

Budget 2013-14

Joint Scrutiny Panel

4th December 2012

Introduction

- Revenue Budget
- Risks and Sensitivity
- Capital Programme
- Reserves
- Efficiencies – Are they enough?

Revenue Budget Assumptions

- Local Gov't Settlement
 - 2012-13 £6.54m
 - 2013-14 £6.45m
 - £90k reduction = 1.4%
 - Grants rolled in
 - Council Tax Freeze Grant £117k
 - Homelessness Prevention Grant £78k
 - Business Rates Retention & Council Tax Benefits – *broadly neutral but come with a health warning*
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Revenue Budget Assumptions

- New Council Tax freeze Grant
 - 1% of council tax
 - £46k for next 2 years
- New Homes Bonus not supporting base budget
 - To be included in reserves
- Weekly Waste Collection Support Scheme £1.8m
- Draft Settlement
 - Autumn Statement *5th December*
 - LG Settlement *19th December ???*

Revenue Budget Assumptions

- Inflation
 - No increase general budgets unless specifically contracted
- Salaries
 - National pay award 1% in 2013-14
 - Vacancy factor 2%
- Return on cash investments – flat, returning to more ‘normal’ levels by 2015-16
- Taxbase increase 0.5% subject to CTB changes

Revenue Budget Assumptions

- Drainage board levies 2% increase
- Council Tax :-

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
£ Band D	156.60	156.24	155.88	155.52	155.16	154.77
% change		(0.25%)	(0.25%)	(0.25%)	(0.25%)	(0.25%)

Revenue Budget Summary

General Fund Summary

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	£'000	£'000	£'000	£'000	£'000	£'000
Total Expenditure	40,303	36,472	36,717	36,836	37,031	37,225
Total Income	(27,653)	(23,779)	(23,779)	(23,779)	(23,779)	(23,779)
Efficiency Requirement	0	(393)	(1,061)	(1,510)	(2,116)	(2,477)
Net Expenditure	12,650	12,300	11,877	11,547	11,136	10,969
Dep'n & Accounting Adj	(540)	(479)	(740)	(770)	(789)	(661)
Reserves	(95)	(4)	88	(62)	(12)	(4)
NET COST OF SERVICES	12,015	11,817	11,225	10,715	10,335	10,305
Financing						
Local Government Settlement	(6,540)	(6,450)	(5,854)	(5,375)	(4,983)	(4,941)
New Homes Bonus Grant (Applied from Reserves)	0	0	0	0	0	0
Council Tax Freeze Grant	(234)	(44)	(44)	0	0	0
Spalding Special Expenses	(211)	(211)	(211)	(212)	(212)	(213)
Town & Parish Councils	(620)	(636)	(649)	(662)	(675)	(688)
Share of Collection Fund Deficit	47	(7)	-	-	-	-
SOUTH HOLLAND PRECEPT REQUIREMENT	4,457	4,469	4,468	4,466	4,465	4,462
TAX BASE	28,461	28,603	28,660	28,717	28,774	28,832
SOUTH HOLLAND BAND D COUNCIL TAX	£ 156.60	£ 156.24	£ 155.88	£ 155.52	£ 155.16	£ 154.77
PERCENTAGE INCREASE	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25

Risk & Sensitivity

- Local Government settlement
 - LGA “£1bn cuts”
- Business Rates retention proposals from April 2013
 - Risk shifts to LA’s
 - Pooling arrangement
 - 50:10:40 % share of change
 - Safety net
 - Academies – 80% reduction in NDR

Risk & Sensitivity

- Localisation of Council Tax Benefit
 - 10% reduction in funding
 - Discount not benefit
 - Reduced taxbase
 - Partly offset by technical changes
 - Increased take up
 - Reduced collection rate

Risk & Sensitivity

- 2% vacancy factor achievable?
- Drainage Board Levies
 - Not covered by Revenue Support Grant
 - £2.2m in 2013-14
 - Known pension fund pressures
- Universal Credit
 - October 2013
 - What will Councils' roles be?

Capital Programme

GENERAL FUND CAPITAL PROGRAMME 2013-14 TO 2017-18						
Scheme Description	2013-14	2014-15	2015-16	2016-17	2017-18	Total
	£000	£000	£000	£000	£000	£000
Asset and Property	150	49	49	29	119	397
Environmental		30	20		40	90
Housing	427	427	427	427	427	2,135
ICT	80	80	80	80	80	400
GRAND TOTAL	657	586	576	536	666	3,022
FUNDING						
SCG - DFGs	242	242	242	242	242	1,210
Regional Housing Grant	75	75	75	75	75	375
Replacement & Refurbishment Reserve	91	30	10		140	271
Specific Reserves	80					80
Direct Revenue Funding	169	49	39	29	19	306
Unfinanced		190	210	190	190	780
Total Funding	657	586	576	536	666	3,022
New Essential Schemes	826	2,551	24		120	3,521
New Desirable Schemes	488	25	163	139		815

Capital Programme

- Limited resources available to fund capital programme
 - Revenue contributions incl reserves
 - S106
 - External grants
- Funding shortfall after 2013-14
- Any further significant expenditure will require borrowing
- The HRA debt cap does ***not*** effect prudential borrowing

Reserves

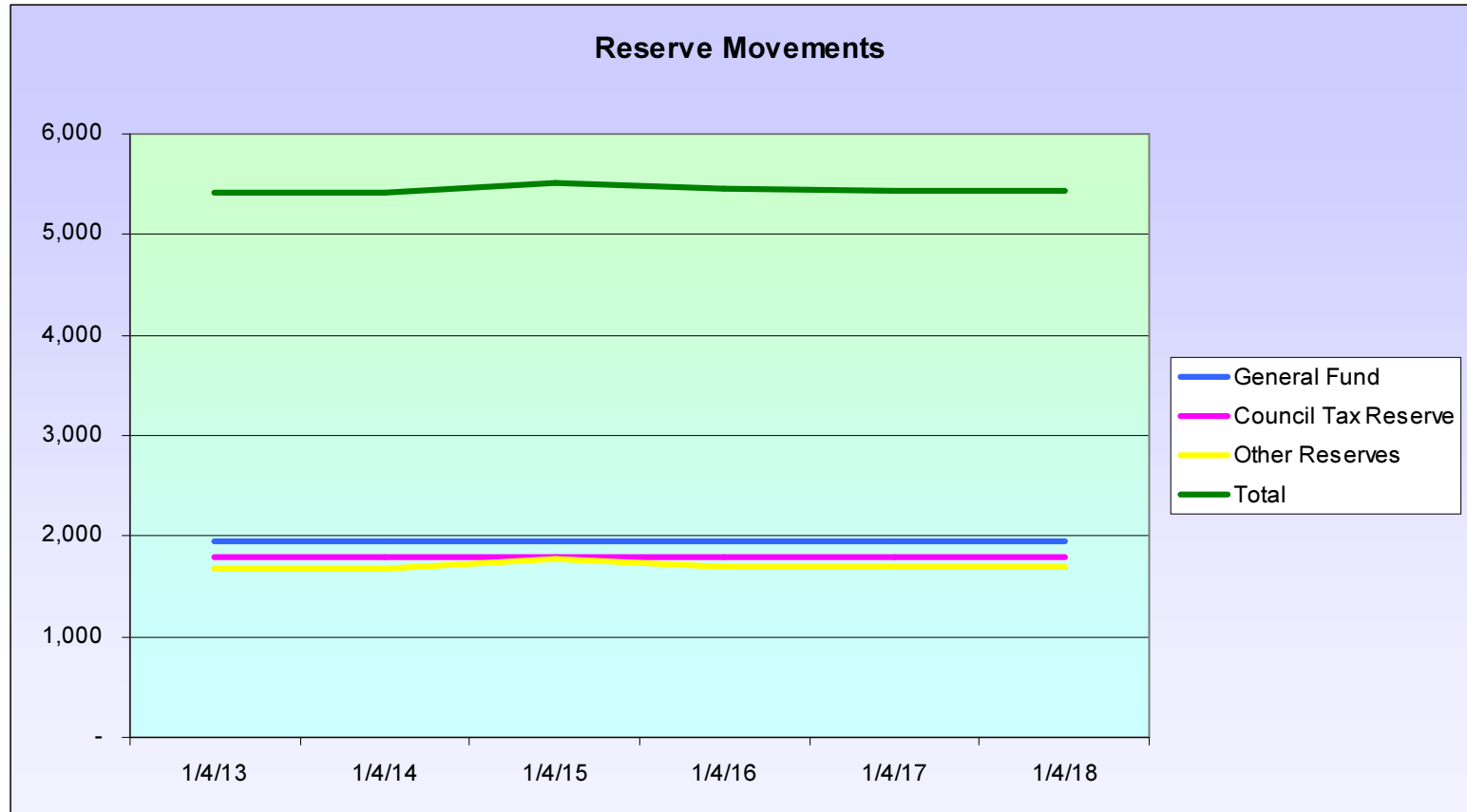
- Reserve levels reasonably healthy
- Cannot use reserves for long term support of base budget
- New Homes Bonus to Council Tax Reserve
- Repairs and Renewals reserve supports Capital Programme

Reserves

Reserve	1/4/13 £'000	1/4/18 £'000
General Fund Working Balance	1,943	1,943
Specific Reserves		
Affordable Housing	118	118
Capital Reserve	162	162
Climate Change Reserve	42	42
Community Cohesion Reserve	69	16
Council Tax Reserve	1,800	1,800
Insurance Reserve	237	157
Organisational Development Reserve	488	932
Planning Reserve	321	36
Replacement and Refurbishment Reserve	186	166
Section 106 Reserve	19	19
Spalding Special Expenses	30	30
Emergency Planning Reserve	10	10
Total Specific Reserves	3,482	3,488
Total General Fund Reserves	5,425	5,431

Excludes New Homes Bonus

Reserves



Efficiencies

- Efficiency Requirement

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	£'000	£'000	£'000	£'000	£'000	£'000
Efficiency Requirement	0	(393)	(1,061)	(1,510)	(2,116)	(2,477)

- Budget Challenge
 - Reduced from £966k to £393k
- Policy Decisions

Are efficiencies
enough... ?

Fixed policies:

- *Incrementally reduce council tax*
- *Break even on car parks*
- *Pumpkin Parade*
- *Economic Development*
- *South Holland Now Magazine*

Possible areas to consider:

- *Discretionary grants*
- *Priory Road offices*
- *Long term exit strategy for Community Assets (eg. South Holland Centre & Ayscoughee)*
- *Move to a digital organisation*
- *Leisure provision*
- *Town centres*

Possible income areas to consider:

- *Charge for pre-application planning advice?*
- *Charge for garden waste?*
- *Charge for commercial/ trade waste?*

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Presented by:

Colin Wyatt Chris Hook Ben Wood Mark Finch