

Minute Extracts

Budget and Policy Framework

143/13 Council Tax Base 2014/15

The Council Cabinet considered a report on Council Tax Base 2014/15. The Council had to calculate its council tax base for 2014/15 as a means of raising council tax income for the 2014/15 financial year from Derby council tax payers.

The tax base was an estimated figure of the number of domestic properties in terms of 'band D' in the Council's area during the financial year concerned. It was used to determine a headline charge for band D properties in the city. Charges for other bands were calculated as defined fractions of the headline charge.

Changes arising from the Government's Welfare Reform programme (specifically the replacing of council tax benefit with local council tax support) and the decision to give local authorities greater discretion over the reliefs from council tax available in respect of second homes and some empty properties would continue to have a significant impact on the Council's tax base.

The proposed council tax base for 2014/15 is 62,419.06 band D equivalent properties compared with the 2013/14 council tax base of 61,622.88. This represented an increase of 796.18 band D equivalent properties.

As well as taking into account the changes mentioned in paragraph 1.3 of the report, the tax base also included a prudent estimate of the number of newly built homes between 1 December 2013 and 31 March 2015 that would add to the tax base.

Decision

1. To approve the council tax base for the year 2014/15 as 62,419.06 band D equivalent properties in accordance with The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 (SI 2012/2914).
- 2. To recommend Council to approve the calculation in accordance with the methodology and estimates shown at Appendix 2 of the report.**

144/13 Capital Budget 2014/15

The Council Cabinet considered a report Capital Budget 2014/15. The report set out the 2014/15 to 2016/17 capital programme for recommendation to Council on 29 January 2014. The main areas of the £318,568,000 programme over the next three years were ...

- £33,777,000 to deliver the Council's Leisure strategy which would include a new 50 metre swimming pool together with the delivery of the Multisports Arena and new athletics track.
- 25,000,000 to deliver the jointly funded waste disposal plant in partnership with Derbyshire County Council.
- £52,949,000 Children and Young People's Directorate programme including the Primary Capital programme; and repairs, maintenance and improvements to the fabric of school buildings.
- £60,469,000 Housing programme, including refurbishment to Council-owned houses in the Housing Revenue Account (HRA) along with further Housing General Fund schemes to deliver decent homes and assistance to vulnerable householders, disabled facilities grants, other repairs and assistance in the private sector and support for affordable housing.
- £23,674,000 for highways and transport - to improve the highway network and deliver major schemes such as London Road Bridge replacement.
- £12,193,000 for property maintenance of the Council's buildings and infrastructure.
- £3,024,000 for the Extracare programme for Derby Senior Citizens in our Adults Social Care Service.
- £59,966,000 for regeneration of the city centre and key regeneration areas.
- £30,828,000 for the Environmental Agency flood defence project Our City Our River.

A number of measures to balance the capital budget had been applied including over programming and additional borrowing, as detailed in Section 6 of the report.

A review of the capital programme by Cabinet had resulted in a reduction in the amount of borrowing from 59% to 44% over three years, with the 2014/15 programme only reliant upon 27% borrowing.

The report also outlined assumptions made on future year's government allocations which were still to be confirmed, as detailed in Paragraph 5.2 of the report.

The capital programme was categorised by asset group. For example, all council owned (non- schools) property enhancements were categorised under property rather than against the Directorates which operated from those buildings. A summary of the overall capital programme for 2014/15 to 2016/17 was shown at Appendix 2 of the report.

Results of the capital consultation and responses were included at Appendix 5 of the report.

Decision

1. To approve the capital programme for 2014/15 and the indicative capital programme for 2015/16 and 2016/17 as set out in the report. A summary was shown in Appendix 2 to the report.
2. To approve the commencement of the capital schemes presented in the 2014/15 capital programme detailed in Appendix 2 of the report.
3. To approve the allocation of S106 funding as detailed in paragraph 5.5 table 2 of the report.
4. To note assumptions made for government funding allocations, detailed in paragraph 5.2 of the report.
5. To note the process of review undertaken on the current capital programme and the process for assessing new bids described in section 4 of the report.
6. To note the revenue budget implications of the proposed programme described in sections 6 and 8 of the report.
7. To approve the continued principle of over-programming to a level of 10%.
- 8. To recommend that Council approve the additional borrowing required to fund the 2014/15 -2016/17 capital programme.**
9. To note the results of the consultation process and approve the Cabinet responses shown at Appendix 5 of the report.

146 /13 General Fund Revenue Budget

The Council Cabinet considered a report on the General Fund Revenue Budget. The report set out proposals resulting from the Coalition Government grant budget settlement to recommend to Council a net budget requirement of £217,929,416 in 2014/15.

The report also set out budget proposals for 2015/16 and 2016/17 as part of the Council's Medium Term Financial Plan - MTFP.

The Council had outlined permanent cuts requirements of £78.9m over three years to meet rising costs, maintain priority services and invest for the future. These cuts total £28.0m in 2014/15, £30.0m in 2015/16 and £20.9m in 2016/17. These cuts would be delivered from a combination of efficiencies, income generation, staff post reductions and changes to services.

Each section of the report deals with the various elements that required consideration before a final decision was reached. These key areas were:

- the budget process leading up to these proposals (Section 4) of the report

- the resources available to the Council, including council tax and the local government finance settlement (Section 5) of the report
- the budget proposals for 2014/15, how they have changed since proposals were released for consultation and details of the key changes by Directorate (Section 6) of the report
- the budget forecasts for 2015/16 and 2016/17 (Section 7) of the report
- details of the impact assessments carried out on the Council's budget proposals (Section 8) of the report
- an explanation of the links between the budget proposals and the Council's corporate outcomes (Section 9) of the report
- the Council's reserves position (Section 10) of the report
- the communication and consultation process including feedback (Section 11) of the report
- the management of budget risks (Section 12) of the report.

A separate report providing details of the latest estimated outturn position for 2013/14 as at Quarter 2, and the treatment of variances, was presented to Council Cabinet on 6 November 2013. The 2013/14 budgets used in this report had been restated to reflect all movements of budgets between Directorates approved during 2013/14 to date and to reflect the changes in the Local Government finance arrangements to enable more meaningful comparison.

The Council's provisional grant settlement from central government for 2014/15 was expected to be £113.486m, including revenue support grant of £62.080m, and £12.913m in top-up grant under the Business Rates Retention funding scheme for Local Government, to supplement anticipated retained business rates of £38.493m. A number of other corporate grants were also expected in 2014/15 including a Public Health Grant of £15.784m; an Education Services Grant of £4.076m; and grant of £5.264m for Social Care and Benefit Health Reforms. New Homes Bonus funding of £3.486m was also anticipated. Further details of all grants anticipated to be received by the Council were provided in Appendix 3 of the report.

Included in the appendices was summarised budget information that, together with the text of the report, constitutes the full budget proposal. In considering the report Council Cabinet took due regard to the equality impact assessments already completed and confirmed they would have due regard to those yet to be completed before the proposals were implemented.

Decision

To recommend to Council the following:

- 1. To approve a budget requirement for Derby City Council for 2014/15 of £217,929,416 subject to confirmation of the final Local Government**

Settlement expected in February 2014 and finalisation of the Council's Council Tax for 2014/15 which will be presented to Council in March 2014 for approval.

- 2. To approve for 2014/15 the directorate revenue budget estimates and the net use of reserves of £1.835m (0.84% of the budget) in 2014/15 summarised in Appendix 4a of the report.**
- 3. To approve the measures proposed to manage budget risks in 2014/15 and in future years, including the deliverability of identified cuts, levels of service and inflation forecasts as set out in Section 12 of the report.**
- 4. To approve the commencement of appropriate procurement procedures to support the specific budget proposals listed in appendices 5 and 6 of the report.**
- 5. To approve the immediate implementation of detailed cuts proposals for 2014/15 and 2015/16 subject to the completion and consideration, where relevant, of any further consultation exercises, equality impact assessments and assessments under Section 17 of the Crime and Disorder Act 1998.**
- 6. To note the changes made to the budget cuts proposals as a result of feedback from the consultation process, detailed in paragraph 11.4 of the report.**
- 7. To approve within this total of £217,929,416:**

Net service estimates of:

Adults, Health and Housing	73,285,000
Chief Executives	3,199,000
Children and Young People	38,199,000
Neighbourhoods	48,926,000
Resources	23,006,000
Corporate and Contingency Budgets	32,149,416
Net adjustment for one-off Corporate redundancy costs	1,000,000

219,764,416

Appropriations to/from reserves (figures in brackets are appropriations from reserves):

Service reserves	(155,000)
Corporate reserves	(1,680,000)
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	217,929,416

- 8. To note the calculation of the Council's Tax Base for the year 2014/15 as 62,419.06 equivalent band D properties, subject to approval as a separate agenda item to this meeting, in accordance with the Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2003 (SI 2003/3012).**

as the amounts to be taken into account for the year, under Section 30(2)(a) of the Act, in respect of categories of dwellings listed in different valuation bands, being the amounts given by multiplying the amount at (e) above by the number which, in the proportion set out in Section 5(1) of the Act, was applicable to all dwellings listed in each

particular valuation band divided by the number which in that proportion was applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act.

10. To note that details of the precepts to the Council for Derbyshire Police Authority and Derbyshire Fire Authority, in accordance with Section 40 of the Local Government Finance Act 1992, would be presented to Council in March 2014.
11. To note that the Council Tax to be set for 2014/15, being the aggregate of the amount calculated by the Council at Appendix 2 and the precepts issued by the Council's major precepting authorities, in accordance with Section 30 of the Act, will be presented to Council in March 2014.
12. To note the revenue budget plans for 2015/16 and 2016/17 set out in section 7 of the report.
13. To note the feedback from the budget consultation detailed in appendices 7 to 11 and approve the Council Cabinet responses to consultation recommendations.
14. To note that the Council would hold a Schools Forum meeting on 23 January 2014, this would directly inform the draft 2014/15 Schools Budget. A report would therefore be presented to Council Cabinet in February 2014 for review and comment.

147/13 Treasury Management Strategy

The Council Cabinet considered a report on Treasury Management Strategy. The report outlined and sought approval of the Council's Treasury Management Strategy for the financial year 2014/15 and the Prudential Indicators derived from this strategy. The report included:

- Economic and Interest Rate Forecast
- Banking Services Update
- Capital Financing Requirement
- The Annual Borrowing Strategy
- The Annual Investment Strategy
- Prudential Code Indicators and limits.

Decision

- 1. To approve and recommend to Council the Treasury Management Strategy for 2014/15.**

- 2. To approve and recommend to Council the Prudential Indicators and limits for 2014/15 to 2016/17.**

149/13 Council Plan 2014/15

The Council Cabinet considered a report on Council Plan 2014/15. The report presented the latest draft of the Council Plan 2014/15 for review and approval by Council Cabinet.

The Council Plan was central to the performance planning framework as it was the main document that sets out what we, as an organisation, would do to deliver priorities for both the city and the Council. The contents of the plan should reflect national, regional and local priorities.

Council Cabinet received an early draft of the Plan for review in November 2013, following which the content had been subject to further review and challenge.

Decision

1. To review the current contents of the draft plan, set out in Appendix 3 of the report.
2. To note the comments from the Plain English Panel and Corporate Scrutiny and Climate Change Overview and Scrutiny Board, set out in appendix 2 of the report.
3. To approve the designed draft of the Plan.
- 4. To recommend Council to approve the Plan.**
5. To delegate authority to the Chief Executive to make any final amendments to the Council Plan 2014/15, following consultation with the Leader of the Council.

Contract and Financial Procedure Matters

151/13 Contract and Financial Procedure Matters Report

The Council Cabinet considered a report on Contract and Financial Procedure Matters. An addendum to the report was also circulated. The report dealt with the following item that required reporting to and approval by Council Cabinet under Contract and Financial Procedure rules:

- changes to the current 2013/14-2015/16 capital programme.

Decision

1. To approve changes and additions to the capital programme as set out in Appendix 2 and highlighted in section 4 of the report.
2. To note the revised programme for 2013/14 in table 1 (paragraph 4.1) and the revised indicative programme for 2013/14-2015/16 as shown in table 2 (paragraph 4.9) of the report.
3. To approve the £2.3m payment in advance of works being completed on site in line with the standard Scape Connect framework to minimise interest payments.
4. To approve obtaining a Parent Company guarantee from Willmott Dixon and the £2m Advanced Payment Bond to provide additional security.
5. To approve the acceptance of £216,000 funding from the European Regional Development Fund for the Friargate Studios scheme as detailed in paragraph 4.4 of the report.
6. **To recommend Council to approve entering into contracts for the delivery of Victory Road scheme detailed in paragraph 4.8 of the report.**