

**Update - Medium Term Financial Strategy Projections 2013/14 to 2016/17 and Revenue Budget Proposals for 2013/14****EXECUTIVE MEMBER:**

Councillor Gillian Troughton

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**SUMMARY**

This report provides Executive members with the updated projections on the Medium Term Financial Strategy and Revenue Budget Proposals for 2013/14, following the details of the Government settlement for 2013/14, which were received 19 December 2012.

We have a statutory duty to consult every year with local businesses on the budget and this helps inform decisions made on the council's budget and corporate plan. This report therefore seeks approval from the Executive for the budget proposals to be consulted upon under Statutory Instrument 1992 No.3171).

Following this consultation and further consideration these final proposals will be presented to Executive at its meeting on 12<sup>th</sup> February 2013, for recommendation to Council for approval of the budget on 21 February 2013.

**RECOMMENDATION:**

It is recommended that Executive considers the following issues in this report for the purpose of agreeing a draft budget for consultation purposes as follows:

- (i) Note the total settlement figure received from government on 19<sup>th</sup> December of £5,515m
- (ii) Note the guaranteed cash receipt element of this settlement is £3.312m and the risk associated with the remaining £2.203m as detailed in paragraph 5.2
- (iii) Agree the revised budget setting timetable and contingency special council meeting for council tax should parish councils be unable to meet the original deadlines.
- (iv) Approve the use of the New Homes Bonus to support existing Council services, see paragraph 1.6
- (v) Approve the detailed saving proposals set out in Appendix A, which seeks to balance the council's budget and address the 2013/14 budget shortfall as detailed in paragraph 4.1.
- (vi) Agree the use of £175k of unallocated general fund balance, as detailed in Unallocated and Risk Based General Fund Balances report presented elsewhere on this agenda, to be used to fund the 2013/14 budget shortfall in supporting general expenditure as detailed in paragraph 4.1.

- (vii) Approve the use of £132k from Earmarked Reserves, as detailed in Earmarked Reserves report presented elsewhere on this agenda.
- (viii) Approve the working MTFS assumptions set out in paragraph 3 including the assumption that the council will not accept the Council Tax freeze grant of 1% from government, and will instead seek a raise in council tax of 1.9% as detailed in paragraph 3.4.
- (ix) Agree the content of this report, and others on this agenda, will form the basis of the statutory budget consultation (under Statutory Instrument 1992 No.3171) under which the council is required to consult business ratepayers or business representatives on proposed spending.

## **1. INTRODUCTION**

- 1.1. The Government has proposed changes to the system of Local Government Finance which are the biggest changes that have been seen for many years. The changes are set out in the Local Government Finance Act 2012 which received Royal Assent on 31<sup>st</sup> October 2012. The legislation includes significant changes to the existing Business Rates system and Council Tax Benefit schemes. Both of these schemes which will become 'localised' and by doing so, the financial risk attached to the schemes has been significantly transferred from Central Government to Local Government.
- 1.2. Council on 6<sup>th</sup> December considered a report on the implications of the delays on the budget timetable for 2013/14 and agreed revised budget dates which are set out in paragraph 2 below.
- 1.3. In addition to these changes, there has been continuing uncertainty over the national economic position and the Government's Autumn Statement on 5<sup>th</sup> December was followed by detailed information for Copeland Borough Council received on 19<sup>th</sup> December.
- 1.4. Copeland's total grant settlement is £5,515k for 2013/14 however as there has been a fundamental change to the way the settlement has been worked out and presented and amounts are in different categories it is not easy to make like-for-like comparisons with previous years.
- 1.5. Based on our MTFS assumptions as revised in October 2012 (ahead of the settlement figure receipt) and we are £424k worse off (gap revised to £1,511k in October 2012 against gap of £1,935 in January 2013). This £1.9m gap is on top of the substantial savings that have been made in the previous two years.

**Table 1 – Government Settlement figure 2013/14**

	£'000s
<b>Total Settlement Received</b>	<b>5,515</b>
Guaranteed element – Revenue Support Grant	3,312
Not Guaranteed element – Baseline Need	2,203

The £5,515k figure includes £634k Council Tax support (being 90% of spend) which needs to be removed when comparing to previous years and a number of other elements that have previously been quoted separately, see Table 2 below for year on year comparison of funding:

**Table 2 – Year on Year Comparison Table**

	2013/14	2012/13	2011/12
	£'000s	£'000s	£'000s
Total settlement (detailed above)	<b>5,515</b>	-	-
RSG	-	5,000	5,660
Transitional Grant	-	327	611
Council Tax Freeze Grant	In above	200	100
90% Council tax support	-634	-	-
<b>Total Comparable Settlement Received</b>	<b>4,881</b>	<b>5,527</b>	<b>6,371</b>

\* Note PFI payment of £837k has been excluded from all years.

- 1.6 The New Homes Bonus is a grant paid by central government for increasing the number of homes and their use. The New Homes Bonus is paid each year for 6 years. It's based on the amount of extra Council Tax revenue raised for new build homes, conversions and long-term empty homes brought back into use. There is also an extra payment for providing affordable homes. This money recognises the additional burden that new homes and residents will place on existing services and as it is not ring fenced it is therefore proposed to use this funding to support the Council's existing services.

## **2 BUDGET PROCESS 2013/14**

- 2.1 As previously stated, the Government announcement on the grant settlement was 19<sup>th</sup> December. Copeland Borough Council was originally planning to approve its draft Budget proposals, for the statutory consultation with business under Statutory Instrument 1992 No.3171, in December and it became clear due to delays in

announcements that this would not be possible if the proposals were to include the impact of the grant settlement.

- 2.2 Due to the fact that the impact of the settlement could have been very significant, Council on 6<sup>th</sup> December approved that the Executive budget meeting be deferred until 9<sup>th</sup> January 2013. This in turn meant that a 6 week statutory consultation period in line with the Constitution would not have been possible if we were to continue with the target date of 21<sup>st</sup> February to set the Budget and Council Tax.
- 2.3 A revision to the Constitution was therefore approved by Council on 6<sup>th</sup> December 2012 to change the period to between 4 and 6 weeks, which will allow flexibility in future years should the same situation be encountered. The statutory budget consultation is under as a statutory duty (under Statutory Instrument 1992 No.3171) where we need to consult business ratepayers or business representatives on proposed spending.
- 2.4 A separate consultation has been carried out on the proposed service changes to meet the budget deficit and this closed on 7<sup>th</sup> December.
- 2.5 Given the above, the revised budget timetable, incorporating a **4 week** consultation, was therefore established:

**Table 3 – Revised Timetable 2013/14**

Date	Detail	Comment
5 <sup>th</sup> Dec	Government's Autumn Statement	
7 <sup>th</sup> Dec	Consultation on CBC proposed budget savings closes	
18 <sup>th</sup> Dec	Executive consider the consultation outcomes and high level budget analysis	Original date of publication of draft budget proposals
19 <sup>th</sup> Dec	Anticipated backstop date of the individual authority grant settlement figures	Indicative date – no formal announcements received
9th Jan 2013	Special Executive arranged to consider the draft budget proposals	
10th Jan for 4 weeks	<b>Four week</b> statutory consultation period ending on 7 <sup>th</sup> February. (Previous 6 week consultation was scheduled to finish on 30 <sup>th</sup> January)	Currently the constitution lays down a six week consultation period and Council will need to agree changes to the constitution
17 <sup>th</sup> Jan	OSC to review proposals as part of consultation process	
22 <sup>nd</sup> Jan	Special Council to be arranged to approve the final LSCT scheme, Council Tax Technical changes and Council Tax Base following receipt of Government Regulations.	
31 <sup>st</sup> Jan	Final Date for setting the Council Tax Base	Decision delegated to S151 officer

		and Portfolio Holder
12 <sup>th</sup> Feb	Executive consider consultation outcome and make final budget proposals to Council. (NB. Consultation ends on 7 <sup>th</sup> Feb and so some comments may need to be tabled)	The Executive on 1 <sup>st</sup> February will not be required due to changed consultation period.
21 <sup>st</sup> Feb	Council approve Budget and Council Tax for 2013/14. Council Tax Setting may be delayed if Parish Precepts not received in time.	
TBD	<b>Possible</b> Council special meeting to set the council tax	Contingency if the parishes are unable to meet original deadline

- 2.6 Since the above timetable was approved on 6<sup>th</sup> December, a further government announcement has been made which will mean that Parish Councils will be affected by the new Localised Scheme for Council Tax Support, which will be submitted to Council for final approval on 22<sup>nd</sup> January. There was the possibility that Parishes may also have been brought into the Council Tax Capping regime, however it has since been confirmed that Parishes will be excluded from this. Because of this uncertainty, Parish Councils had indicated they may not be in a position to provide CBC with their precept demands until February.
- 2.7 We will continue to work with the Parishes to assist them in providing the information as soon as possible, but clearly if there is a delay until February in receiving their precepts then the Council Tax setting may not be able to take place at the same time as Copeland Borough Council sets its budget on 21<sup>st</sup> February. This may therefore require an additional Council meeting in early March. (NB. Final date for setting the Council Tax is 11<sup>th</sup> March each year).

### 3. MEDIUM TERM FINANCIAL STRATEGY - PROJECTIONS TO 2015/16

- 3.1 The proposals for the Budget for 2013/14 have been prepared in accordance with the Council's existing Medium Term Financial Strategy (MTFS) agreed by Council in February 2012 and updated in reports to the Executive in October 2012.
- 3.2 The Council has been aware of the need to significantly reduce its costs since the 2010/11 budget report was approved by Council on 2 March 2010. The 2010 Comprehensive Spending Review announced later that year proved to be the toughest on record with the grant settlement for local government being particularly severe and resulting in savings being required from the Council's on-going base budgets estimated at c. £4.5m over a four year period as shown above. This equated to a reduction of over 30% of the Council's base budget and presents a significant challenge to the authority in maintaining services in the light of the unprecedented cuts in funding.

- 3.3 The recent announcement from the Government in the December 2012 Autumn Statement, and the settlement figure for 2013/14 only, received on 19 December, shows that the level of cuts are set to continue for the period of the next MTFS and beyond.
- 3.4 A considerable amount of work has been carried out each year on a continuing basis to enable the Council to continue to set a balanced budget as required by legislation whilst meeting its statutory duties.
- 3.5 The MTFS projections are based on broad assumptions and members are asked to confirm these amended assumptions for the purpose of setting the budget for 2013/14:

Inflation:

- 1% increase proposal for 2013/14 – in each of the previous 2 years this was included at zero. The cost of the 1% provision is estimated as £65,000, it is however unrealistic to assume that with RPI at 2.6% at September 2012 and at 5.6% at September 2011 that current supplies and services budgets can sustain a real term cut.
- 1% increase on general inflation for 2014/15
- 2% increase on general inflation for 2015/16 onwards
- 5% average on Contracts (as set out in individual contracts)

Salaries:

- 1% proposal for 2013/14. To meet the expected national pay award.
- 1% for 2014/15 to 2016/17. To meet the expected national pay award  
(N.B. Each 1% addition on salaries equates to c. £80,000)

Pensions Contributions:

- Current contribution rate 20.1%
- The next revaluation is effective from 2014/15. **No increase** has been assumed for now pending the Government's pension proposals being finalised. Members approved an increase in the risk based reserve to £160k for pensions following the Review of Reserves report received from Head of Corporate Resources in December 2012.

Treasury Management:

- 1.25% assumed for 2013/14 financial year and for period of current MTFS

Council Tax Projections:

- Assumed at 1.9% for 2013/14 and 2014/15 onwards for forward planning purposes only. Originally the MTFS projections contained projected increases of 2.5% over the period of the MTFS but this has been amended as the 'capping' limit for excessive

Council Tax rises has recently been set by the Government at 2%. Anything above 2% will trigger a referendum.

- The Government have offered a Council Tax freeze grant for 2013/14 funded at the level of a 1% for a two year period. As in previous years this offer does not equate to an on-going offer of funding and after the two year period the funding will drop out, leaving the Council to find the balance from other sources. For information each 1% increase in Council Tax equates to C £40,000.
- The impact of 1.9% increase on Band D and Band B (highest number of properties in borough) are detailed below:

<b>Band D – currently £180.27 p.a.</b>	<b>£183.70</b>
Annual increase - Council Tax	£3.43
Cost per week	£0.07
Cost per instalment	£0.34
<b>Band B – currently £140.21 p.a. (7/9).</b>	<b>£142.87</b>
Annual increase - Council Tax	£2.66
Cost per week	£0.05
Cost per instalment	£0.27

Income:

- Increases in fees and charges are being proposed on a service-by-service basis and were included in the information that went out for public consultation.

Government Settlement:

- Original MTFS in February 2012 assumed a level of funding as 2013/14 settlement was not then known. The 2013/14 & 2014/15 settlement figures have since been received on 19 December 2012. A 2% reduction on 2014/15 levels has been applied to 2015/16 and 2016/17 as was indicated in the Chancellor's Autumn Statement.

- 3.6 The **original** budget deficit projections set out in the MTFS approved in February 2012 were as set out below in Table 4, along with the currently anticipated deficit taking into account information known to date and the assumptions set out above:

**Table 4 – Revised Projections 2012/13-2016/17**

Year	MTFS Projections <b>February 2012 £000</b>	<i>Updated Projections October 2012 £000</i>	Current Projections <b>January 2013 £000</b>
2012/13	<b>1,817</b>	-	-
2013/14	<b>1,045</b>	<b>1,511</b>	<b>1,935</b>
2014/15	<b>608</b>	<b>520</b>	<b>751</b>
2015/16	<b>410</b>	<b>429</b>	<b>358</b>
2016/17			<b>335</b>
<b>Total Projected Deficit</b>	<b>3,880</b>	<b>2,460</b>	<b>3,379</b>

- 3.7 Table 5 over page details the original 2013/14 budget as projected in February 2012 and the latest revision:

**Table 5 – Detailed Revised Projections 2013/14**

	<b>2013/14 original</b>	<b>2013/14 Current revision</b>
	£	£
<b>Base budget</b>		
Add on 'gap' from 12/13	10,614,861	10,614,861
<b>Budget Reductions</b>		
Savings not ongoing into later years	42,000	247,000
<b>Budget Increases</b>		
Salary Movements	177,000	160,000
Identified Spending Pressures	11,500	700,500
Contractual increases for inflation	206,372	153,287
<b>Settlement Update:</b>		
Council Tax Support 90% (spend) – note 10% our costs in as net £80K)		634,000
Grant re-disbursement		1,000
Homelessness grant removed from baseline as included in settlement figure below		36,050
Original New Homes bonus projection removed from baseline as included in settlement figure below		15,000
<b>Funding from Reserves</b>	11,051,733	12,610,698
Earmarked Reserves	84,000	132,000
<b>Total Spending</b>	11,135,733	12,742,698
Rounded Total Spending (£'000)	11,135	12,743
<b>FUNDING</b>		
RSG/NNDR	4,955	
<b>Now Split:</b>		
RSG		3,312
<b>Baseline Need</b>		2,203
<b>New Homes Bonus</b>		217
PFI Grant	837	837
Council Tax	4,114	4,090
Additional grant 1 year only c tax scheme adoption		17
<b>Council Tax "Freeze" Grant (now in settlement fig above)</b>	100	
Earmarked Reserves	84	132
	10,090	10,808
<b>Shortfall</b>	<b>1,045</b>	<b>1,935</b>

- 3.8 The main reasons for the movement between the original February 2012 projections and the current projections as at January 2013 being: -

- **Gap**

Original MTFS in February 2012 - £0 Revised Revenue Budget January 2013 - £49k  
The 2012/13 budget proposals identified savings which included £330k on savings review, £100k from vacancy management and £250k from the middle management review. At the commencement of the year £241.5k of management review had been achieved leaving a residual £8.5k and £430k to be made. Service changes totalling £390k have been made in year leaving £48.5k of the original plan still to be identified. See table below:

£	
330	Saving review saving to be made
100	Vacancy management saving to be made
8.5	Management Review (residual )
<b>438.5</b>	
	Less:
-80	1% pay award allocated but not required
-86	Waste and open Spaces Restructure FYE
-120	Round Restructure FYE
-64	Housing Restructure FYE
-40	Net Director Saving
<b>48.5</b>	'Gap'

- **Savings options proposed in 2012/13 which are not on-going into later years**

Original MTFS in February 2012 - £42k Revised Revenue Budget January 2013 - £250k.

The 2012/13 budget proposals identified

- potential savings on various contracts, whilst some progress has been made and the authority has benefitted from a number of one off windfall receipts in the current year it is now clear that permanent reductions in these areas will not be realised, this partly due to the inflation assumptions at zero and partly due to market conditions.
- contract savings from NCL not yet permanently negotiated.
- possible increases income which have not been achieved due to market conditions and changes in arrangements for e.g. grass cutting:

£	
<b>42</b>	In original MTFS
75	Permanent Saving on PFI contract (whilst one off windfall saving was made on insurance this is applicable to 2013/14 only)
25	Saving on vehicles contract not made – the increase in inflation
25	Saving on contracts (general) not made
50	Saving on NCL estimated not made (saved £50k of £100K target)
40	Loss of contract income from CCC (grass cutting)
15	Additional income car parks not realised
-25	Additional income expected from Treasury Management (based on one good deal but with market rates now reduced)
<b>247</b>	Savings not on-going

- **Salary Movements - Original**

Original MTFS in February 2012 -£177k Revised Revenue Budget January 2013- £160k

Slight decrease due to updated increments expected. **Members are asked to note that work on the establishment is currently underway and the February report will contain updated figures.**

- **Identified Spending Pressures**

Original MTFS in February 2012 -£11.5k Revised Revenue Budget January 2013- £700.5K

This increase is primarily due to pressures that have been reported during the year through budget monitoring or where government and legislative changes have resulted in cost pressures :

£	
11.5	In original MTFS
340	Loss of recycling credits from CCC
40	Estimate of deficit on implementation of LCTS
50	Contribution to Reserve and payment of 50% of mercury abatement to government (TMAX)
60	Requirement in base budget for IT services due in part to Microsoft charges increasing by 36%.
10	Adoption of living wage (CBC staff only)
52	Loss of Housing Benefit Admin subsidy
30	Additional cost for 'sweepings' disposal
35	Increase in property maintenance
10	Contribution to district council elections reserve
7	Contribution to PFI reserve
55	Contractual increase on RBS
700.5	

- **Contractual increases for inflation**

Original MTFS in February 2012- £206K, Revised Revenue Budget January 2013- £153K

Small increase in budget required to ensure all contractual inflation is met, then reduced from 2% in MTFS to 1% (c.£65k reduction)

- **Council Tax**

The MTFS assumed a rise of 2.5% each year. The current revenue budget has adjusted this to 1.9% as the government has set the cap on Council tax at 2%. This results in an addition pressure circa £20k. Should Council opt to accept the council tax freeze grant at 1% this would result in a further pressure of approximately £40k.

- **Government Settlement**

Original MTFS in February 2012 assumed a level of funding as the 2013/14 settlement was not then known. The 2013/14 & 2014/15 settlement figures have since been received, on 19 December 2012. Copeland's total grant settlement is £5,515k for 2013/14 (see Table 1 , paragraph 1.3) however as there has been a fundamental change to the way the settlement has been worked out and presented with amounts being included in different categories it is not easy to make like-for-like comparisons with previous years. As a number of other grants are now included in the £5,515k it has been necessary to show adjustments on the face of the MTFS to ensure that both expenditure and income are fully recognised, these figures are under the heading 'Settlement update'.

3.9 Impact of settlement and other changes on 4 year MTFS projections now stand at:

**Table 6 – Detailed Revised Projections 2013/14-2016/17**

	2013/14 Current revision	2014/15 revised	2015/16 revised	2016/17
	£	£	£	£
<b>Base budget</b>	10,614,861	12,610,698	12,893,985	13,331,272
Add on 'gap' from 12/13	49,000			
<b>Budget Reductions</b>				
Savings not on-going into later years	247,000	1,000		
<b>Budget Increases</b>				
Salary and Contribution costs	160,000	116,000	200,000	200,000
Identified Spending Pressures	700,500	0		0
Contractual increases for inflation	153,287	166,287	237,287	216,000
<b>Settlement update</b>				
Council tax support 90% (spend) - note 10% our cost in as net £80k)	634,000			
Grant re-disbursement	1,000			
Homelessness grant removed from baseline as included in settlement figure below	36,050			
Original New Homes bonus projection removed from baseline as included in settlement figure below	15,000			
	12,610,698	12,893,985	13,331,272	13,747,272
<b>Funding from Reserves</b>				
Earmarked Reserves	132,000	104,000	54,000	34,000
<b>Total Spending</b>	12,742,698	12,997,985	13,385,272	13,781,272
Rounded Total Spending (£'000)	12,743	12,998	13,385	13,781
<b>FUNDING NOW SPLIT</b>				
<b>RSG</b>	3,312	4,802	4,802	4,802
<b>Baseline need</b>	2,203			
<b>New homes bonus</b>	217	401	401	401
PFI Grant	837	837	837	837
Council Tax	4090	4,168	4,247	4,328
Additional grant 1 year only c tax scheme adoption	17			
Earmarked Reserves	132	104	54	34
	10,808	10,312	10,341	10,402
<b>Shortfall</b>	1,935	2,686	3,044	3,379

#### **4. SERVICE REVIEW AND BUDGET CONSULTATION 2013/14**

- 4.1 A full consultation exercise on the Service Review options has recently been undertaken and a summary of savings consulted on are as summarised in Appendix A. The total of £1.76m in 2013/14 will be needed to reduce the £1.9m gap to £175k. This remaining gap could be bridged in 2013/14 by the utilisation of £175k from the unallocated general fund. This would allow for the successful management and implementation of the service changes and provide capacity for planning for the 2014/15 phases of the transformation programme.

**Table 7 – Funding of Budget Shortfall 2013/14**

	<b>£000's</b>
Shortfall (in Table 6)	<b>1,935</b>
Funded by:	
Service Review (Appendix A)	1,760
Unallocated General Fund Balance	175
	<b>1,935</b>

- 4.2 Members are asked to consider the report on the public consultation and any changes required to the service change programme in light of the feedback and the latest financial settlement.
- 4.3 Once the draft budget proposals have been approved by Executive at this meeting, this will be subject to a further statutory budget consultation which will run for four weeks from 10<sup>th</sup> January to 7<sup>th</sup> February 2013.

#### **5. RISKS**

- 5.1 There are always risks associated with setting a budget as many budget assumptions can change if forecasts used in the process prove to be inaccurate. This year the budget process has proved particularly challenging not only because of the scale of the cuts but also that key information from the Government was delayed.
- 5.2 The settlement from Government of £5.515m includes a guaranteed is made up of £3,312m (Revenue Support Grant) and £2.203m (Baseline Needs Grant). The Revenue Support Grant is a guaranteed cash receipt, but the receipt of Baseline Needs funding is dependent upon the collection of NNDR £15.891m (of which we retain £2.203m), should we fail to collect at this level the level of cash receipt will differ from that included in the MTFS projections, subject to a national safety net.
- 5.3 The settlement figures for 2014/15 onwards have been included as per the CLG website at £4,802k with future years assuming a 2% reduction on 2014/15 level, as indicated in the Chancellor's autumn statement, in the MTFS projections.

- 5.4 Electricity North West has indicated to other district councils within Cumbria including Eden that current footpath lights are unusable and will need to be replaced. This council has an estimated 200 lights that may require replacement / charges from NW Electricity so costs could be considerable. Further information is being sought but figures per light vary from £600 - £3,600.
- 5.5 There is also a possible issue which we have been informed of today 4<sup>th</sup> January relating to the financing of Discretionary Housing Payments (DHPs) which provide customers with further financial assistance when a local authority (LA) considers that help with housing costs is needed. The expectation is that requests for DHP's will increase next year due to the Welfare Reform changes and as a result, we will need to determine the councils policy and position on offering support where appropriate and that may need to be up to the level of the Overall Limit. For CBC this would be in the order of an additional £140,000 in 2013/14. Further work is being commissioned on this issue.
- 5.6 As set out in a separate report, the Council holds a risk-based reserve of £2.18m, with an unallocated general fund balance of £345k. As stated in paragraph 4.1 above £175K of the unallocated general fund will need to be utilised to balance the budget once the savings identified and consulted upon have been actioned.

## **6 REPORT OF THE HEAD OF CORPORATE RESOURCES**

- 6.1 In setting the budget requirement in February 2013, the Council is required under Section 25 of the Local Government Act 2003 to consider the formal advice of the statutory s151 responsible officer, the Head of Corporate Resources, on the robustness of the estimates included in the budget and adequacy of reserves. In a report to Executive on 18 December 2012, the Head of Corporate Resources recommended a level of £2,180,000 be set as the minimum level deemed acceptable for Council purposes.
- 6.2 If the balance on the General Fund is projected to fall below the recommended risk-based level, then priority will be placed on restoring the balance in subsequent budget and out-turn recommendations. Temporary dips below the target may be acceptable provided that the minimum amount is not likely to be breached and there is a robust plan to restore balances to the target level.

## **7 CONCLUSIONS**

- 7.1 The position of the budget and the MTFS projections as set out in this report outline the budget proposals for consideration for 2013/14 and once approved will form the basis for the statutory budget consultation. It also provides a forecast for a further 3 years to 2016/17.

- 7.2 The detailed budget proposals including the savings for 2013/14 will be represented to the Executive on 12<sup>th</sup> February 2013 to be recommended to Council for the setting of the budget on 21 February 2013.

**8. STATUTORY OFFICER COMMENTS**

- 8.1 The monitoring officers comments are: Within the limited time available for consultation, it appears that due process is being followed in terms of statutory and constitutional requirements.
- 8.2 The Section 151 Officers comments are: Included in the report
- 8.3 EIA Comments: There are no EIA impacts at this stage
- 8.4 Policy Framework:
- 8.5 Other consultee comments: the consultation process is set out in the report.

**9. HOW WILL THE PROPOSALS BE PROJECT MANAGED AND HOW ARE THE RISKS GOING TO BE MANAGED?**

- 9.1 The budget process is a high risk process which is project managed and monitored by CLT. The risks are contained in the Strategic Risk Register and will be monitored as part of that process.

**10. WHAT MEASURABLE OUTCOMES OR OUTPUTS WILL ARISE FROM THIS REPORT?**

- 12.1 The key measurable outcome is a balanced budget proposal for the Council for 2013/14, which will determine the manpower, financial and other resources it will have available to provide services for the year.

**List of Appendices**

Appendix A – Savings proposals for 2013/14

**List of Background Documents:**

LG Futures Analysis of Autumn Statement December 2012

LG Futures Report on Settlement

Public consultation document on savings proposals.

## Appendix A

### Transformation Programme: Savings Realisation

Project	Forecast	
	13/14	14/15
REDUCE grass cuts & maintenance - Cut pitches and provide goal posts only	14	14
REDUCE grass cuts	68	79
STOP flower displays & maintenance	56	75
STOP shrub beds-Remove 75% of shrub beds and reseed areas	0	16
REDUCE seasonal collection of green waste	41	41
STOP cardboard & plastic recycling	59.5	59.5
REDUCE allotments budget	2	2
STOP subscriptions	10	10
STOP Copeland Matters	16	16
REDUCE Civic Hospitality	9	9
STOP funding JNFs	14	14
STOP CCTV	50	50
REDUCE Training budget	20	20
REDUCE Internal Audit budget	10	20
STOP Christmas lights	0	2
REDUCE Audit Commission fees	30	30
STOP contribution to Environmental Health post at CCC Resilience Unit	15	15
STOP contribution to Community Safety Coordinator post	15	15
Other Environmental Enforcement - delete post	27	27
REDUCE waste supervision costs	27	27
Building Control - increased income	10	10
STOP Development Strategy; remove post	22.6	22.6
REDUCE Mayoral budget	27	27
STOP concessionary travel	30	30
STOP health & sports development	113	113
STOP Sustainability	40	40
STOP Arts Development	18	18
INCREASE Crematorium fees	60	60
INCREASE Car parking fees	40	40
INCREASE Private Hire Licensing fees	5	5
INCREASE Cemeteries fees	30	30
INCREASE play area maintenance fees	4	4
<i>Restructure Economic Dev team with Localities team</i>	178	178
CHARGE for additional bins/bin replacements	0	15
CHARGE for collection of green waste	0	31
REDUCE council running costs (Business Basics)	80	164

REDUCE Grants	61.5	82
Reduce NCL costs	287	338
REDUCE Copeland Centre costs	60	150
<i>Change Beacon opening times and then partner – if not close</i>	109	325
<i>CLOSE TIC</i>	60	60
<i>CLOSE Public Toilets seek CAT</i>	11	41
<i>Planning Fees Increase</i>	30	30
	<b>1,760</b>	<b>2,355</b>