

Key Decision Required:	Yes	In the Forward Plan:	Yes
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**CABINET
14 DECEMBER 2011**

REPORT OF FINANCE AND ASSET MANAGEMENT PORTFOLIO HOLDER

A.4 INITIAL BUDGET PROPOSALS FOR A REVISED BUDGET 2011/12 AND ORIGINAL BUDGET FOR 2012/13

(Report prepared by Karen Neath, Richard Barrett and Accountancy)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To set out and seek approval of Cabinet's initial General Fund Revenue Budget and Capital Programme for a Revised Budget 2011/12 and Original Budget for 2012/13.

EXECUTIVE SUMMARY

The Initial Financial Strategy was considered by Cabinet on 13 July 2011 which set out an initial forecasted deficit position for 2012/13 of **£1.576m** based on the provisional Formula Grant settlement of **£9.663m**. A range of variables remained unknown for 2012/13 and beyond when this initial forecast was made.

There have been a number of actions implemented to close the estimated deficit which include implementation of a major senior management review and a comprehensive exercise to drive out on an on-going basis, efficiencies identified as part of the outturn position for 2010/11. Further discussions with Heads of Department along with actions identified as part of the Tendring Spending Review Delivery Plan have identified a number of further on-going budget reductions which have been reflected in the budgets. However it is important to note that the savings identified to date represent only the initial steps to close the forecasted funding gap in future years as set out in the Revised Financial Strategy report earlier on the agenda. Further uncertainties also remain against this backdrop that have not yet been reflected in the forecasted deficits in future years which may require additional savings to be identified to deliver a balanced and sustainable budget in future years.

The Revised Financial Strategy presented earlier on the agenda sets out a summary of the adjustments and outcomes associated with these actions along with other changes that have emerged during the budget setting process. All of these adjustments have been included in the detailed estimates presented in this report which are therefore consistent with the Revised Financial Strategy.

The detailed estimates are included within the appendices to this report which are now set out in a revised format that reflects the new organisational structure.

RECOMMENDATION(S)

- a) **That subject to Cabinet's determination and agreement of the Revised Financial Strategy presented earlier in this meeting, Cabinet agrees the initial budget proposals (including fees and charges) set out in the Appendices for**

consultation with the Corporate Management Committee.

- b) That subject to a) above the Finance and Asset Management Portfolio Holder agrees the special expenses report for consultation with the Corporate Management Committee.
- c) That all future expenditure in 2011/12 be in line with the proposed revised budget set out in the Appendices, subject to final approval by Council on 7 February 2012, and that the corporate financial system is amended accordingly to reflect these changes along with any amendments arising from revisions to the code of practice relating to the presentation of the Council's annual Statement of Accounts.
- d) That the use of up to £0.200m from the Contingency Reserve to support any additional costs arising from increases in Electricity and Gas prices and NNDR is delegated to the Head of Resource Management in consultation with the Finance and Asset Management Portfolio Holder.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

Careful planning to ensure financial stability underpins the Council's capacity to achieve its Corporate objectives / priorities. The approach for 2012/13 builds on continuous and successful financial planning and is key to the Council's aim to deliver sustainable and joined up services to everyone in the District. This is particularly important in the current climate when resources are scarce and the Council will need to focus even more on identifying and funding its key priorities.

This report will have direct implications on the Council's ability to deliver its objectives and priorities. It will particularly impact on the speed with which the Council can deliver its priorities, rather than the priorities themselves.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The financial implications are set out in the body of the report.

Although the availability of financial resources is a key component in the delivery of services there will also need to be appropriate input of other resources such as staffing, assets, IT etc.

Risk There are clearly risks associated with the Strategy. The actions to achieve a fully funded budget, including limiting budgets to 2010/11 spending levels and restricting cost pressures, give rise to the potential for items that have not been funded to emerge or for increases in income etc. not to materialise in reality. This is particularly so given the current economic climate, the reductions in the availability of public sector funding, the Government's programme of change for Councils' services and the as yet unknown impact on the Council's core funding streams from changes to business rate distribution and council tax.

In view of the above it is important that the Council has a sufficient level of uncommitted reserves set aside to support the approach identified in this Strategy. An uncommitted reserve of **£4m** (including the **£1.6m** minimum working balance) has been approved previously to insure against the eventuality of pressures on the budget through additional

unexpected expenditure or removal of funding. The level of reserves has been revisited in light of the risks identified as part of the Financial Strategy and also in line with the Council's strategic risk register, and the figure of **£4m** (including the **£1.6m** working balance) is still deemed to be sufficient.

LEGAL

The current arrangements for setting and agreeing a budget and for the setting and collection of council tax are defined in the Local Government Finance Act 1992. The existing legislation defining the arrangements for charging, collecting and pooling of Business Rates is contained within the Local Government Finance Act 1988.

New legislation would need to be enacted in order to bring into practice the proposals set out in the Government consultations regarding business rate distribution, localising council tax benefit and council tax discount and exemption changes. The Localism Bill introduces new legislation around the right of veto for residents on excessive council tax increases and on the arrangements for Housing Revenue Account (HRA) accounting.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

These implications have no impact on the budget itself. However, they are taken account of in the delivery of individual services and projects.

Budget Consultation - YouChoose

For the second year running the Council has utilised the 'YouChoose' budget consultation model which is a tool made available free of charge that enables councils to gather the views of local residents on areas they consider to be spending priorities.

To date 84 responses had been received with a "snap shot" of the results so far set out in the Revised Financial Strategy included earlier on the agenda.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

Revised Budget 2011/12

The original approved net expenditure budget for 2011/12 was **£21.803m** and after taking account of the use of earmarked reserves of **£2.941m**, the overall budget requirement totalled **£18.862m**. Although there is no overall net effect, the Council Tax grant of **£0.192m** included within the original budget figures has now been included within 'Service Costs' for presentational purpose in accordance with accounting codes of practice. Therefore this amount is no longer separately shown within the 'Financed by' section in **Table A** below. This transfer has resulted in the budget requirement being amended to **£18.670m** for 2011/12.

Budget adjustments have been made in line with separate decisions / financial procedure rules as the year has progressed, such as those made in response to the Corporate Budget Monitoring process, although these have been within the overall budget requirement.

Original Budget 2012/13

The Original Budget for 2012/13 is prepared within a Financial Strategy Framework. This framework was set out in the report "**Initial Financial Strategy 2012/13**" which Cabinet considered on 13 July 2011. The detailed budget proposals presented for 2012/13 are consistent with this approach which has been revised following additional information becoming available, changes arising from the detailed budget process and in response to the on-going Corporate Budget Monitoring process. The revised position is set out in the "**Revised Financial Strategy for 2012/13 and Beyond**" included earlier on the agenda.

GENERAL FUND REVENUE BUDGET SUMMARY - 2011/12 REVISED AND 2012/13 ORIGINAL

The 2011/12 revised and 2012/13 proposed estimates are set out in **Appendix A** along with additional detailed figures and notes. These explain significant changes which have been incorporated into the budgets, including all items identified in the **Initial / Revised Financial Strategies**.

An overall summary of the budget position is shown in **Table A** -

Table A

<i>General Fund Budget</i>	2010/11 Actual £m	2011/12 Original £m	2011/12 Revised £m	2012/13 Original £m
Service costs	18.723	22.226	25.971	17.743
Revenue Support for Capital Investment	0.820	0.207	1.104	0.276
Financing Items	(0.201)	(0.822)	(0.758)	(0.745)
Net Expenditure	19.342	21.611	26.317	17.274
Contribution to /(from) Uncommitted Reserve	0.100	0	0	0
Net Use of Earmarked Reserves	2.482	(2.941)	(7.647)	0.110
TOTAL BUDGET REQUIREMENT	21.924	18.670	18.670	17.384
Financed by				
Formula Grant	14.199	10.941	10.941	9.663
Council Tax	7.645	7.649	7.649	7.641
Collection fund surplus	0.080	0.080	0.080	0.080
	21.924	18.670	18.670	17.384

General Fund Revenue – Revised Budget 2011/12

The increase in net expenditure between the 2011/12 original and 2011/12 revised budget is **£4.706m**. However this is fully offset by a net increase in the use of reserves of the same amount.

The net change of **£4.706m** within earmarked reserves is mainly due to revenue and capital commitments carried forward between years. Other specific adjustments affecting reserves are set out in later sections of the report where appropriate.

Additional adjustments have also been made in 2011/12 although these have been within the overall budget requirement. These are either one-off items affecting 2011/12 only, or recurring items identified in 2011/12 that have also been included in the original budget for

2012/13. Significant items have been explained in more detail later on in this report.

General Fund Revenue – Original Budget 2012/13

The reduction in the budget requirement between the 2011/12 original and proposed budget for 2012/13 after allowing for the change in presentation of the Council Tax grant mentioned above is **£1.286m**. This relates to the rebalancing of expenditure and identification of further savings required following a further reduction in Government Funding with the significant changes set out in the next sections of this report.

This position is based on a Council Tax reduction of 0.5% (**£0.038m**) as set out in the Revised Financial Strategy report earlier on the agenda. This is in addition to a one-off Government grant of **£0.192m** that is being made to Local Authorities to enable a Council Tax 'freeze' to be implemented for 2012/13. The same amount was received in 2011/12 for the same purposes but unlike last year the grant for 2012/13 is only receivable on a one-off basis rather than for each year of the remaining years of the Government's spending review period. In total the Council Tax grant receivable for 2012/13 is **£0.384m** which is included in the 'Service Cost' line in the table above.

Further details regarding the Council Tax, funding from the Government along with information concerning Cost Pressures and other significant issues are set out in the Revised Financial Strategy Report.

The draft revenue budgets are attached as **Appendix A** which include these changes along with any other adjustments identified via the detailed budget setting process. Additional information relating to significant items arising from the estimates process are highlighted further on in this report and set out against the following broad headings:

- Items affecting the revised budget for 2011/12 only.
- Items affecting the budgets in both 2011/12 and 2012/13.
- Additional items arising affecting the 2012/13 original budget only.

GENERAL FUND REVENUE – SIGNIFICANT ITEMS AFFECTING 2011/12 REVISED BUDGET ONLY

In addition to any changes that have already been approved by Members as the year has progressed, only a limited number of further changes totalling a net reduction of **£0.018m** have been made. These include:

- The establishment of a new Essex Family Projects budget of **£0.150m**, fully funded from contributions from ECC / PCT
- A net neutral adjustment to Careline salary and income budgets to better reflect the estimated actual position for the year.
- A contribution of **£0.025m** from the Planning Enquiries Earmarked reserve to allow an increase to a corresponding planning enforcement revenue budget to address on-going projects over the remainder of the year.
- A 'call down' of **£0.006m** from the Fixed Penalty Notices earmarked reserve that is set out further on in this report.
- Removal of the revenue contribution of **£0.012m** to the Princes Theatre box office capital project that is now subject to an alternative approach as set out in the Capital Programme and fees and charges sections of this report.

GENERAL FUND REVENUE – SIGNIFICANT ITEMS AFFECTING BOTH THE 2011/12 REVISED AND 2012/13 ORIGINAL BUDGETS

Salaries

2011/12 – (£0.958m)

2012/13 – (£1.109m)

The above budget reductions primarily relate to the outcome from the Senior Management Review and the deletion of a number of vacant posts as part of the wider reorganisation that remains on-going. This has been partly offset by a reduction in the vacancy provision from **£0.441m** to **£0.050m** which reflects a limited amount of 'starters' and 'leavers' that will ordinarily occur during the year.

Further adjustments / potential additional savings will form part of subsequent and wider reviews such as the fundamental service review processes that are underway within Departments.

Outturn Review 2010/11

2011/12 – (£0.788m)

2012/13 - (£0.788m)

The outturn position for 2010/11 highlighted general fund savings of **£1.753m** and in terms of informing the 2011/12 and 2012/13 budgets and beyond, a review was undertaken to identify where budget reductions could be made on an on-going basis. The above figures therefore relate to the aggregate of a number of budget reductions that reduce the Council's overall base budget position from 2011/12 onwards. The reductions relating to 2011/12 were approved as part of the Corporate Budget Monitoring report for the first quarter of the year, although a very limited number of budgets that were initially removed have been restated in consultation with individual departments and the relevant Portfolio Holders.

Tending Spending Review Delivery Plan

2011/12 – (£0.323m)

2012/13 - (£0.297m)

A number of items were identified by Departments as part of Cabinet's spending review delivery plan that could be progressed without fundamentally affecting the delivery of services or could be effectively managed within individual service areas. Taking into account one-off items and those that were 'new' for 2012/13, the figures above set out the total budget reductions that have been achieved to date.

Waste, Recycling and Street Cleansing Contracts

2011/12 – (£0.084m)

2012/13 - (£0.559m)

Following the retender of the above contracts during 2011/12 significant savings were identified across the new 7 year contract period which now includes the collection of food waste. Although subject to the start date for the food waste kerbside collections, the above figures reflect the net contract savings after allowing for inflationary uplifts to contract prices along with recognising an increased level of recycling credits that are currently being achieved.

New Homes Bonus

2011/12 – (£0.283m)

2012/13- (£0.671m)

The above grant amounts that are receivable under the Government's New Homes Bonus scheme have been included in the estimates along with corresponding expenditure budgets for both years.

Other Budget Adjustments

2011/12 – £0.001m

2012/13- £0.004m

Further adjustments have been made to reflect the anticipated costs against budgets such as the external audit fee and the pest control contract which was subject to a recent Cabinet decision where changes to the level of fees and charges were approved.

Additional savings have also been identified from decommissioning a radio communication mast at the Weeley Council offices and replacing it with a more cost effective solution along with adjustments to the funding of the Capital Programme and the contribution to and from reserves.

Internal Recharges

2011/12 – £0.042m

2012/13- £0.154m

Following the comprehensive restructuring of the budgets to reflect the new organisational structure of the Council, the above amounts reflect the adjustment to recharges between the General Fund and the HRA.

Fit for Purpose Budget

2011/12 – £4.553m

2012/13 - £1.203m

To present a balanced budget, the budgetary adjustments set out in this report have been set against the Fit for Purpose Budget. As set out in more detail in the Revised Financial Strategy appearing earlier on the agenda, the Fit for Purpose budget is a one-off sum set aside to support the Council in delivering actions to achieve its on-going savings target.

There will be further demands on this budget as some senior managers are still to exit the organisation following on from the senior management review and there may be further such costs arising from Fundamental Service Reviews.

Contingency Budget

2011/12 – £0.645m

2012/13 - £0.150m

In addition to the Fit for Purpose Budget, the estimates also include a contingency budget with the amounts across years highlighted above. This was established to provide a 'buffer' against unexpected costs such as those set out immediately below. An underlying base budget of **£0.150m**, remains on an on-going basis from 2012/13 onwards.

Within the overall budgeted position, there remains increased cost pressures from electricity, gas and Non Domestic Rates with the latter being subject to RPI increases in excess of 5% as increases are based on the current inflation rates which are running at relatively high levels. In terms of electricity and gas costs, volatility continues in these wholesale markets with prices available to the Council under a collaborative contract running in excess of 30%.

These costs are subject to review on an annual basis and against this position it is proposed to 'earmark' an amount of approximately **£0.200m** from the contingency budget rather than build any additional amounts directly into departmental budgets at this stage. This situation will be kept under review with any significant issues highlighted as part of future budget monitoring reports as necessary. In respect of utility costs, further procurement decisions will need to be undertaken in 2012/13 which will hopefully identify opportunities to reduce these costs or keep future increases to a minimum.

GENERAL FUND REVENUE – SIGNIFICANT ITEMS AFFECTING THE 2012/13 ORIGINAL BUDGET ONLY

In addition to items above and the one-off items and other adjustments identified in the Initial Financial Strategy considered by Cabinet on the 13 July 2011 which includes a **£0.010m** budget for a feasibility study for beach hut staging funded from the Asset Refurbishment Reserve, there is only one other change made to the 2012/13 budgets at this stage. This change relates to the Housing Benefit Administration Grant receivable from the Government. There has been a total grant reduction of **£0.088m** across both the general grant and the specific grant that the Council receives to support the delivery of the service against the backdrop of increased demand during the current economic

environment. However a corresponding adjustment has been made to the associated expenditure budgets to limit the overall budget impact in 2012/13.

OTHER SIGNIFICANT ITEMS

Local Government Finance Settlement 2012/13

Confirmation of the final Local Government Financial Settlement is awaited. The budget currently reflects the provisional settlement of **£9.663m**. The budget will be revised to take account of any changes to the final settlement and will be included when Cabinet consider their final budget proposals early in 2012.

External Contributions / Grants

In some cases amounts receivable have not yet been confirmed so for the purpose of setting the budget, estimated amounts have been included where appropriate. As notifications of grants and contributions are received during the budget setting process, they will be included and reported accordingly.

Fees and Charges

For 2012/13 Departments have been asked to review their fees and charges on an individual basis rather than a blanket inflationary increase being set. The full proposed fees and charges as they currently stand are set out in **Appendix B**.

It is recognised that fees and charges may be subject to adjustments to meet specific aims or strategic objectives or in some cases in response to external factors such as market forces. Significant areas to highlight are set out below.

- The revised fees and charges for the pest control service have been included as agreed by Cabinet at its meeting on 26 October 2011.
- The fees and charges relating to the dog warden service that has recently been brought back in-house have been included in accordance with Cabinet's decision at their 10 August 2011 meeting.
- As part of the procurement process for the selection of a replacement Princes Theatre box office system, the opportunity to pay a per ticket price as part of a 'hosted' system rather than the more traditional and expensive in-house server based approach was identified. Therefore in accordance with a delegated concurrence of the Tourism and Community Life Portfolio Holder, a fee of 75p will be levied on ticket sales in the first year of operation, falling to 60p thereafter which will enable to Council to maintain an effective and compliant box office system at the most economically advantageous cost to the Council and therefore its customers.

Grant income and the potential overall impact on charges made for Careline have yet to be confirmed as information in respect of the associated Supporting People funding from ECC remains outstanding.

Other changes include general inflationary adjustments where appropriate or where departments have determined revised rates to reflect associated initiatives or to simplify the charging structure.

A number of charges are still to be finalised that mainly relate to areas that are subject to a cost recovery requirement, where work remains in progress for inclusion in the final budget report to Cabinet in January 2012.

Any impact of the above on the relevant income budgets has been considered as part of the budget setting process for 2011/12.

In addition to the above, fees and charges for Beach Huts and Sports Facilities are currently under review but will be included in the final budget proposals to be considered by Cabinet at their January 2012 meeting.

In respect of Sports Facilities, this review is supported by the comments from the Corporate Management Committee following their consideration of the second quarter's budget monitoring position for 2011/12 at their 28 November 2011 meeting. After considering the specific position against the sports facilities income budgets, they resolved (minute 33 (b) refers):

That the proposal to reduce expenditure to offset the reduction in income currently being experienced within sports facilities should not be considered as the only solution, as an increase or decrease in fees and charges could result in higher levels of income if there was a corresponding / favourable effect on usage.

In respect of car parking charges, these are also currently under review for 2012/13 following the Technical Services Portfolio Holder's announcement at Cabinet on 16 November 2011 regarding the 'free parking in the afternoons' initiative.

Collection Fund and Council Tax Base

The anticipated surplus on the collection fund to support the budget in 2012/13 is **£0.080m**, the same as included in the Initial Financial Strategy 2012/13.

This fund continues to take into account the allowance for the discount on second homes. In respect of this issue, ECC have stated their intention (via a recent consultation process) to reduce the level of contribution made to lower tier authorities under the terms of existing agreements. An amount has not yet been included but at this stage it is anticipated that an adjustment will be made in the final budget proposals that will be presented to Cabinet in January 2012 once a new agreement has been received from ECC.

In respect of the Council Tax base, an additional amount of **£0.030m** has been included for 2012/12 during the budget setting process to reflect the most up to date tax base for the year.

Use of Reserves

The position regarding reserves is set out in full in **Appendix D**.

For **2011/12** the net use of reserves totals **£7.647m** (**£9.497m** contribution from reserves and **£1.850m** contribution to reserves).

For **2012/13** there is a net contribution to reserves of **£0.110m** (**£0.240m** contribution from reserves and **£0.350m** contribution to reserves).

In addition to the above movement in reserves across years, a number of reserves have been reviewed based on the limited movement occurring over recent years or a change to the underlying principle for holding them. The outcome from this review has resulted in the Fixed Penalty Notices reserve being 'called down' in 2011/12 to support the general budget position in addition to the money held in the Concessionary Fares Reserve being transferred to the Asset Refurbishment Reserve.

Special Expenses

Special expenses calculations will be included in the formal Budget Report to Council on 7 February 2012. This will incorporate any changes to the proposed budgets resulting from any decision in respect of the Revised Financial Strategy presented earlier in the meeting that may amend budgets in discretionary areas such as car parks, open spaces, and recreation areas etc.

However, in order to ensure that the Corporate Management Committee have the latest information on special expenses when they consider the Cabinet's budget proposals in January, it is proposed that the Finance and Asset Management Portfolio Holder agrees a report for consultation with them.

County Council, Police, Fire and Town Council / Parish Precepts

There is no information available at this point on the likely level of precepts and their impact on Council Taxes in the District. This information will be available in February 2012 and will form part of the report to the Council Tax setting Committee on 16 February 2012.

CAPITAL PROGRAMME - 2011/12 REVISED AND 2012/13 ORIGINAL

The proposed detailed Capital Programme is set out in **Appendix C** which provides further details for individual schemes. In respect of the Housing Revenue Account Capital Programme, this will be included as part of the overall HRA budget proposals based on the new self financing regime that will be presented to Cabinet in January 2012.

The summarised General Fund position is as follows: -

Table B – Summary GF Capital Programme

	2011/12 Budget agreed as part of Outturn 2010/11 £m	2011/12 Revised Budget £m	2012/13 Budget agreed as part of Outturn 2010/11 £m	2012/13 Adjusted Original Budget £m
EXPENDITURE	6.634	7.093	1.080	1.345
FINANCING				
External Contributions	0.442	0.736	0	0
S106	0.283	0.293	0.037	0.197
Insurance Claim	0	0.092	0	0
Leasing	0.306	0.337	0.082	0.072
Government Grants	3.465	3.476	0.690	0.690
Capital Receipts	1.065	1.055	0.100	0.110
Direct Revenue Contributions	0.246	0.301	0.151	0.151
Earmarked Reserves	0.827	0.803	0.020	0.125
Total Financing	6.634	7.093	1.080	1.345

The **£0.459m** net increase in the 2011/12 revised expenditure budget compared to the budget agreed as part of the Cabinet's consideration of the outturn position for 2010/11 is due to:

- **£0.255m** for the planned purchase of food containers to support the new food waste collection service that formed part of the recent waste and recycling tender process. This expenditure is funded by a contribution from Essex County Council under the associated terms of the agreement for a food waste collection service.
- **£0.070m** for the provision of CCTV in Jaywick that is fully supported by a contribution from the Jaywick Sands Freeholders Association Trust Ltd in accordance with the agreement in place with the Council.
- **£0.170m** for the provision and refurbishment of various play areas in accordance with Portfolio Holder decisions made during the year.
- **£0.092m** for the refurbishment of beach huts that were damaged and subject to an insurance claim
- **£0.116m** following amendments to funding and scheme development for various regeneration projects to be funded by the reallocation of the Coastal Pathfinder Grant that was approved by Cabinet at its 13 July 2011 meeting.
- **£0.031m** relating to adjustments to the vehicle / plant leasing programme which is met by annual leasing payments from within existing revenue budgets.
- **(£0.275m)** for projects that have been carried forward to 2012/13 in line with expected timescales for completion of the associated work.
- **(£0.012m)** relating to the removal of the replacement of the Princes Theatre box office system as an the opportunity to take an alternative approach has been identified as included within the Fees and Charges section of the report above.
- **£0.012m** for other minor adjustments.

In respect of the 2012/13 programme which includes the carry forwards from 2011/12 as highlighted above, it also includes a number of schemes such as the on-going IT Core infrastructure programme, rolling vehicle / plant replacement funded via leasing arrangements and Disabled Facilities Grants (DFG's).

The forecast expenditure budgets for DFG's set out in **Appendix C** remain significantly lower from 2012/13 onwards when compared to current and historic spend / demand with future grant funding from the government likely to change. Demand will be managed within this overall position where possible although it may be necessary to consider the overall position within future Financial Strategy and budget setting processes. Further changes to the 2012/13 position may be necessary when the actual grant funding amounts become known and subject to the timing of the notification this will be reported to Cabinet as part of the final budget proposals in January 2012.

ANNUAL MINIMUM REVENUE PROVISION POLICY STATEMENT

All relevant figures included in 2012/13 budget are based on the Policy Statement agreed by Council at their 29 November 2011 meeting which is as follows:

In accordance with the Local Authorities (Capital Finance and Accounting)(England)(Amendment) Regulations 2008, the Council's policy for the calculation of MRP for 2012/13 shall be the Capital Financing Requirement Method for supported borrowing and the Asset Life (equal instalment) Method for prudential borrowing.

CODE OF PRACTICE – STATEMENT OF ACCOUNTS

Each year information is issued to Local Authorities which provides guidance on the information and presentation required for the Financial Statements the Council publishes on an annual basis. Therefore although not directly affecting the overall financial position

of the Council, changes may occur between across years but hopefully to a lesser extent to last year which was the first year of preparing accounts under International Financial Reporting Standards (IFRS). Budgets may need to be reviewed and budget transfers undertaken to address any new requirements emerging from the relevant codes of practice that are issued each year.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

Appendix A Detailed Estimates – Portfolio Summary and Departmental Budget Analysis
Appendix B Fees and Charges
Appendix C 5 year Capital Programme
Appendix D Reserves