

**Open Report on behalf of Pete Moore, Executive Director Resources and Community Safety**

Report to:	<b>County Council</b>
Date:	<b>22 February 2013</b>
Subject:	<b>Council Budget 2013/14 to 2014/15</b>

**Summary:**  
 The appended Budget Book - "Council Budget 2013/14 to 2014/15" describes the Executive's budget and council tax proposals.

**Recommendation(s):**  
 It is recommended that the Council:

1. Considers the responses to consultation on the Council's budget proposals as contained in the appended Budget Book (Appendix C - Budget Consultation);
2. Considers the Section 151 Officer's statement on the robustness of the budget and the adequacy of reserves as set out in the appended Budget Book, (Section 9 - Section 151 Officer's Statement on the Robustness of the Budget and Adequacy of Reserves);
3. Agrees:
  - 3.1 The service revenue budgets for 2013/14 to 2014/15 contained in the appended Budget Book, (Table 3 - Service Budgets);
  - 3.2 The capital programme 2013/14 to 2014/15 and Future Years and its funding contained in the appended Budget Book (Section 5 - Capital Programme) and (Appendix J - Capital Programme);
  - 3.3 The County Council element of the council tax for a band D property at £1,065.69 for 2013/14 contained in the appended Budget Book (Appendix B - County Precept 2013/14);
  - 3.4 and that together these form the Council's Budget.
4. Agrees the prudential targets for capital finance and notes the prudential indicators contained in the appended Budget Book (Appendix I -

Prudential Indicators);

5. Agrees that the minimum revenue provision (MRP) be based on the average life method and made in equal instalments over the estimated life of the assets acquired through borrowing as set out in the appended Budget Book (Section 7 - Minimum Revenue Provision).

## **1. Background**

1.1 The provisional Local Government Finance Settlement, issued on the 19 December 2012, has provided the Council with revised levels of funding for both 2013/14 and 2014/15. The Executive have consulted on their proposed budget based on this revised level of funding. The final settlement was issued on 4 February 2013 and has confirmed the funding available, plus notification of two additional amounts: £0.825k from New Homes Bonus Top Slice and £0.755m for Efficiency Support for Services in Sparse Areas.

1.2 Central Government have also indicated they will not provide 2015/16 information until after a further spending review due to take place in the first half of the new year. Due to the financial uncertainties this brings, the Council will only set a two year budget and will revert back to its usual three year budget setting process next financial year when the 2015/16 information is known.

1.3 The Council will take the 2013/14 Council Tax Freeze Grant enabling the Council to set council tax at the same level as 2011/12 and 2012/13.

### **Consultation**

1.4 The Executive put forward a budget for consultation at its meeting on 8 January 2013. Since that time comments have been received from Overview and Scrutiny Committees, Businesses, Public Organisations, Trade Unions and individual Council Tax payers.

1.5 A summary of these comments is included within the 'Budget Book' and have been taken into account whilst finalising the budget proposals. The majority of comments are supportive of the budget and for example, issues around the increased demand on Council services relating to Local Welfare Provision have been noted.

### **Equality Act 2010**

1.6 The County Council will be mindful of its obligations under the Equality Act 2010 and the special duties it owes to persons who have a protected characteristic as the duty cannot be delegated and must be discharged by the decision maker. The duty is for the Council, in the exercise of its functions, to have due (that is proportionate) regard to the need to:

1. Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;

2. Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
3. Foster good relations between persons who share a relevant protected characteristic and persons who do not share it: Equality Act 2010 s 149(1). The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation: s 149(7). Having due regard to the need to advance equality of opportunity involves having due regard, in particular, to the need to:
  - I. Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
  - II. Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
  - III. Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low;
  - IV. The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities;
  - V. Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to tackle prejudice, and promote understanding;
  - VI. Compliance with the duties in this section may involve treating some persons more favourably than others;
  - VII. The relevant protected characteristics are:
    - Age
    - Disability
    - Gender reassignment
    - Pregnancy and maternity
    - Race
    - Religion or belief
    - Sex
    - Sexual orientation
  - VIII. A reference to conduct that is prohibited by or under this Act includes a reference to:
    - A breach of an equality clause or rule
    - A breach of a non-discrimination rule.

1.7 These equality considerations do not preclude changes in services being made, but do require that these be fully appreciated, both individually and holistically. It is clear that the current and future financial challenges facing local authorities and the need for budget savings will result in changes to service provision and to some reduction in Council services. These will apply to services

accessed by all people in Lincolnshire as well as services provided to specific groups. It is possible that there may be an adverse impact on some people and communities including those with a protected characteristic.

1.8 In order to meet its obligations equality impact analyses will be carried out when the nature of the proposed changes to services and the potential mitigation if any is clear, so that the implications of decisions are fully understood as they affect specific groups and communities. These have been and will continue to be, regularly reported to the Executive as part of the decision making processes. As part of this the Executive will consider whether any alternative approaches could alleviate or at least mitigate the impact of the decision such as making reductions in other areas which do not have the same equality impacts. In this event the usual budget management processes such as virement would be followed and approval sought at the appropriate levels in accordance with Financial Regulations including full Council where necessary.

## **2. Conclusion**

2.1 The budget proposals are based on a thorough and comprehensive review of the Council's services. They aim to reflect the Council's priorities whilst operating within much reduced resources.

## **3. Legal Comments:**

There is a legal obligation to consult on the development of the Budget. Robust decision making requires that this consultation as well as the section 151 officer's statement on the robustness of the budget and the adequacy of the reserves are taken into account by the County Council in coming to its decision. Compliance with recommendations 1 and 2 ensures that this is done.

With regard to recommendation 3 under the Budget and Policy Framework Procedure Rules it is for the County Council to approve the Budget.

With regard to recommendation 4, section 3 of the Local Government Act 2003 requires a local authority to determine and keep under review how much money it can afford to borrow. The determination must be made by County Council. The prudential targets include the Council's borrowing limit and must therefore be approved by the County Council.

Regarding recommendation 5, the requirement to make a determination on how to calculate minimum revenue provision is a requirement of the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 and the statutory guidance that accompanies the regulations. Minimum revenue provision is relevant to the control of the Council's capital expenditure and the Constitution provides that it is therefore part of the Budget and must be referred to the County Council for approval.

The recommendations are lawful, in accordance with the Constitution and within the remit of the County Council.

#### 4. Resource Comments:

The budget proposals are consistent with the Council's Financial Strategy.

The robustness of the budget proposals and the adequacy of the reserves held by the Council are considered in Section 9 of the appended Budget Book. This concludes that the budget is realistic and that the level of reserves is adequate.

#### 5. Consultation

##### a) Has Local Member Been Consulted?

n/a

##### b) Has Executive Councillor Been Consulted?

Yes

##### c) Scrutiny Comments

These are set out in the appended Budget Book (Appendix C - Budget Consultation).

##### d) Policy Proofing Actions Required

n/a

#### 6. Appendices

These are listed below and attached at the back of the report

Appendix	Attached separate booklet - "Council Budget 2013/14 to 2014/15" - the Budget Book
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#### 7. Background Papers

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

Document title	Where the document can be viewed
Report to the Executive 8 January 2013 "Council Budget 2013/14 to 2014/15"	Committee Services
Report to the Executive 5 February 2013 "Council Budget 2013/14 to 2014/15"	Committee Services

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