
Subject: COUNCIL BUDGET 2013/14 AND MEDIUM TERM FINANCIAL PLAN 2013/14 – 2015/16

Meeting and Date: Cabinet – 4 March 2013
Council – 6 March 2013

Report of: Mike Davis, Director of Finance, Housing & Community

Portfolio Holder: Councillor Michael Connolly, Portfolio Holder for Corporate Resources and Performance

Decision Type: Key

Classification: Unrestricted

Purpose of the report: To seek approval for the 2013/14 budget and the Medium Term Financial Plan (MTFP) for 2013/14 – 2015/16.

Recommendation: *It is recommended that Cabinet:*

- *Approve the freeze of Green Waste subscription fees at £40; and*
- *Approve the grants to other organisations as set out in Annex 11 subject to Council approving the 2013/14 budget;*

It is recommended that Cabinet recommends to Council:

- *That the General Fund Revenue Budget, the Capital and Special Projects Programmes, the Housing Revenue Account budget, the Council Tax Resolution and the content of the Medium Term Financial Plan (MTFP) be approved;*
- *To note that it is the view of the Head of Finance and ICT that the budget has been prepared in an appropriate and prudent manner and that based upon the information available, the budgets are robust and the estimated General Fund and Housing Revenue Account balances and reserves are considered adequate for the Council's current spending plans;*
- *In setting the Budget for 2013/14, to release the grants to other organisations as determined by Cabinet and set out in Annex 11;*
- *That the various recommendations at the end of the sections within the attached budget and MTFP, and summarised at Annex 15 to Appendix 1, are approved.*

1. Summary

1.1 This report has been produced to seek approval for the 2013/14 budget and the MTFP for 2013/14 – 2015/16.

1.2 If approved by Cabinet, the budget will be presented to Council, together with the resolution to set the Council Tax.

1.3 The MTFP also contains a number of other recommendations. These are shown at the end of the sections within the MTFP and summarised at Annex 15.

2. Introduction and Background

- 2.1 As part of its financial management process the Council is required to consider the MTFP and its implications for the Council's service objectives and financial management. The Director of Finance, Housing and Community (Section 151 Officer) is required to comment on the robustness of the budget and the adequacy of the reserves. These requirements are addressed in the attached Budget and Medium Term Financial Plan report.

General Fund Budget

- 2.2 The Council is required to approve a General Fund revenue budget having regard to net expenditure requirements, Government funding, available internal reserves and the yield from Council Tax.
- 2.3 The Council has discretion over allocation of resources to service priorities and its use of reserves, and can determine its Council Tax within the constraints as set by Government (the Council has no influence over the level of Government funding) but must have due regard to the capacity to set viable budgets in ensuing years.

Council Tax

- 2.4 DDC's council tax (for its own use – i.e. excluding town and parish councils) for 2012/13 was £164.43 for Band D. This means DDC has one of the lowest council taxes in Kent (see table in Executive Summary).
- 2.5 Having due regard to the current economic climate, proposed increases in council tax have been limited to 1.86% for the 2013/14 budget. This gives a Band D council tax for 2013/14 of £167.49, an increase of £3.06 per annum or 6p per week. The MTFP also assumes increases of 1.99% for 2014/15 and 2015/16. These increases are unlikely to change DDC's position in relation to other authorities insofar as we will remain a lower taxing authority than our neighbours irrespective of any increases they may or may not make in those years.

Capital Programme

- 2.6 The Council has limited capital resources, but within these resources it has discretion over which projects to support. The Medium Term Capital Programme shows that resources have been applied to the regeneration projects in support of the Council's corporate objectives.

Housing Revenue Account (HRA)

- 2.7 The HRA is constrained by the DCLG specified formulae for rent setting and the need to ensure that the HRA remains viable. Rents have been set consistent with past guidance from Government.

Future Budgets

- 2.8 With regard to the rest of the MTFP, because this is a planning document, adoption of the MTFP does not commit the Council to the forecasts for 2014/15 and 2015/15. These are for planning purposes and are likely to be adjusted in the light of new information or changes in the Council's circumstances.

Changes to the Budget and MTFP

2.9 Since presentation to Cabinet and Scrutiny there have been no major changes to the budget and MTFP. Minor amendments include:

- All precepts have been received and the 2013/14 Council Tax resolution has been finalised and included;
- The final figure for DDC's Band D Council Tax for 2013/14 has been included at £167.49;
- The Treasury Management Strategy has been included;
- An Income & Expenditure Account and a Movement in Reserves Statement have been added to reflect the statutory format required for the Statement of Accounts.

3. Identification of Options

3.1 The Council is required to set a budget, and so declining to do so is not an option. Members could choose to change the allocation of resources between services, and that option remains open to Council during the financial year.

3.2 Members could also decide to set a different Council Tax level. However consideration should be given to the risk and impact of triggering a Council Tax Referendum if a higher level of Council Tax was proposed or how any proposals to reduce the level would be financed in 2013/14 and future years, while ensuring the budget remains robust and reserves sufficient.

4. Resource Implications

4.1 The revenue budgets and capital plans determine the level of Council Tax and the utilisation of resources for the next year. The MTFP is a key element in the prudent use of resources over the medium term

5. Corporate Implications

5.1 Comment from the Section 151 Officer: No further comments to add.

5.2 Comment from the Solicitor to the Council: The Solicitor to the Council has been consulted in the preparation of this report and has no further comments to make.

5.3 Comment from the Equalities Officer: The Equality officer has been consulted as part of the preparation of this report and has no further comment to add other than to remind members that in discharging their responsibilities they are required to comply with the public sector equality duty as set out in section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15>.

6. Appendices

Appendix 1 – Budget for 2013/14 and Medium Term Financial Plan 2013/13-2015/16

7. Background Papers

Delivering Effective Services – Shaping the Future of the District (Council 3 Nov 2010)