



**REPORT OF:** Chief Executive  
**TO:** Council Forum  
**ON:** 1<sup>st</sup> November 2012

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**SUBJECT: BUDGET STRATEGY 2013/15 – PROPOSED TIMETABLE UPDATE**

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### 1. PURPOSE OF THE REPORT

This report provides updated proposals, as agreed for recommendation to Council by the Executive Board on 11<sup>th</sup> October 2012, for the timetable for the budget strategy 2013/15 previously agreed at Council Forum on 28<sup>th</sup> June 2012.

### 2. RECOMMENDATIONS

Council Forum is recommended to:

1. Note that the Medium Term Financial Strategy (MTFS) approved by Finance Council in March 2012 for the period 2013/14 to 2014/15 included a worst case scenario forecast of a £27M funding gap for the Council by 2014/15.
2. Note that the Chancellor is only expected to make his Autumn Statement on 5<sup>th</sup> December 2012.
3. Note that there is no clear date announced yet for the publication of the local government finance settlement for 2013/14 and no clarity yet as to whether this will be a single or multi-year settlement.
4. Note that the baseline funding allocation for 2013/14 for the transfer of public health responsibilities is anticipated before the end of the calendar year.
5. Note that this Council must approve a local council tax support scheme for 2013/14 by 31<sup>st</sup> January 2013.
6. Agree to:
  - a. the removal of the special Budget Council meeting currently planned for 6<sup>th</sup> December 2012
  - b. including a budget report within the Council Forum meeting on 31<sup>st</sup> January 2013
7. Note, subject to 6 above, the proposed 2013/14 budget, MTFS and associated level of Council Tax will be reported for agreement to Finance Council on 4<sup>th</sup> March 2013.

### 3. BACKGROUND

At its meeting on 28<sup>th</sup> June 2012, Council Forum agreed a revised date for Policy Council and the addition of a further budget Council meeting in December 2012 in advance of agreeing the new local council tax support scheme by 31<sup>st</sup> January 2013

and setting a budget and associated level of Council Tax for 2013/14 at Finance Council on 4<sup>th</sup> March 2013.

The Comprehensive Spending Review (CSR) published in October 2010, covered the four year period 2011-15, although detailed local government finance settlements were subsequently only provided for 2011/12 and 2012/13. There is no clear date yet as to when we will receive details of the settlement for 2013/14 and whether this will also provide information for 2014/15.

Based on information contained within CSR'10, updated for any subsequent national budget announcements, the MTFs 2013-15 approved at Finance Council in March 2012, included a worst case financial forecast of a budget gap of up to £27M by 2014/15. This represents around 20% of current portfolio cash limited budgets.

Given the potential severity of further cuts, and the need to set clear priorities for the years ahead, Council Forum agreed to bring forward Policy Council from December to August 2012 to agree a new Corporate Plan, and also agreed to an additional budget Council meeting in December 2012 to agree early budget decisions for 2013/14, where possible and appropriate.

At that time, there was no clarity over the timing of any national budget or funding announcements. It has now been stated that the Chancellor's Autumn Statement is only expected to be delivered on 5<sup>th</sup> December 2012, somewhat later than in previous years, and consequently CLG have advised that the local government finance settlement is expected to be announced in late December.

The Government's significant reform programmes, covering welfare, education, health, including the transfer of some public health responsibilities, and local government finance, including business rates, will all have impact on Council funding and services and details are not yet finalised.

Therefore, it no longer seems appropriate to have a Budget Council meeting as currently planned on 6<sup>th</sup> December. Given that Council needs to approve the new local council tax support scheme for April 2013 by 31<sup>st</sup> January 2013, and there is a scheduled Council Forum meeting on that date, it would now seem more appropriate to include any budget reports within that Council Forum meeting rather than schedule a further Council meeting.

Finance Council will still meet on 4<sup>th</sup> March 2013 to agree the balanced revenue budget and capital programme for 2013/14, the updated MTFs and the level of Council Tax for 2013/14.

#### **4. RATIONALE**

Since agreeing revised dates, further information has emerged on national government timescales for releasing information on budgets and local government finance settlement data which necessitate a change to the planned timeline.

#### **5. POLICY IMPLICATIONS**

The Council is required to agree a new local council tax support scheme, set a balanced budget and level of Council Tax for 2013/14.

The detailed budget should be based on ensuring delivery of statutory services and delivering the priorities set out in the corporate plan.

## **6. FINANCIAL IMPLICATIONS**

The MTFS agreed at Finance Council on 4<sup>th</sup> March 2012 included a worst case scenario forecast of a budget gap of £27M by 2014/15. This report revises the timetable for developing and adopting the Council's budget strategy for 2013/15, which will be driven by resource allocations and the policy context and priorities within the corporate plan for 2012-15.

## **7. LEGAL IMPLICATIONS**

The Council is required to prepare and approve a balanced budget and medium term financial forecast each year. The Council is also required to agree a new local council tax support scheme to be introduced from 1<sup>st</sup> April 2013 following the abolition of Council Tax Benefit.

The Welfare Reform Act 2012 received Royal Assent on 8<sup>th</sup> March 2012. The Act will have implications for local residents and local authorities. From 1<sup>st</sup> April 2013 the Council will have responsibilities for public health under the Health and Social Care Act 2012. The Council will need to consider these new responsibilities in setting its budget.

## **8. RESOURCE IMPLICATIONS**

This report revises the timetable for agreeing the budget strategy for 2013/15. There are likely to be implications for all of the Council's services and resources and the budget reports leading to the decisions to be made at Finance Council on 4<sup>th</sup> March 2013 will capture these implications. The budget process requires considerable resources from Executive Members and Chief Officers, all Council service departments and from the Finance Department.

## **9. EQUALITY IMPLICATIONS**

An equality impact assessment is not applicable for this report as this simply revises the timetable for the budget strategy 2013/15. Equality impact assessments will be undertaken for the budget strategy to ensure that any implications are identified and addressed accordingly.

## **10. CONSULTATIONS**

Executive Board has been consulted and recommended this approach to Council.

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DATE: 23<sup>rd</sup> October 2012  
BACKGROUND PAPER: Executive Board report 11<sup>th</sup> October 2012