 2015/16
B4	S106 and Similar Developers' Contributions
Appendix C	Budget Investment Package Report
Appendix C1	Budget Investment – Project Mandates
Appendix D	Treasury Management Strategy 2013/14 to 2015/16
Appendix E	Statutory Financial Officer Report
Appendix F	Medium Term Financial Strategy 2013/14 to 2015/16
Appendix G	Significant Budget Movements 2012/13 to 2013/14
Appendix H	Special Expenses /Parish Precepts
Appendix I	Budget Consultation 2013/14
Appendix J	Assessing the Impact of 2013/14 Budget Proposals

## IMPLICATIONS OF REPORT

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

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

## COMMENTS OF THE STATUTORY FINANCE OFFICER

54. The financial implications of the report are details in the report and specifically in the Medium Term Financial Strategy 2013/14 to 2015/16 and the Statutory Officer's Report attached in Appendix E.

## COMMENTS OF THE MONITORING OFFICER

55. The budget proposals are in accordance with the requirements of legislation.

## COMMENTS OF THE HEAD OF HR AND OD

56. HR will support the implementation of the budget proposals in relation to any changes to staffing resources in line with corporate policy and legislation.

GARY HALL  
STATUTORY FINANCE OFFICER

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Susan Guinness	5101	06/02/13	Rev & Capital Budget Report