

Bath & North East Somerset Council

MEETING:	Cabinet	
MEETING DATE:	12 February 2014	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2592
TITLE:	Medium Term Service & Resource Planning 2014/15 – 2015/16, & Budget and Council Tax 2014/15	
WARD:	All	

AN OPEN PUBLIC ITEM

List of attachments to this report:

Appendix 1 – The Budget and Council Tax Proposal of the Cabinet 2014/15. This comprises a covering document, plus 5 Annexes

Annex 1 Draft Base Revenue Budget 2014/15 – 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 2014/15-2018/19 including other emerging projects and programmes on an indicative basis - items shown in for provisional approval.

Annex 3i Schools Planned Maintenance Programme 2014/15

Annex 3ii Corporate Estate Planned Maintenance Programme 2014/15

Annex 3iii Transport Improvement Programme 2014/15

Annex 4 Minimum Revenue Provision (MRP) Policy

Annex 5 Comparative English Unitary Authority Council Tax Levels 2013/14

Appendix 2 – Variations to Budget

Appendix 3 - Budget Setting Process – Advice of the Monitoring Officer

Appendix 4 – Council Pay Policy Statement

Appendix 5 – Community Asset Transfers

1 THE ISSUE

1.1 This report presents the Cabinet's draft medium term financial plan, and revenue and capital budgets for the 2014/15 financial year together with a proposal for a Council Tax level for 2014/15.

2 RECOMMENDATION

The Cabinet is asked to recommend:

2.1 That the Council approve:

- a) The General Fund net revenue budget for 2014/15 of £119.926m with no increase in Council Tax.
- b) That no Special Expenses be charged other than Town and Parish Council precepts for 2014/15.
- c) The adequacy of reserves at Appendix 1 Table 8 with a risk-assessed level of £10.5m.
- d) The individual service cash limits for 2014/15 summarised at Appendix 1 Table 4 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 delegates the sign-off of the Better Care Plan on behalf of the Council to the Health & Wellbeing Board in consultation with the Chief Executive, the Leader and the Cabinet Member for Community Resources.

2.3 That the Council delegates the updating of the council's discretionary rate relief policy, to reflect the measures announced in the Autumn Budget Statement, to the Council's Section 151 Officer, in consultation with the Chief Executive and the Cabinet Member for Community Resources.

2.4 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.

2.5 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 1, Annex 2) and approves the conditions upon which the recommendations are made as set out throughout Appendix 1.

2.6 That in relation to the capital budget the Council:

- a) approves a capital programme of £65.865m for 2014/15 and notes items for provisional approval in 2014/15 and the programme for 2015/16 to 2018/19 as shown at Appendix 1, Annex 3 including the planned sources of funding .
- b) delegates implementation, subject to consultation where appropriate, of the capital programmes set out in Annex 3i to Annex 3iii to the relevant Strategic Director in Consultation with the appropriate Cabinet Member.
- c) approves the Minimum Revenue Provision Policy as shown at Appendix 1, Annex 4

d) approves the Capital Prudential Indicators as set out in Appendix 1 Table 6.

- 2.7 That the Council agree the Council's proposed pay policy statement, including the arrangements for senior severance practice, as set out at Appendix 4.
- 2.8 That the Council notes the approach to Community Assets as set out in Appendix 5.
- 2.9 Authorise the Council's Section 151 Officer, in consultation with the Cabinet Member for Community Resources, to make any necessary changes and presentational improvements to the draft budget proposal for submission to Council.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The resource implications are contained within the body of the report.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The Council is committed to ensuring that our financial decisions and the budgetary processes are subject to proportionate equality analysis.
- 4.2 Bath & North East Somerset Council can demonstrate that it has taken due regard for equality in its decisions by using a template for equality impact assessment (EqIA). 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.
- 4.3 Our decisions are supported by a strong evidence base (through effective use of equality mapping and Joint Strategic Needs Assessment) assisting to make our decision-making processes more transparent. The EqIA can be updated and amended as new information is made available.
- 4.4 When a budget proposal has implications for people covered by the Equality Act 2010 an equality analysis must be carried out (using the EqIA template) and considered before decisions are taken on the proposal. The decision maker must assure themselves that they are fully apprised of the equality implications of the decision proposed and should not assume the proposal must be approved. The report should contain a summary of the key findings from the EqIA and the decision maker should consider the full EqIA, which should be attached to the report. It is not sufficient for the decision maker to have only a summary of the EqIA or for there just to be a link to the EqIA in the report to the decision maker.
- 4.5 Other issues considered 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.

5 THE REPORT

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

- Its medium term service and resource planning financial assumptions which set the basis for the draft budget proposal for 2014/15.

- Its draft budget proposal for 2014/15 (Appendix 1). This provides the detail of the second year of the Medium Term Service and Resource Plans and recommends revenue and capital budgets for 2014/15, together with capital commitments for future years, and recommends a level of Council Tax for 2014/15.
- 5.2 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 £3.5m or 2.9% decrease in the non-schools budget to £119.926m
 - An increase in the DSG estimated at £1.1m with total funding of £117.7m (including academies). 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. Additional resources are also provided to accommodate increased pupil numbers in our schools. Taking account of this, the overall total represents a cash freeze per pupil compared to the previous year.
 - 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 1.
- 5.3 It is important to be clear on the process to be followed in setting the 2014/15 Budget. The Monitoring Officer has given specific guidance which is set out at Appendix 3, and in particular the need for the Council to approve a balanced budget.
- 5.4 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 18th February and any decision having to be deferred until the reserve date on 27th February. This includes potential delays to the Council Tax billing process.
- 5.5 The Council's pay policy statement as required under The Localism Act 2011 legislation is set out at Appendix 4.
- 5.6 The budget proposal also sets out the proposed approach to Community Asset transfers in Appendix 5.

6 RATIONALE

- 6.1 The rationale for the recommendations is contained in the supporting paper to this report.
- 6.2 The Council's Section 151 Officer is the Divisional Director – Business Support. 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.

7 OTHER OPTIONS CONSIDERED

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

8 CONSULTATION

8.1 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 included four Budget Fair's (Bath, South Bath, Keynsham and Midsomer Norton), enabling cross service consideration of the range of proposals by a range of stakeholders.

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

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

9 RISK MANAGEMENT

9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

9.2 In addition Appendix 1 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.

Contact person	Tim Richens, Divisional Director – Business Support (01225) 477468
Background papers	Medium Term Service & Resource Planning reports to Policy Development & Scrutiny Panels during November 2013. Consultation Response Summary – Report to Resources PDS 10 th February 2014 Financial Settlement 2014/15 to 2015/16, CLG website
Please contact the report author if you need to access this report in an alternative format	