

BROMSGROVE DISTRICT COUNCIL

CABINET

4TH JANUARY 2012

MEDIUM TERM FINANCIAL PLAN 2012/13 – 2014/14 REVENUE AND CAPITAL BIDS

Relevant Portfolio Holder	Roger Hollingworth
Portfolio Holder Consulted	Yes
Relevant Head of Service	Jayne Pickering (Exec Director)
Wards Affected	All
Ward Councillor Consulted	None specific

1. SUMMARY OF PROPOSALS

- 1.1 To enable Members to consider the Revenue and Capital bids for 2012/13- 2014/15 and to propose any revisions to the priorities categorisation.

2. RECOMMENDATIONS

- 2.1 **Members are requested to consider the Revenue and Capital bids as attached at Appendix A and to propose any revisions to the officer priorities that are included. In addition Members are requested to propose any new bids that may need to be considered as part of the 2012/13 – 2014/15 Medium Term Financial Plan**
- 2.2 **Members are asked to note the current position for 2012/13 – 2014/15 and to request that officers review the savings that can be delivered to achieve a balanced budget.**

3. KEY ISSUES

Financial Implications

- 3.1 As part of the review of the Medium Term Financial Plan officers have assessed the funding requirements of their services to enable improvements to be made to the community. A number of Revenue and Capital Bids have been developed and are attached at Appendix A for Members consideration.
- 3.2 An officer review has been undertaken of the bids and they have been classified as “High, Medium or Low” depending on the link to the Council priorities. Within the summary statement at 3.7 only those rated as “High” have been included for funding within the medium term financial plan. These bids are detailed at Appendix A (revenue) and B (capital).

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- 3.3 In addition a full detailed review of all unavoidable pressures (costs associated with maintaining current delivery) and proposals for income generation have been identified.
- 3.4 Any additional income currently generated that delivers more than the target revenue has been built into the projections as a revised target to achieve.
- 3.5 As Members are aware 2012/13 is the final year of the 2 year grant settlement as included in the Comprehensive Spending Review. The confirmed grant of £3.304m reflects a reduction of £526k on that received for 2011/12 and results in a 28% cut over the 2 year period.
- 3.6 The current summary position at 3.7 includes the financial impact of the areas reviewed above in addition to the following assumptions:
- Zero pay award in relation to inflationary increase
 - Zero Council Tax increase to be funded from grant received
 - Over £600k of further savings included as a result of shared service and transformation
 - Potential costs of the development of Parkside with the County Council
 - Potential costs of a new Leisure Centre of £12m from 2013/14 (this will be subject to formal feasibility appraisal and member agreement)
- 3.7 The revised position is shown below. This includes funding of bids that are categorised as High only.

	2012/13 £'000	2013/14 £'000	2014/15 £'000
Base cost of General Fund Services	12,330	12,811	12,855
Pressures – High bids	80	39	39
Pressures –unavoidables	215	222	260
Savings (quick wins, additional income, shared services, adjustment re concessionary fares)	-1,228	-1,828	-1,654
Investment Income	-105	-110	-85
Cost of Borrowing	33	756	1,076
Net operating expenditure	11,325	11,890	12,491
Area Based Grant	-113	-113	-113
Surplus from Collection Fund	-106		
Government Grant	-3,304	-3,304	-3,304
New Homes Bonus	-366	-366	-366
Assumed Council Tax @ 0% (offset by 2.5% Gov Grant) 2012/13 & 2.5% 2013/14 & 14/15)	-7,067	-7,269	-7,476
Council Tax Grant	-352	-176	-176
Overall Shortfall	17	662	1,056

- 3.8 The Council is to set a balanced budget for 2012/13 – 2014/15 and therefore will have to approve further savings, increase income or reduce high pressures for the 3 year period. Any additional spending, over and above the pressures identified above, would also need to be funded by additional savings.

Legal Implications

- 3.9 None as a direct result of this budget update.

Service / Operational Implications

- 3.10 The bids proposed will ensure that services to the community can be further developed and improved.

Customer / Equalities and Diversity Implications

- 3.11 The Equality and Diversity bids have been included for members consideration. These have been proposed by the Equality and Diversity Forum. In addition all new bids / services will have an impact assessment prepared to ensure they meet the needs of all the community.

4. RISK MANAGEMENT

- 4.1 An impact assessment is undertaken of all Council bids to ensure that any impact and risk to the community is identified and addressed.

5. APPENDICES

Appendix A – Revenue Bids

Appendix B – Capital Bids

Appendix C - Equality and Diversity Forum Bids

AUTHOR OF REPORT

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