

BRECKLAND COUNCIL

Report of: Michael Wassell, Executive Member for Finance and Democratic Services

To: Cabinet: 12 February 2013
Council: 28 February 2013

(Author: Mark Finch, Assistant Director Finance)

Subject: Budget, Financial Medium Term Plan and Capital Strategy

Purpose: To consider the capital & revenue budget estimates, the financial medium term plan and the capital strategy and recommend approval to Full Council

Recommendation(s):

1. That the Breckland revenue estimates and parish special expenses for 2013-14 and outline position through to 2017-18 are recommended to Full Council as set out in either:
 - a) **appendix B1** (13-14 council tax freeze)
 - b) **appendix B2** (13-14 council tax rise of 2%)
 - c) **appendix B3** (13-14 council tax rise of £4.98)
2. That the capital estimates and associated funding for 2013-14 and outline position through to 2017-18 (set out in **appendix H**) are recommended to Full Council
3. That the revised capital estimates and associated funding for 2012-13 (set out in **appendix H**) are recommended to Full Council
4. That the fees and charges shown at **appendix D & D2**, for adoption 1 April 2013, are recommended to Full Council
5. Recommend to Full Council that Council Tax for a Band D property in 2013 is set at either:
 - a) £64.05 (as set out in **appendix B1**)
 - b) £65.33 (as set out in **appendix B2**)
 - c) £69.03 (as set out in **appendix B3**)
6. That the Financial Medium Term Plan at **appendix A** is recommended to Full Council
7. That the Capital Strategy at **appendix G** is recommended to Full Council

1. BACKGROUND

The appendices to this report outline the 2013-14 revenue and capital estimates for the General Fund, the proposals for the setting of discretionary fees and charges, the outline financial position through to 2017-18, the financial Medium Term Plan and the Capital Strategy.

The Local Government Act 2003 introduced a requirement that the Chief Financial Officer reports on the robustness of the budget. The estimates have been prepared in a prudent manner, although it should be recognised that there are a number of elements outside of the Council's control and these are identified within section 15 of **appendix A** and would be mitigated through the budgeting monitoring and risk management processes of the Council.

The financial medium term plan sets out the framework within which the budget is to be set to ensure that it enables the Council to achieve its own corporate objectives. The capital strategy sets out the framework for the capital budget setting.

There are three alternative options provided for the council tax setting (recommendations 1 & 5) and the effects of these are detailed in the tables below:

Option a – Freeze council tax for 13-14 and rise by 2% in future years

	13-14 £'000	14-15 £'000	15-16 £'000	16-17 £'000	17-18 £'000
In year (Contingency) /Shortfall	(146)	1,320	717	659	82
Cumulative (Contingency) /Shortfall	(146)	1,174	1,891	2,550	2,632
Band D Council Tax	£64.05	£65.33	£66.64	£67.97	£69.33
Weekly Band D Council Tax	£1.23	£1.26	£1.28	£1.31	£1.33

Option b – Raise council tax by 2% every year

	13-14 £'000	14-15 £'000	15-16 £'000	16-17 £'000	17-18 £'000
In year (Contingency) /Shortfall	(165)	1,299	687	657	81
Cumulative (Contingency) /Shortfall	(165)	1,134	1,821	2,478	2,559
Band D Council Tax	£65.33	£66.64	£67.97	£69.33	£70.72
Weekly Band D Council Tax	£1.26	£1.28	£1.31	£1.33	£1.36

Option c – Raise council tax by £4.98 in 13-14 and by 2% in future years

	13-14 £'000	14-15 £'000	15-16 £'000	16-17 £'000	17-18 £'000
In year (Contingency) /Shortfall	(304)	1,156	682	653	76
Cumulative (Contingency) /Shortfall	(304)	852	1,534	2,187	2,263
Band D Council Tax	£69.03	£70.41	£71.82	£73.26	£74.72
Weekly Band D Council Tax	£1.33	£1.35	£1.38	£1.41	£1.44

Following the decision of option a, b or c, the amounts in **appendix A** will be updated for the published version on the website and the appropriate **appendix B** will be included.

2. OPTIONS

There are three alternative options available for recommendations 1 and 5:

- a) Freeze the council tax for 2013-14
- b) Apply a 2% rise to the council tax for 2013-14
- c) Apply the maximum £4.98 rise for 2013-14

In addition, Cabinet are able to make amendments before recommendation to Full Council.

3. REASONS FOR RECOMMENDATION(S)

To comply with the budgetary and policy framework

4. EXPECTED BENEFITS AND TIMELINES

To set an affordable and balanced budget for 13-14

5. IMPLICATIONS

5.1 **Carbon Footprint & Environmental Issues** - None

5.2 **Constitution & Legal** - None

5.3 **Contracts** - None

5.4 **Corporate Plan** - None

- 5.5 **Crime and Disorder** - None
- 5.6 **Equality and Diversity & Human Rights** - None
- 5.7 **Financial** – The report is of a financial nature and financial implications are covered within the report
- 5.8 **Risk Management** – I have completed the Risk Management questionnaire and can confirm that risks have been given careful consideration and that these have been reported within the report appendices
- 5.9 **Staffing** - None
- 5.10 **Stakeholders / Consultation** – Included within the report appendices
- 5.11 **Other** - None
- 6. WARDS/COMMUNITIES AFFECTED** - All
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Background papers:-

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Key Decision – Yes

This is a key decision and is included on the Forward Plan

Appendices attached to this report:

Appendix A – Budget estimates and financial medium term plan

Appendix B1, B2 & B3 – General Fund Summary

Appendix C – Tax base

Appendix D & D2 – Fees and charges

Appendix E – Reserves

Appendix F - Sensitivities

Appendix G – Capital strategy

Appendix H – Capital estimates

Appendix I – “Could We, Should We”

Appendix J – “Could We, Should We” - Car Park Feasibility Study