

<b>Title of Report:</b>	<b>Revenue Budget: 2013-14</b>
<b>Report to be considered by:</b>	Council
<b>Date of Meeting:</b>	5 <sup>th</sup> March 2013
<b>Forward Plan Ref:</b>	C2502

**Purpose of Report:** To consider and recommend to Council the 2013-14 revenue budget

**Recommended Action:** The Council is recommended to resolve as follows:

- (1) That it be noted that at its meeting on 17th January 2013 Executive calculated the following amounts for the year 2013/2014 in accordance with regulations made under Section 31B of the Local Government Finance Act 1992, as amended (by the Localism Act 2011):-
  - (a) 59,884.24 being the amount calculated by the Council, (Item T) in accordance with regulation 31B of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended by the Localism Act 2011), as its council tax base for the year.
  - (b) Part of the Council's area as per Appendix N being the amounts calculated by the Council, in accordance with regulation 6 of the Regulations, as the amounts of its council tax base for the year for dwellings in those parts of its area to which a parish precept relates.
- (2) Calculate that the Council Tax requirement for the Council's own purposes for 2013/14 (excluding Parish precepts) is £75,660,209
- (3) That the following amounts be now calculated by the Council for the year 2013/2014 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992, amended by the Localism Act 2011:-
  - (a) £296,206,485 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2)(a) to (f) of the Act taking into account all precepts

issued to it by parish councils

- (b) **(£217,185,851) being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3)(a) to (d) of the Act**
  - (c) **£79,020,634 being the amount by which the aggregate at 3(a) above, exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its council tax requirement for the year (Item R)**
  - (d) **£1,319.56 being the amount at 3(c) above (Item R), all divided by 1(a) above (Item T), calculated by the Council, in accordance with Section 31B of the Act, as the 'basic amount of its Council Tax for the year (including Parish precepts).**
  - (e) **£3,360,425 being the aggregate amount of all special items (parish precepts) referred to in Section 34(1) of the Act (as per Appendix N).**
  - (f) **£1,263.44 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by the amount at 1(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no special items relates.**
- (4) **That it be noted that for the year 2013/2014 Police and Crime Commissioner for Thames Valley & The Royal Berkshire Fire and Rescue Service have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Councils area as indicated in Appendix N.**
- (5) **That the Council in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables in Appendix N as the amounts of Council Tax for 2013/14 for each part of its area and for each of the categories of dwellings.**

**Reason for decision to be taken:** Formulation of the 2013/14 Budget is a requirement to meet the Council's Statutory duties.

**Other options considered:** -

**Key background documentation:** Medium Term Financial Strategy 2013-16  
Capital Strategy 2013-18  
Council Strategy 2012-16

The proposals will also help achieve the following Council Strategy principles:

- CSP6 - Living within our means**
- CSP8 - Transforming our services to remain affordable and effective**

Portfolio Member Details	
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<b>Date Portfolio Member agreed report:</b>	31 <sup>st</sup> January 2013
Contact Officer Details	
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## Implications

- Policy:** The formulation of the Budget is in accordance with the policies within the Financial framework
- Financial:** These are contained in further detail within the report. The key implications are a 2% Council Tax increase and a significant reduction to the Council's funding from Central Government.  
The savings programme for 2013-14 is just under £6m with additional cost pressures and investment of £2m
- Personnel:** The staffing implications contained within this budget were considered by the special Executive on the 20<sup>th</sup> December 2012.
- Legal/Procurement:** Requirement to produce a Revenue Budget under the various Local Government Finance Acts. Key savings proposals included in this report are determined by effective procurement decisions. The savings proposals will be monitored throughout the financial year by Corporate and Management Board.
- Property:** None
- Risk Management:** A number of budget risks have been identified as part of the budget proposals, and this will be kept under constant review. As part of the 2013-14 financial monitoring, savings proposals will be

kept under monthly review to ensure that they are delivered.

Appendices G and H set out how the impact of increased volatility arising from Central Government reforms to Local Government finance will be managed.

**Equalities Impact Assessment:**

The respective directorate budget proposals outlined in the report have been subjected to Equality Impact Assessment procedures where appropriate. Overall savings and EIAs will be monitored throughout the following financial year by Corporate Board

Is this item subject to call-in?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
If not subject to call-in please put a cross in the appropriate box:		
The item is due to be referred to Council for final approval	<input checked="" type="checkbox"/>	
Delays in implementation could have serious financial implications for the Council	<input type="checkbox"/>	
Delays in implementation could compromise the Council's position	<input type="checkbox"/>	
Considered or reviewed by Overview and Scrutiny Management Commission or associated Task Groups within preceding six months	<input type="checkbox"/>	
Item is Urgent Key Decision	<input type="checkbox"/>	
Report is to note only	<input type="checkbox"/>	

# Executive Summary

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## 1. Introduction

### 1.1 This report:

- (1) Advises Members of the Council's Formula Grant settlement for 2013/14 received in December 2012 and the implications of other Government funding streams;
- (2) Outlines the revenue budget for 2013-14 including details regarding additional cost pressures and savings;
- (3) Proposes a Council Tax for the year ahead.

### 1.2 Section 3 outlines the changes made to the Formula Grant from Central Government. Section 4 onwards outlines the key changes to the budget for 2013-14.

### 1.3 This paper should be read in conjunction with the Council's Medium Term Financial Strategy (MTFS).

## 2. Proposals

### 2.1 To set a Council Tax requirement of £75.66m for 2013-14, a rise of 2% on the previous year, and approve the revenue budget and appendices.

### 2.2 To set a 2013-14 net revenue budget of £121.94m. This includes unavoidable investment of £1.7m in Council priorities and a savings programme of £5.7m.

## 3. Equalities Impact Assessment Outcomes

### 3.1 Equality Impact Assessments have been undertaken on the savings proposals required.

## 4. Conclusion

### 4.1 The Council, like all public bodies, has, and will continue to see, a significant decrease to its funding streams as result of Central Government reducing expenditure over the period of the Comprehensive Spending Review (CSR) 2011-15. The Council has therefore seen a significant decrease to its funding from Central Government as part of this review.

### 4.2 There is greater volatility within the financing of the Council due to Central Government reforms. This combined with the point above lead to a continued high level of savings required.

### 4.3 Within the context above, the Council continues to develop and transform its services in line with the Council Strategy and outcomes that this Strategy seeks to deliver.

# Executive Report

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## 1. Introduction

- 1.1 The purpose of this paper is to propose the Council's revenue budget for 2013/14, to outline the context within which it is set, and to set a Council Tax requirement for 2013/14.
- 1.2 This report highlights that for West Berkshire residents there will be 2% increase in their Council Tax payable to West Berkshire Council. This will be first increase in Council Tax for three years and is below the prevailing rate of inflation.
- 1.3 This is the first budget produced in line with the Capped Expenditure Level (CEL) process approved in the March 2012 Medium Term Financial Strategy (MTFS). This document sets out high level assumptions for the Council's directorates and sets the net expected changes to the directorate budgets over a three year period (2013-16). Directorates have worked to align their budgets within these CELs over this same period.

## 2. Council Tax

- 2.1 The provisional assumption included within this report is a 2% rise for the 2013-14 financial year. The Government have announced funding for a CTX freeze, the equivalent to a 1% rise. If the Council took this freeze grant then there would be an additional pressure in the region of £750k in 2013-14 and for all future years compared to the current MTFS model.

## 3. Government Funding

- 3.1 The Coalition Government has remained focussed on a deficit reduction plan as part of its macro-economic policy. One of the key elements of this plan is to reduce Government expenditure in a variety of areas. The Department for Communities and Local Government (DCLG) is the largest Central Government provider of funds to Local Government. As part of the Government's Comprehensive Spending Review (CSR) in 2010, the DCLG saw one of the largest reductions to its funding of any department.
- 3.2 To achieve its reductions in funding, DCLG has reduced the amount of money it funds to Councils, primarily by reducing the formula grant Councils receive. The CSR estimates reductions to this as shown in table 1.1:

**Table 1.1: Original Formula Grant reductions to Local Government as part of the CSR**

Year	2011-12	2012-13	2013-14	2014-15
% decrease	10.7	6.4	0.9	5.1

- 3.3 2013-14 will see a fundamental reform to how Central Government funding flows to Councils, and the levels of funding that Councils will receive. This has seen a

change to funding reductions outlined in the Table 1.1 above, with a greater reduction in 2013-14 and 2014-15 than originally proposed.

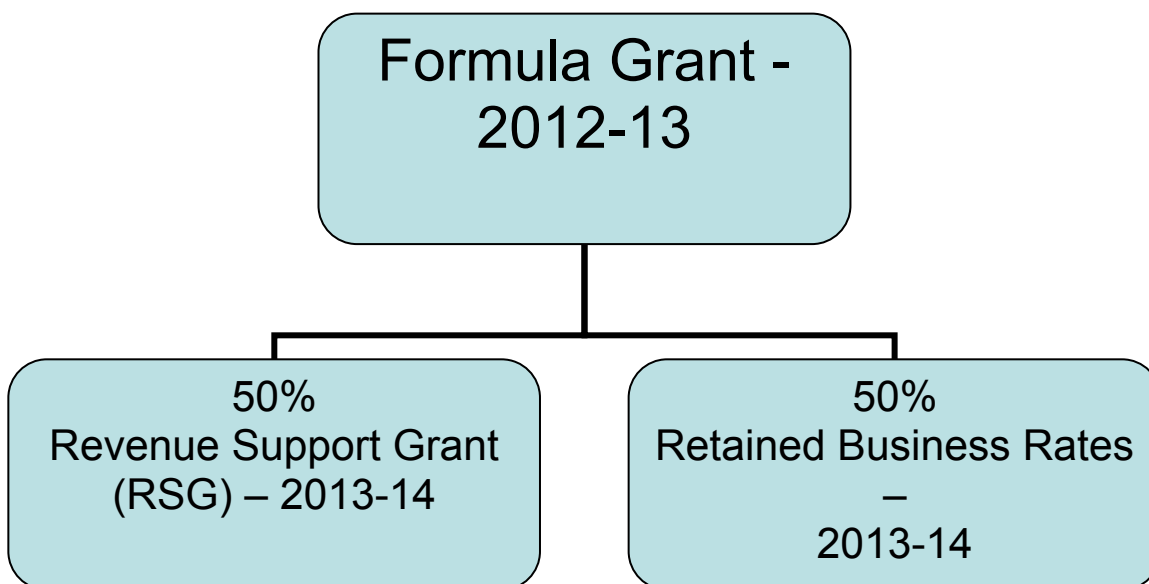
3.4 Below is a summary table of the Council's key funding blocks from Government:

**Table 1.2: Government funding changes**

Item	Comparative: 2012-13	2013-14	Variance / £m
Revenue Support Grant	n/a	23.77	n/a
Retained Business Rate	n/a	17.13	n/a
NHS monies to support Social Care	1.26	1.79	+0.53

3.5 For 2013-14 the Government has changed how money is redistributed to Councils. Previously, Councils collected Business Rates and passed these to Government. Government then topped these up with some central funding and redistributed these back to Councils via a formula based mechanism.

3.6 From the 1st April 2013, the system for Central Government funding has split into two, as per the below:



3.7 Half of the Council's Business Rates are sent to Government and are subject to a formula mechanism to redistribute money back to West Berkshire, much like the current Formula Grant methodology. This money being returned is called Revenue Support Grant (RSG).

3.8 The other half of the Council's Business Rates are partially retained by WBC. WBC pays over a tariff to Government (as Government stipulates that WBC requires just under half of its Business Rates collected to run services in West Berkshire,

therefore the Council pays a net tariff to Government). If Business Rates grow compared to the average collected Business Rates over the past two years, then the Council retains half of this additional growth.

3.9 Further complicating this new funding picture is that the split between RSG and Retained Business Rates is close to 60:40 due to the estimates Government make on the total Business Rates received nationally.

3.10 As part of the Government's reforms, it has put nearly all previously non ring fenced grants into this new system, such as Early Intervention Grant and others. Table 1.3 below highlights the 2012-13 amounts and how these have been changed for 2013-14. These figures are then further reduced as RSG is decreased overall (see Table 1.4):

**Table 1.3: Non ring-fenced grant changes that move into the RSG for 2013-14**

Named non ring-fenced grant	2012-13	2013-14	Year on year change / £m (%)
Early Intervention Grant* <sup>1</sup>	5.98	4.42	- 1.56 (-26%)
Learning Disability and Health Reform Grant	3.16	3.26	+0.1 (3%)
Council Tax Freeze Grant (11-12)	1.98	1.98	-
Council Tax Freeze (2012-13)	1.98	-	-1.98 (-100%)
Homelessness	0.13	0.13	-
Local Lead Flood	0.18	0.13	-0.05 (-27%)
<b>Sub-total</b>	<b>13.41</b>	<b>9.92</b>	<b>-3.49 (-26%)</b>
Council Tax Support Grant	* <sub>2</sub>	6.24	n/a

\*<sup>1</sup> The Early Intervention Grant (EIG) was significantly reduced in 2013-14. Government removed £1.5m from WBC and moved some of this money back through the Dedicated Schools Grant (DSG) to fund elements of 2 year old provision

\*<sub>2</sub> denotes ring-fenced in 2012-13 and linked to demand for Council Tax Benefit. Figures for the year not available at present due to this revenue budget report being considered before the year end. Notionally, this figure was 10% higher in 2012-13 than the element of RSG provided for by Government in 2013-14.

3.11 The Government Grants in Table 1.3 above are then rolled into the existing RSG and this has been decreased by Government to the revised figures as set out in Table 1.4 below. As there has been so much change between funding systems in 2012-13 and 2013-14 it is very difficult to compile exact changes to Government funding, however, the Table below attempts to compare a 'like for like' figure.



**Table 1.4: Comparative Changes to Government funding<sup>1</sup>**

<b>Year</b>	<b>Amount / £m</b>
<b>Equivalent 2012-13 figure<sup>2</sup></b>	<b>41.85</b>
<b>Equivalent 2013-14 figure</b>	<b>37.53</b>
<b>Change (%)</b>	<b>-4.32 (-10.3%)</b>

3.12 It should also be noted that for 2013-14, the Council will take over some of the functions for Public Health currently commissioned by the NHS. A specific ring-fenced grant of £4.381m has been provided for this transfer of functions.

#### **4. Budget for Council-Tax setting**

4.1 When setting the Council's net budget requirement for Council Tax setting purposes, the Council must consider income received from Government and retained Business Rates and Council Tax.

**Table 1.5: Funding statement 2013-14<sup>3</sup>**

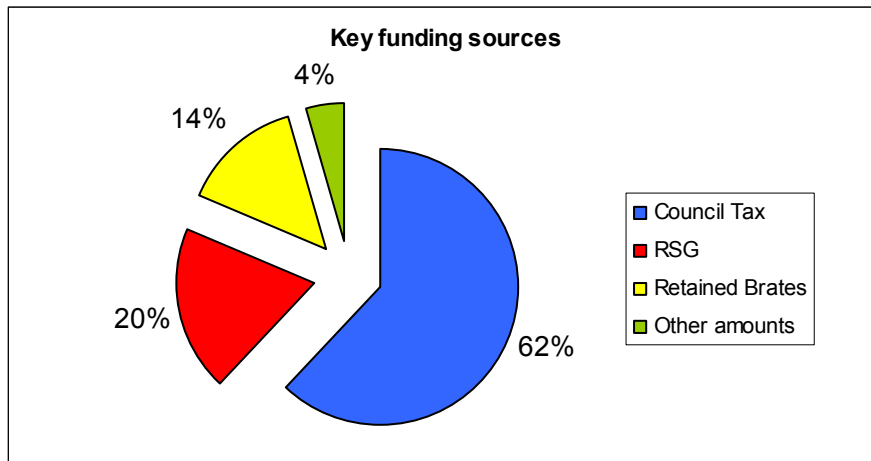
<b>2013-14 Funding Statement</b>	<b>Amount / £m</b>
2012-13 budget requirement	123.3
Base pressures	2.1
Additional cost pressures	1.7
Contractual-inflation	0.4
Investment in capital strategy	0.5
Savings	-5.7
Other adjustments	-0.4
<b>2013-14 Budget Requirement</b>	<b>121.9</b>
<b>Funded by:</b>	
Council Tax	75.66
RSG	24.0
Retained Business Rates	17.1
Education Support Grant	2.7
Collection Fund deficit	-0.8
NHS funds to support Social Care	1.8
New Homes Bonus	1.5
<b>2013-14 Budget</b>	<b>121.9</b>

<sup>1</sup> It should be noted that this table excludes CTX support going into RSG in both years to allow a fair comparison. This has the effect of reducing the actual RSG figure when compared to table 1.2

<sup>2</sup> 2012-13 Includes Formula Grant and non-ringfenced grants in table 1.3

<sup>3</sup> N.b. rounding of £0.1m may apply

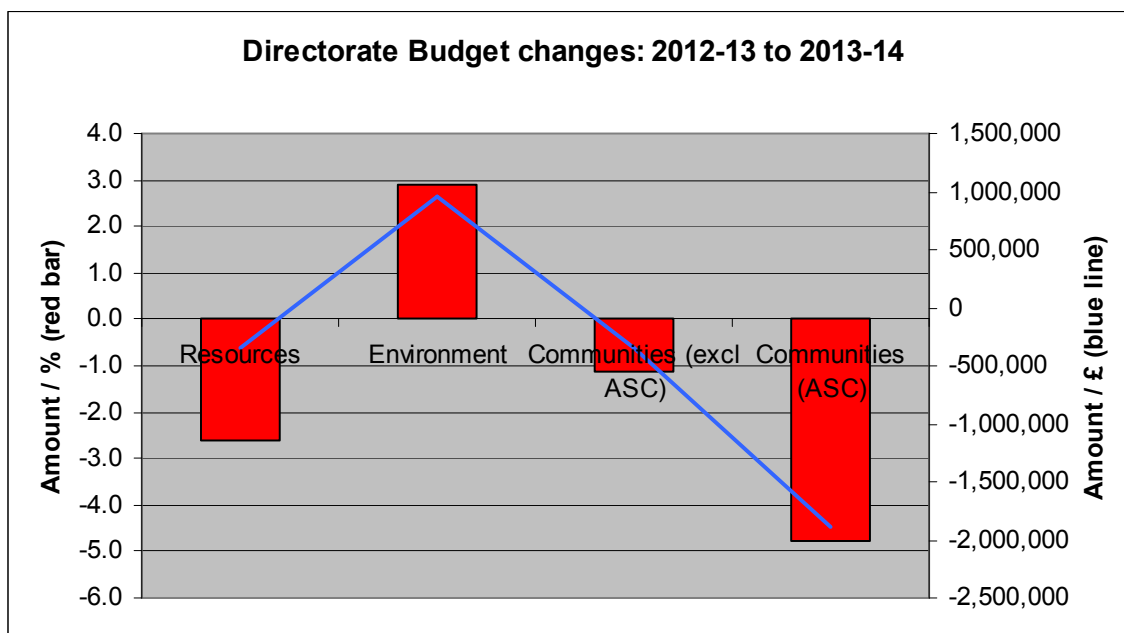
**Graph 1.6: WBC revenue funding**



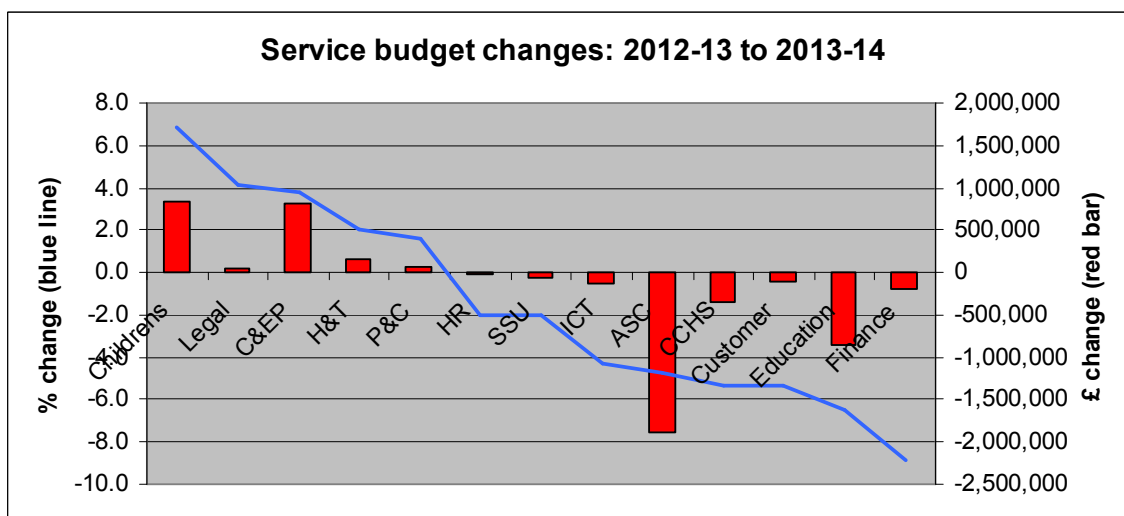
## **5. Financial Strategy for the 2013-14 revenue budget**

- 5.1 As approved at Council in March 2012, the Council has embarked upon setting Capped Expenditure Levels (CELs) for directorates over the period 2013-16. These CEL levels were modelled to enable a balanced budget to be achieved over the period of the MTFs based on the latest financial planning assumptions known in March 2012.
- 5.2 There has been significant change to the financial framework external to the council with the part-localisation of Business Rates, changes to Council Tax Support and the Government's position on Council Tax freezes and referendums. The Council has however continued to plan ahead using the CELs set in March 2012. Due to the Autumn Statement and Government reforms to Local Government finance, these will need to change beyond 2014-15 (and have indeed increased against the original 2013-14 profile).
- 5.3 The strategy taken by the Council has been to change the profile of the CELs, with more savings being achieved in year one of the MTFs than the profile suggested; this has helped the Council to respond to deterioration in the external funding levels coming from Government.
- 5.4 The impact of this process on individual directorate and service budgets is highlighted below (n.b. this includes base budget changes)

**Table 1.7: Impact of Capped Expenditure Level (CEL) changes – 2013-14 vs. 2012-13 service budgets**



**Table 1.8: Impact of Service Expenditure Level (SEL) changes – 2013-14 vs. 2012-13 service budgets**

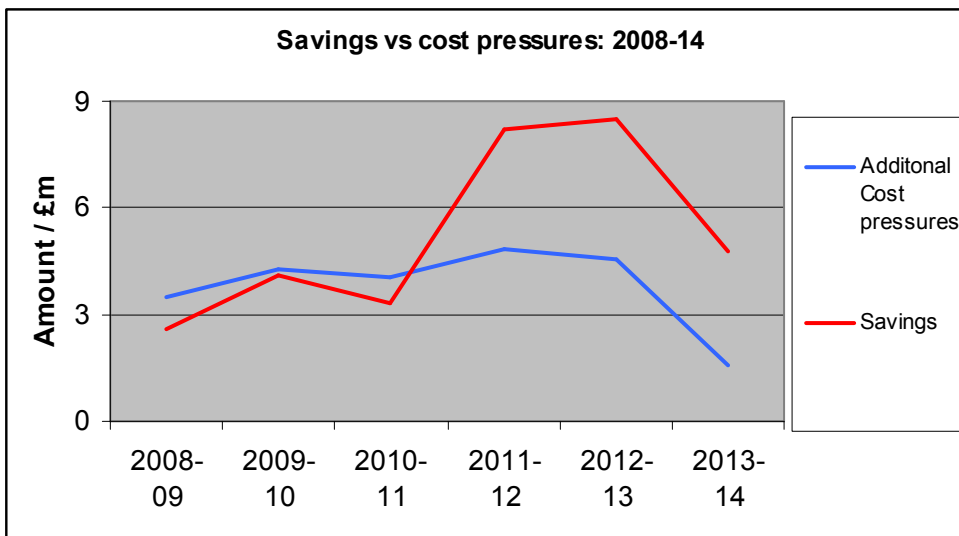


5.5 The only Directorate seeing an increase to its budget is the Environment directorate. The reason being that this directorate has the highest level of contracted spend of the Council’s directorates, with the waste contract (Veolia), highways contract (Volker) and Public Transport contract representing in excess of £20m of spend. Each of these contracts are subject to inflationary uplifts. The directorate also has additional cost pressures from Government initiatives such as increases to landfill tax and that localised planning fee setting did not occur as envisaged in the previous budget.

## 6. Summary of key changes due to the 2013-14 budget

- 6.1 There have been a number of savings, additional cost pressures, super-inflation and base budget amendments made as part of the Budget setting process. The overall summary table for the Council is included in Table 1.10.
- 6.2 The changes included within this budget should be considered in line with the Graph 1.9 below. The significant increase in savings compared to additional cost pressures that occurred from the inception of the Coalition Government has been a result of the reductions to Local Government funding. Going forward, Directorates have reduced cost pressures in order to reduce the savings totals required.

**Graph 1.9: Savings vs. Cost pressures: 2008-14**



**Table 1.10: Summary of budget 2013-14**

	<b>2013-14</b>		
Item	Amount / £m	Amount / £m	Appendix
<b>Income</b>			
Assumed a 2% Council Tax rise and a 0.3% income rise on the Council's taxbase	75.66		C
Funding from the 'new homes' pledge	1.50		
Revenue Support Grant	23.96		
Retained Business Rates	17.13		
Collection fund deficit	-0.77		K
NHS resources for Social Care (including £536k allocated for ASC investment)	1.79		
Education Services Grant (ESG)	2.67		
<b>Anticipated Financing for Council Budget for 2013-14</b>		<b>121.94</b>	
Budget as at 1.4.2012	123.34		
Base budget and central funding pressures	2.09		F
Super inflation pressures, above 1.5%	0.41		D
Additional Cost pressures in the Council activities	1.67		E
Investment in the financing of capital expenditure	0.51		
Other adjustments	-0.28		
Use of general reserves	-0.12		
<b>Anticipated 2013-14 budget before savings</b>		127.62	
Savings detailed in appendix B	-5.68		B
<b>Anticipated Council Budget for 2013-14</b>		<b>121.94</b>	

## 7. Key underlying assumptions

7.1 The Council's savings requirement is currently based on a number of assumptions, as per the model below:

- (1) That the Council increases Council Tax by 2% for 2013-14
- (2) That the Council's taxbase income rises by 0.3% for 2013-14<sup>4</sup>. This equates to a rise of circa 190 properties, taking into account that single person discounts are appropriately claimed (in 2012-13 the assumption was a 0.25% growth).
- (3) That the Council receives £1.497m as a result of the 'new homes funding' pledge. This funding gives a financial reward to Councils for the additional properties built in the district. The reward is the equivalent to the national average band D council tax for a property (equivalent *actual* figure in 2012-13 was £920k)
- (4) Revenue Support Grant total £23.96m following adjustments from Government (this includes £0.06m for Local Support Service Grant which is non-ringfenced Government Grant and £0.13m as residual monies from Government in respect of excess New Homes Bonus removed from Local Government nationally)

<sup>4</sup> Due to Government's reform of Council tax in 2013-14, the Council's 'Taxbase' has decrease by over 4,000 properties. Further information is detailed in the taxbase report to the Executive in January 2013.

- (5) Retained Business Rates total £17.13m in line with the approved Business Rate income forecasts submitted to Government for the expected Business Rate collection. There is assumed growth in the Business Rates baseline of 0.25%.
- (6) The funds from the Department of Health for supporting Social Care grows in line with the summer White Paper's intention to £1.79m
- (7) Education Services Grant (ESG). This was part of formula grant in previous years and has now been identified separately. These funds are non ringfenced.
- (8) Collection Fund deficit - There is a projected shortfall in the Collection Fund from 2012-13 of £0.77m. This shortfall must be made up in the 2013-14 financial year.
- (9) Other adjustment of -£0.28m This includes cost of £0.25m of provided money to parish Councils to ensure that they are not penalised through the Government's Council Tax reforms. There are benefits from one-off savings identified through two one-off Government Grants (Community Safety - £0.07m, and Adult Community Learning of £0.33m which does put a pressure on the Economic Downturn Provision for 2013-14), and use of non required PDG funds from prior year.
- (10) Use of funds from the Council's General Reserves - £0.12m
- (11) Unavoidable base budget pressures - £2.09m

See appendix F. As part of the budget setting process, the Council builds for salary costs (assuming a 1% pay award for 2013-14) based on the summer establishment figure, as well as inflating non-pay budgets for contractual inflation, where a contract is in place. There are also other adjustments completed to ensure that funding changes from earlier in the financial year are reflected.

- (12) Super inflation - £0.41m

These are detailed further in appendix D. This represents the inflation paid on contracts above 1.5%. The main amount of contractual inflation pressure that the Council faces concerns the waste contract. The contract increase is based on the RPIx inflationary measure in January of each year.

- (13) Additional cost pressures in Council services - £1.7m. Appendix E highlights these in further detail.
- (14) Capital programme - £0.5m  
  
This funding will ensure that for 2013-14, the Council is setting aside appropriate revenue to pay for the additional borrowing for the 2013-14 capital programme. The capital strategy provides further details.
- (15) Savings - £5.68m – detailed in appendix B

## **8. Risk and Reserves**

- 8.1 In response to the Government's changes to Local Government finance, the Council has amended its reserves strategy (see Appendix G for the further details). The s151 officer has revised the minimum requirement for General Reserves to be 5% of the total net budget. Following the changes to Local Government financing and the consolidation of nearly all grants into one non ringfenced grant (RSG), the specific risks identified, which still exist now, are all funded through the same funding allocation.
- 8.2 5% of the proposed net budget is £6.1m. The Council General Fund reserve currently stands at £6.5m, but £0.1m will be utilised to fund the 2012-13 budget as per Council's decision in March 2012 and a further £0.1m in respect of 2013-14. This means that the Council's General Reserve is just above the minimum level as prescribed by the s151 officer (see appendix H for the s151 officer assessment of the estimates used to construct the 2013-14 budget).
- 8.3 The Council, in 2012-13, has created the Medium Term Volatility Reserve (MTFVR) as highlighted in the Medium Term Financial Strategy 2012-16. This reserve exists for a number of risks, primarily resulting from changes to Local Government finances and the ensuing volatility from these.
- 8.4 As a result of Central Government returning funding of up to £0.6m as a result of the 'adjustment for academies' reductions to Formula Grant funding in 2011-13, this reserve is expected to be at £1.9m as at 31.3.2013. The Council also needs to consider the impact of the 2012-13 outturn on these reserves, as per Table 1.11 below.
- 8.5 This budget paper also presents the intention to move £400k to the Economic Downturn Provision (EDP) from the MTFVR. The EDP is likely to be £0m at the end of the financial year and has been used to fund restructuring costs in previous financial years.

**Table 1.11: Reserves summary<sup>5</sup>**

<b><u>General Reserve</u></b>	<b>Amount £/m</b>
<b>Balance as at 1.4.2012</b>	<b>6.5</b>
<b>Use of General Reserve to fund 2012-13 budget</b>	<b>(0.1)</b>
<b>Use of General Reserve to fund 2013-14 budget</b>	<b>(0.1)</b>
<b>Forecast balance 1.4.2013</b>	<b>6.3</b>
<b><u>MTFVR</u></b>	
<b>Balance as at 1.4.2012</b>	<b>1.3</b>
<b>Estimated funding rebate from Government in respect of LACSEG</b>	<b>0.6*</b>
<b>MTFVR moved to the Economic Downturn Provision to support the 2013-14 budget</b>	<b>(0.4)</b>
<b>Forecast balance 1.4.2013</b>	<b>1.5</b>

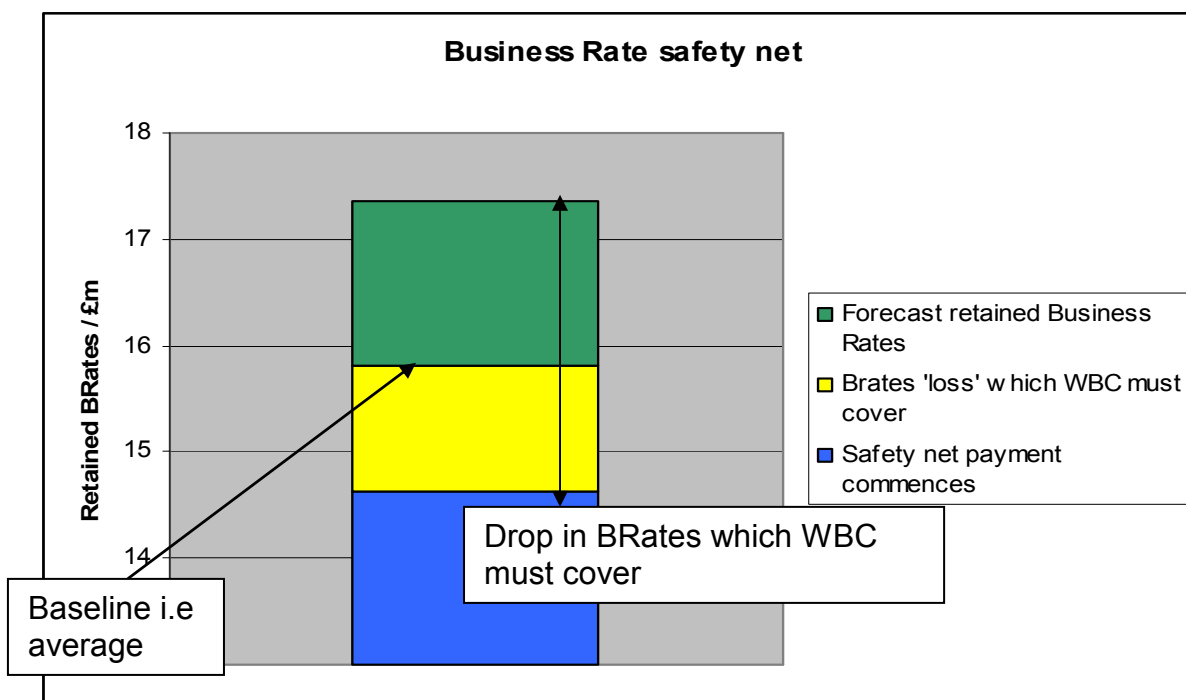
\*final figures will not be known until the 2013-14 financial year

- 8.6 The budget proposals included within this paper use £0.4m of the MTFVR due to reductions in the money received from Central Government.
- 8.7 The s151 officer has concluded that the Council's MTFVR should be at least 50% of the 'gap' between the predicted retained Business Rates level and the level at which the Council receives a safety net payment from Government. At present, this total gap is £3m i.e. The Council must make good the first £3m of losses in Business Rates due to a fall in Business Rate income (equivalent to a drop of 3-4%). The MTFVR should therefore be at a minimum of £1.5m to ensure that the Council does not experience a significant pressure going into future financial years over and above the savings targets allocated via the CEL process. This 'gap' is larger than previously estimated and so increases the risk due to appeals and rateable value changes.
- 8.8 As highlighted in the month 9 financial performance report, any underspend from 2012-13 will be put into the Economic Downturn Provision for future restructuring costs.

<sup>5</sup> N.b rounding of £0.1m apply



**Graph 1.12: Business Rate safety net and the MTFVR**



## 9. Budgetary Pressures

9.1 As detailed above, the Council faces a number of budgetary pressures;

- (1) Reduction in Government funding
- (2) Pressure due to 'base funding' i.e. pay and inflation pressures
- (3) Pressure due to additional cost pressures and 'super' inflation

9.2 Wherever possible the Council has attempted to mitigate pressures; through the CEL process services have identified and funded known pressures, but have had to deliver savings across the directorate in order to fund these pressures.

## 10. Savings proposals

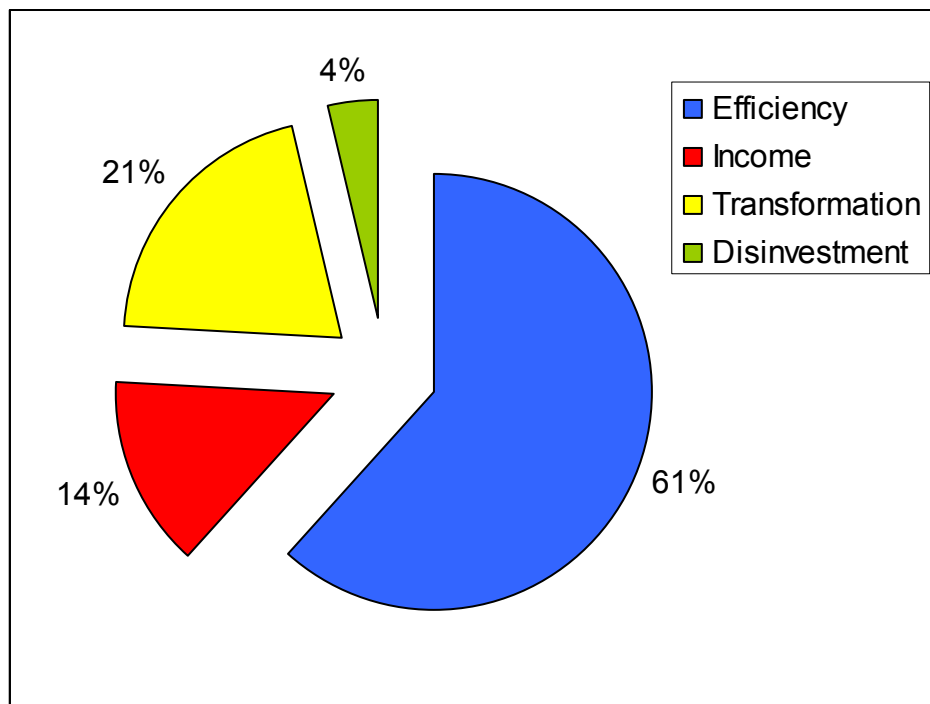
10.1 The full listing of savings proposals are detailed in appendix B and referenced to the respective Directorate and service. The total savings figure is lower than in the previous two years (just under £6m compared to £8m for each of the past two years). This is because the overall reductions to funding from Government are lower in 2013-14 compared to the period 2011-13, and that the Council will benefit under the Government's reforms allowing the retention of Business Rates.

10.2 The total savings of £5.7m contain low levels of disinvestment to ensure that Council services are protected wherever possible. By far the largest levels of savings come from the Efficiency area, with almost half of the efficiency savings being generated from Adult Social Care. Overall, Adult Social Care is providing by

far the highest level of cash savings for the next financial year overseen by the ASC Efficiency Programme Board.

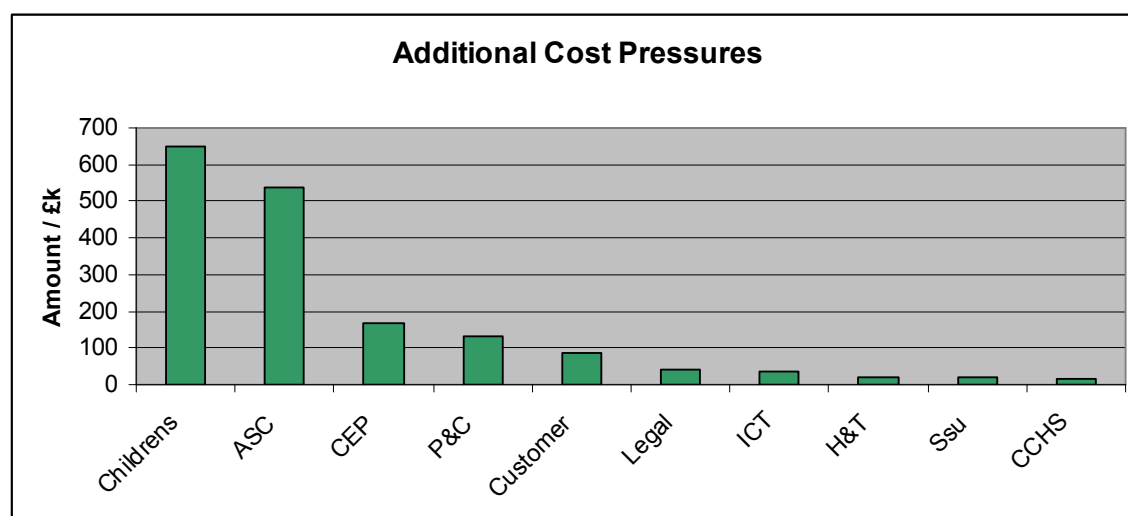
10.3 Below are two charts summarising where the savings are being made by type and by service:

**Graph 1.13: Savings by type**



10.4 As part of the budget process, services have also required additional cost pressures and these are summarised below. The main areas are for Children’s services and Adult Social Care as detailed in appendix E.

**Graph 1.15: Additional cost pressures by service**



10.5 Those savings items that require specific Equality Impact Assessments (EIA) have had these completed accordingly in recent months and some savings items have been subject to further consultation with stakeholders.

## 11. Special Expenses

11.1 There are four special expense areas within the District:

Hungerford Footway Lighting  
Kintbury – St Mary’s Church yard  
Shaw – St Mary’s Church yard  
Theale – Holy Trinity Church yard

11.2 The special expenses to be levied for these areas are detailed in Appendices Ja-d. In summary the recommended special expenses are (equivalent per band D property):

**Table 1.15: special expenses**

	£
Hungerford Footway Lighting	2,200
Kintbury – St Mary’s Church yard	2,392
Shaw – St Mary’s Church yard	1,000
Theale – Holy Trinity Church yard	1,670
<b>Total</b>	<b>7,262</b>

## 12. Recommendations

12.1 To approve the budget report for 2013-14 and the budget proposals contained with the report and appendices.

12.2 To approve the recommendations set out in the Executive summary including the setting of the respective fees and charges detailed in appendices I and the special expenses in appendix J.

## 13. Conclusion

13.1 The Council is proposing to increase Council Tax by 2% across the district.

13.2 The 2013-14 budget has been compiled against a backdrop of increased Government funding reductions and increased risk and volatility in forecasting the Council’s future income streams. The Council has ensured that its financial planning processes are firmly embedded across the medium term to ensure that the Council’s services are reshaped in line with the Council Strategy.

## Appendices

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Appendix A – Equality Impact Assessment – Stage 1

Appendix B – Savings proposals 2013-14

Appendix C – Localisation of Council Tax Support scheme

Appendix D – Super-inflation

Appendix E – Additional Cost pressures

Appendix F – Based budget adjustment  
Appendix G – Reserves statements  
Appendix H – Adequacy of Reserves and robustness of budget estimates  
Appendix I – Fees and Charges  
Appendix J – Special Expenses  
Appendix K – Collection Fund  
Appendix L - Unison comment following meeting on 27th February – to be tabled  
Appendix M – Minutes of the business panel held on 11<sup>th</sup> February  
Appendix N – Council Tax Resolution

## **Consultees**

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**Local Stakeholders:** Consulted local business leaders on 11<sup>th</sup> February and notes from meeting can be found in Appendix M.

**Officers Consulted:** Directorate SMTs and Heads of Service

**Trade Union:** See Appendix L

## APPENDIX A

### Equality Impact Assessment – Stage One

<b>Name of item being assessed:</b>	Revenue Budget 2013-14
<b>Version and release date of item (if applicable):</b>	V2.0
<b>Owner of item being assessed:</b>	Andy Walker
<b>Name of assessor:</b>	Melanie Ellis
<b>Date of assessment:</b>	31.01.2013

<b>1. What are the main aims of the item?</b>
To propose the Revenue Budget for 2013-14 and accompanying savings programme

<b>2. Note which groups may be affected by the item, consider how they may be affected and what sources of information have been used to determine this.</b> (Please demonstrate consideration of all strands – age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation)		
Group Affected	What might be the effect?	Information to support this.
<b>Further comments relating to the item:</b>		

<b>3. Result</b> (please tick by clicking on relevant box)	
<input type="checkbox"/>	<b>High Relevance</b> - This needs to undergo a Stage 2 Equality Impact Assessment
<input type="checkbox"/>	<b>Medium Relevance</b> - This needs to undergo a Stage 2 Equality Impact Assessment
<input type="checkbox"/>	<b>Low Relevance</b> - This needs to undergo a Stage 2 Equality Impact Assessment
<input checked="" type="checkbox"/>	<b>No Relevance</b> - This <b>does not</b> need to undergo a Stage 2 Equality Impact Assessment

**For items requiring a Stage 2 equality impact assessment, begin the planning of this now, referring to the equality impact assessment guidance and Stage 2 template.**

<b>4. Identify next steps as appropriate:</b>	
Stage Two required	
Owner of Stage Two assessment:	
Timescale for Stage Two assessment:	
Stage Two not required:	

**Name:** Melanie Ellis

**Date:** 31.01.2013