

**EXECUTIVE
COMMITTEE**

31st January 2012

MEDIUM TERM FINANCIAL PLAN 2012/13 – 2014/15

Relevant Portfolio Holder	Councillor Michael Braley, Portfolio Holder for Corporate Management
Portfolio Holder Consulted	
Relevant Head of Service	Teresa Kristunas, Head of Finance and Resources
Wards Affected	All Wards / None specific
Ward Councillor Consulted	N/A
Non-Key Decision	

1. SUMMARY OF PROPOSALS

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

The Committee is requested to **RESOLVE** that

- 1) **the Revenue and Capital bids as attached to the report at Appendices A & B be noted, subject to any revisions it wishes to propose to the Officer priorities that are included and, in addition, to propose any new bids that may need to be considered as part of the 2012/13 – 2014/15 Medium Term Financial Plan;**
- 2) **the current position for 2012/13 – 2014/15 be noted.**

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 and B for Members' consideration.

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- 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 3.6 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).
- 3.3 Any additional income currently generated that delivers more than the target revenue has been built into the projections as a revised target to achieve.
- 3.4 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 £4.212m reflects a reduction of £485k on that received for 2011/12.
- 3.5 The current summary position at 3.6 includes the financial impact of the areas reviewed above in addition to the following assumptions:
- a) Zero pay award in relation to inflationary increase;
 - b) Zero Council Tax increase to be funded from grant received;
 - c) Over £600k of further savings included as a result of shared service and transformation;
 - d) 10% increase in utility bills;
 - e) 2.5% increase in Fees and Charges;
 - f) A 5% reduction in Government Grants has been assumed for 2013/14 and 2014/15.

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- 3.6 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	13,554	13,217	13,206
Pressures – High bids	107*	92*	92*
Savings (quick wins, additional income, shared services, adjustment re concessionary fares/changes to Superannuation)	(2,563)	(2,558)	(2,445)
Revenue Implications to Capital Bids	-	68	68
Financing Charges	(357)	(357)	(357)
Superannuation	1,412	1,545	1,724
MRP	700	800	800
Capital charges reversed	(1,396)	(1,396)	(1,396)
Bad Debt Provision	50	50	50
Vacancy Management	(406)	(350)	(350)
Job Evaluation	248	(156)	(156)
Parish Precept	8	8	8
Government Grant	(4,212)	(4,002)	(3,791)
New Homes Bonus	(308)	(450)	(450)
Council Tax	(5,929)	(5,929)	(6,077)
Transfer from Reserves	(658)	-	-
Overall Shortfall	250	582	926

*Only 'High' Bids included.

- 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.

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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 None as a direct result of this budget update.

4. RISK MANAGEMENT

The Council needs to set a balanced budget, for 2012/13 the Council has sufficient balances available to fund the shortfall.

5. APPENDICES

Appendix A Revenue Bids
Appendix B Capital Bids.

6. BACKGROUND PAPERS

None stated.

AUTHOR OF REPORT

Name: Sam Morgan Financial Services Manager
E Mail: sam.morgan@bromsgroveandredditch.gov.uk
Tel: 01527-64252 extn. 3790