

Bath & North East Somerset Council

MEETING:	Cabinet		
MEETING DATE:	13 February 2013	AGENDA ITEM NUMBER	E2503
TITLE:	Medium Term Service & Resource Planning 2013/14 – 2015/16, & Budget and Council Tax 2013/14		
WARD:	All		

AN OPEN PUBLIC ITEM

List of attachments to this report:

Appendix 1 – Aims and Ambitions 2013/14 to 2015/6

Appendix 2 – The Budget and Council Tax Proposal of the Cabinet 2013/14. This comprises a covering document, plus 8 Annexes

Annex 1 Draft Base Revenue Budget 2013/14 – individual service cash limits

Annex 2 Section 25 of the Local Government Act 2003 - Chief Financial Officer's Report on Adequacy of Balances and the Robustness of the Budget

Annex 3 Draft Capital Programme 2013/14-2017/18 including other emerging projects and programmes on an indicative basis - items shown in for provisional approval.

Annex 3i Schools Planned Maintenance Programme 2013/14

Annex 4 Minimum Revenue Provision (MRP) Policy

Annex 5 Medium Term Service & Resource Plan (MTSRP) Savings Detail

Annex 6 Community Assets

Annex 7 Council Policy Context

Annex 8 West of England – City Region Deal

Appendix 3 - Medium Term Service & Resource Planning Assumptions 2013–2017

Appendix 4 - Budget Setting Process – Advice of the Monitoring Officer

Appendix 5 – Council Pay Policy Statement

1 THE ISSUE

- 1.1 This report presents the Cabinet's draft medium term financial plan, and revenue and capital budgets for the 2013/14 financial year together with a proposal for a Council Tax level for 2013/14.

2 RECOMMENDATION

- 2.1 That the Council approve:
 - a) The General Fund net revenue budget for 2013/14 of £123.534m with no increase in Council Tax.
 - b) That no Special Expenses be charged other than Town and Parish Council precepts for 2013/14.
 - c) The adequacy of reserves at Appendix 2 Table 9 with a risk-assessed level of £10.5m.
 - d) The individual service cash limits for 2013/14 summarised at Appendix 2 Table 5 and detailed in Annex 1.
 - e) That the specific arrangements for the governance and release of reserves, including invest to save proposals, be delegated to the Council's Section 151 Officer in consultation with the Cabinet Member for Community Resources and the Chief Executive.
- 2.2 That the Council include in its Council Tax setting, the precepts set and approved by other bodies including the local precepts of Town Councils, Parish Councils and the Charter Trustees of the City of Bath, and those of the Fire and Police Authorities.
- 2.3 That the Council notes the Section 151 officer's report on the robustness of the proposed budget and the adequacy of the Council's reserves (Appendix 2, Annex 2) and approves the conditions upon which the recommendations are made as set out throughout Appendix 2.
- 2.4 That in relation to the capital budget the Council:
 - a) approves a capital programme of £59.036m for 2013/14 and notes items for provisional approval in 2013/14 and the programme for 2014/15 to 2017/18 as shown at Appendix 2, Annex 3 including the planned sources of funding .
 - b) approves the Minimum Revenue Provision Policy as shown at Appendix 2, Annex 4
 - c) approves the Capital Prudential Indicators as set out in Appendix 2 Table 7.
- 2.5 That the Council notes the approach to Community Assets as set out in Appendix 2, Annex 6 and supports the progression of the Quick Wins identified in this Annex.

- 2.6 That the Council notes the Policy Development & Scrutiny review of Medium Term Service and Resource Plans and instructs the relevant officers to finalise these in consultation with the relevant Cabinet Member and in light of feedback from the PD&S reviews, and in line with the approved cash limits.
- 2.7 That the Council agree the Council's proposed pay policy statement as set out at Appendix 5.
- 2.8 Authorise the Divisional Director – Finance, in consultation with the Cabinet Member for Community Resources, to make any necessary presentational improvements to the draft budget proposal for submission to Council.

3 FINANCIAL IMPLICATIONS

The financial implications are contained within the body of the report.

4 COMMUNITY STRATEGY OUTCOMES

- 4.1 The framework for service and resource planning aims to ensure that resources are aligned to corporate priorities as set out in the Council's current Corporate Plan, which in turn reflects the Bath & NE Somerset Community Strategy.

5 CORPORATE IMPROVEMENT PRIORITIES

- 5.1 The framework for Service and Resource planning aims to ensure resources are aligned to corporate priorities and improving the delivery of services and cross-Council priorities, linking performance with resources and value for money.

6 THE REPORT

- 6.1 In this document the Cabinet sets out the following:-

- Its medium term service and resource planning financial assumptions (Appendix 3) which set the basis for the draft budget proposal for 2013/14.
- Its draft budget proposal for 2013/14 (Appendix 2). This provides the detail of the first year of the Medium Term Service and Resource Plans and recommends revenue and capital budgets for 2013/14, together with capital commitments for future years, and recommends a level of Council Tax for 2013/14.

- 6.2 The budget proposal builds on the prudent financial management of the Council and is designed to maintain front line services as far as possible whilst recognising the significant financial challenge facing the public sector. The budget proposals include:

- A net £2.5m or 2.0% decrease in the non-schools budget (after allowing for the technical adjustments required as a result of changes in local government finance funding reforms) to £123.534m

- An overall increase in the DSG, estimated at £2.5m with a total funding of £116.6m (including academies). The Dedicated Schools Grant (DSG) increase compared to 2012/2013 is complicated by the transfer of additional responsibilities into the DSG from other funding routes. The majority of the additional funding relates to the transfer of funding for 2 year olds and the funding for post 16 special needs provision, that have transferred from the Early Intervention Grant and the Education Funding Agency respectively. Taking account of this, the overall total represents a cash freeze per pupil compared to the previous year. However as schools convert to academies the Department for Education (DFE) recoup the DSG payable to the Local Authority in order to make payments direct to the academies. The DFE estimate the recoupment will be £41.1m in 2013/2014 leaving £75.5m payable to the Local Authority.
- A freeze in the Council's level of Council Tax, which excludes Polices, Fire and Parish precepts.
- These budget proposals are set out in detail at Appendix 2.

6.3 It is important to be clear on the process to be followed in setting the 2013/14 Budget. The Monitoring Officer has given specific guidance which is set out at Appendix 4, and in particular the need for the Council to approve a balanced budget.

6.4 The Monitoring Officer has also highlighted the implications arising if it does not prove possible for the Council to set a budget at its meeting on 19th February and any decision having to be deferred until the reserve date on 28th February. This includes potential delays to the Council Tax billing process.

6.5 The Council's pay policy statement as required under The Localism Act 2011 legislation is set out at Appendix 5.

6.6 The Budget proposal set out at Appendix 2 also includes specific Annexes relating to the Council's approach to Community Assets and the on-going development of the West of England City Region Deal.

7 RISK MANAGEMENT

7.1 The report author (the Council's Section 151 Officer) has fully reviewed the risks related to this report and recommendations and consulted with the Lead Cabinet member.

7.2 In addition Appendix 2 to this report includes (at Annex 2) the Section 151 Officer's assessment of the Robustness of Estimates and Adequacy of Reserves. One of the considerations taken into account is the Directors' Review of Robustness of Estimates and Budget Risks/Sensitivities and the Corporate Risk Register. This is completed by all Directors in respect of their own services.

8 RATIONALE

8.1 The rationale for the recommendations is contained in the supporting paper to this report.

8.2 The Council's Section 151 Officer is the Divisional Director - Finance. This report reflects information already presented to Policy Development and Scrutiny by the Director. As Section 151 Officer his duties include ensuring a prudent and balanced budget is set on time which properly takes into account the financial constraints and risks facing the Council.

9 OTHER OPTIONS CONSIDERED

9.1 The supporting paper and appendices also contain the other options that can be considered in making any recommendations.

10 CONSULTATION

10.1 Meetings have been and will continue to be held with staff, trades unions and other stakeholders during the development of service and resource plans which have fed into this budget. This has again included three Budget Fair's (Bath, Keynsham and Timsbury), enabling cross service consideration of the range of proposals by a range of stakeholders.

10.2 Representatives of the business community were engaged in these consultations as part of the Budget Fair.

10.3 Comments received from consultation, including the Budget Fair, Policy Development and Scrutiny Panels and Trade Unions have been provided for consideration by the Cabinet.

11 EQUALITY

11.1 The Council is committed to ensuring that our financial decisions and the budgetary processes are subject to proportionate equality analysis. Bath & North East Somerset Council can demonstrate that it has analysed its decisions from an equality perspective by evidencing our analysis using a single template equality impact assessment toolkits. (B&NES was commended for this work and used as an exemplar authority for our proportionate approach to equality by the LGID.) Thus the Council has a written record of the equality considerations that have been taken; which include a consideration of the actions that would help to avoid or mitigate any negative impacts on people of particular protected groups. Our decisions have a stronger evidence base (through effective use of equality mapping and Joint Strategic Needs Assessment) assisting to make our decision-making processes more transparent.

12 ISSUES TO CONSIDER IN REACHING THE DECISION

12.1 These include Social Inclusion; Customer Focus; Sustainability; Young People; Equality; Corporate; Impact on Staff and Other Legal Considerations such as the requirement to set a budget and Council Tax.

13 ADVICE SOUGHT

13.1 The Council's Monitoring Officer (Council Solicitor) and Section 151 Officer have had the opportunity to input to this report and have cleared it for publication.

Contact person	Tim Richens, Divisional Director – Finance (01225) 477468
Sponsoring Cabinet Member	Councillor David Bellotti, Cabinet Member for Community Resources
Background papers	Medium Term Service & Resource Planning reports to Policy Development & Scrutiny Panels Equalities Assessment –Report to Resources PDS 11th February 2013 Consultation Response Summary – Report to Resources PDS 11 th February 2013 Council Response to DCLG Document “50 Ways to Save” – Report to Resources PDS 11th February 2013) Financial Settlement 2013/14 to 2014/15, CLG website
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