
Subject:	COUNCIL BUDGET 2014/15 AND MEDIUM TERM FINANCIAL PLAN 2014/15 – 2016/17
Meeting and Date:	Cabinet – 3 March 2014 Council – 5 March 2014
Report of:	Mike Davis, Director of Finance, Housing and 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 2014/15 budget and the Medium Term Financial Plan (MTFP) for 2014/15 – 2016/17.

Recommendation: It is recommended that Cabinet:

- Approve the grants to other organisations as set out in Annex 11 subject to Council approving the 2014/15 budget;
- Approve the various Cabinet recommendations produced at the end of the sections within the attached budget and MTFP, and summarised in Annex 14 to Appendix 1.

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 MTFP be approved;
- To note that it is the view of the Director of Finance, Housing & Community (Section 151 Officer) 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;
- That the various Council recommendations at the end of the sections within the attached budget and MTFP, and summarised in Annex 14 to Appendix 1, are approved.

1. Summary

1.1 This report has been produced to seek approval for the 2014/15 budget and the MTFP for 2014/15 – 2016/17.

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 14.

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 MTFP 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 2013/14 was £167.49 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 indications from Government regarding capping and the current economic climate, it is proposed to freeze Council Tax for the 2014/15 budget. The MTFP assumes a further freeze in 2015/16 followed by increases of 1.99% for future years. These increases are unlikely to change DDC's position in relation to other authorities.

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 2015/16 and 2016/17.

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 the General Fund forecasts for 2013/14 and 2014/15 have been updated to reflect changes identified during completion of the 2014/15 NDR1 Return. These changes were briefed to Scrutiny on 11 February 2014 and are included in the General Fund section and associated Annexes.

2.10 Other amendments made to the report include:

- All precepts have been received and the 2014/15 Council Tax Resolution has been completed and included;
- The Treasury Management Strategy has been included; and
- 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 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 high level of Council Tax was proposed, or how any proposals to reduce the level would be financed in 2014/15 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 and has no further comment to make.

5.3 Comment from the Equalities Officer: The Equality officer has been consulted during the development of this report and has no further comments to make 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 2014/15 and Medium Term Financial Plan 2014/15-2016/17

7. **Background Papers**

Council Budget 2014/15 and Medium Term Financial Plan 2014/15 – 2016/17
(Cabinet 3 Feb 2014)

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

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