

**Open Report on behalf of the Executive Director Resources and Community Safety**

Report to:	<b>County Council</b>
Date:	<b>17 February 2012</b>
Subject:	<b>Council Budget 2012/13 to 2014/15</b>

**Summary:**

The accompanying booklet "Council Budget 2012/13 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 Appendix 1 - Council Budget 2012/13 to 2014/15, 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 Appendix 1 - Council Budget 2012/13 to 2014/15, 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 2012/13 to 2014/15 contained in Appendix 1 - Council Budget 2012/13 to 2014/15, Table 4 (Service Budgets);
  - 3.2 the capital programme 2012/13 to 2014/15 and Future Years and its funding contained in Appendix 1 - Council Budget 2012/13 to 2014/15, 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 2012/13 contained in Appendix 1 - Council Budget 2012/13 to 2014/15, Appendix B (County Precept 2012/13);
  - 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 Appendix 1 - Council Budget 2012/13 to 2014/15, 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 Appendix 1 - Council Budget 2012/13 to 2014/15, Section 7 (Minimum Revenue Provision).

## **1. Background**

The budget proposals are set in the context of 2012/13 being the second of four years of substantial reductions in government grants to the Council. The main general grant – the Formula Grant – has reduced by 7.6% from last year. A further 5% reduction is projected over the subsequent two years. The proposals will balance the Council's expenditure to its income on a sustainable basis.

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

## **Equality Act 2010**

The County Council will be mindful of its obligations under the Equality Act 2010 and the special duties the Council owes to persons who have a protected characteristic. 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.

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 decision makers as part of the decision making processes. As part of this the decision maker 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**

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 attached report. 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 Appendix 1 - Council Budget 2012/13 to 2014/15, Appendix C.

#### d) Policy Proofing Actions Required

n/a

### 6. Appendices

These are listed below and attached at the back of the report	
Appendix 1	Attached separate booklet "Council Budget 2012/13 to 2014/15"

### 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 20 December 2011 "Council budget 2012/13 to 2014/15"	Committee Services
Report to the Executive 7 February 2012 "Council Budget 2012"	Committee Services

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