

COUNCIL MEETING – 23 FEBRUARY 2012

Recommendations to Council from the Executive meeting held on 14 February 2012

E/11/126 **Budget 2012/13 and Medium Term Financial Plan 2012 to 2016**

The Executive considered a report from the Deputy Leader and Executive Member for Corporate Resources that proposed the Council's spending plans for the medium term and Council Tax rate for 2012-13, with indicative figures for future years. It was proposed that there would be no increase in Council Tax and a commitment to harmonise rates in the North and South of Central Bedfordshire over a two year period.

The Deputy Leader and Executive Member for Corporate Resources moved the following amendment to recommendation (h), which was duly seconded:-

“note that certain efficiency proposals identified in Appendix I to the report be subject to formal consultation and Equality Impact Assessment and instructs the Corporate Management Team, *in consultation with the relevant Executive Members and the Chief Finance Officer as appropriate*, to propose alternative compensatory savings where it appears, following a review of the outcome of the consultation and Equality Impact Assessment, that any specific proposal cannot be delivered.”

Reason for decision: To recommend a balanced budget for 2012/13 and identify resource requirements for the Medium Term.

RECOMMENDED

- 1. that the response from the consultation with the Overview and Scrutiny Committees as set out in paragraph 35 in the report and the response to consultation with the public and stakeholders as set out in Appendix A to the report be noted;**
- 2. that the Revenue Budget for 2012/13 and the Medium Term Financial Plan for 2012/13 to 2015/16 be approved;**
- 3. that the following adjustments to the draft Budget be noted:-**
 - additional pressures of £1.5 million in 2012-13;**
 - additional efficiencies of £0.77 million in 2012-13; and**
 - reduction in estimated 2012-13 inflation provision of £1 million;**
- 4. that the Council Tax Base as set out in Appendix G to the report be noted;**

5. ***that a Band D Council Tax be approved of:

£1,308.33 for residents in the North of Central Bedfordshire
£1,326.24 for residents in the South of Central Bedfordshire;***
6. ***that the fees and charges set out in Appendix J to the report be approved;***
7. ***that the budget is predicated on an assumption that non statutory Human Resources, payroll and bursary services to schools would generally cease from September 2012, with full costs recovery where schools have been unable to make alternative provision by that date;
and***
8. ***that certain efficiency proposals identified in Appendix I to the report be subject to formal consultation and Equality Impact Assessment and instructs the Corporate Management Team, in consultation with the relevant Executive Members and the Chief Finance Officer as appropriate, to propose alternative compensatory savings where it appears, following a review of the outcome of the consultation and Equality Impact Assessment, that any specific proposal cannot be delivered.***

E/11/127 Capital Programme 2012/13 to 2015/16

The Executive considered a report from the Deputy Leader and Executive Member for Corporate Resources that proposed the Capital Programme for 2012/13 to 2015/16. The proposals resulted in an increase in gross capital expenditure for 2012/13 of £53.019 million. This would be partially offset by an increase in external funding of £35.399 million and therefore resulted in an increase in net expenditure for 2012/13 of £17.620 million to be financed from Council funded resources such as borrowing.

In the context of the proposed investment in roads, the Executive Member for Sustainable Communities – Services paid tribute to the gritting crews who had ensured that the main roads had remained open during the recent inclement weather.

Reason for decision: To recommend a sustainable and affordable Capital Programme 2012/13 to 2015/16.

RECOMMENDED

- 1. that the 2012/13 to 2015/16 Capital Programme as set out in Appendix B to the report be approved;***
- 2. that the additional SAP optimisation item cost of £1 million since the Programme was submitted to the Executive in December 2011 be approved; and***
- 3. that the 2012/13 to 2015/16 Capital Programme – Housing Revenue Account as set out in Appendix C to the report be approved.***

E/11/128 **Budget Report for the Landlord Services Business Plan 2012/13 Under the New Self Financing Regime**

The Executive considered a report from the Deputy Leader and Executive Member for Corporate Resources and Executive Member for Social Care, Health and Housing that set out the Landlord Services Business Plan under the new Self Financing regime. The Council would have to borrow £165.7 million as a result of self financing, but would then benefit from the ability to invest in its housing stock, according to local needs and objectives. The 2012/13 budget proposed to increase tenants' rents by an average of 7.94%, in line with the Government's rent restructuring policy.

The Deputy Leader and Executive Member for Corporate Resources moved the following amendment to recommendation (b), which was duly seconded:-

“that delegated authority be given to the Leader of the Council, the Deputy Leader and Executive Member for Corporate resources in consultation with *the Chief Executive* and Chief Finance Officer to agree the final debt structure, in conjunction with the Council's Treasury Management advisers.”

In response to concerns regarding the proposed average rent increase of 7.94% for 2012/13 the Executive Member for Social Care, Health and Housing explained that its impact would be closely monitored. The 30-year business plan had been drawn up taking account of the average rent increase being in line with the Government's policy on Rent Convergence.

Reason for decision: To facilitate effective financial management and planning for the Housing Revenue Account under self-financing.

RECOMMENDED

1. ***that the Housing Revenue Account (HRA) would borrow £165.7 million as a result of legislation to implement the self-financing regime;***
2. ***that delegated authority be given to the Leader of the Council, the Deputy Leader and Executive Member for Corporate Resources in consultation with the Chief Executive and Chief Finance Officer to agree the final debt structure, in conjunction with the Council's Treasury Management advisers;***
3. ***a reserve be initially earmarked for the re-provision and re-modelling of sheltered housing and for the development of the Asset Management Strategy, within the Landlord Service Business Plan model;***
4. ***that the Landlord Service Business Plan Summary at Appendix A to the report be approved. This includes the Landlord Service efficiency programme, being developed as part of the HRA Value for Money Strategy;***

5. ***that the feedback that had arisen from tenant engagement as set out in paragraphs 39-41 in the report be noted; and***
6. ***that in line with the Government's policy on Rent Convergence approve the average rent increase of 7.94% for 2012/13.***