

REPORT OF THE
Cabinet
PART I

**344. REVENUE BUDGET AND PRECEPT 2013/14 AND CAPITAL PROGRAMME
2013/14 – 2015/16**

A. REVENUE BUDGET AND PRECEPT 2013/14

Introduction

1. The Cabinet considered the proposed Revenue Budget and Precept for 2013/14 and the Capital Programme for 2013/14 to 2015/16 at its meeting on 8 February 2013.

2. The main purpose of this report is to explain any changes that have been necessary since the reports were approved at Cabinet and to set out the formal recommendations for full Council in considering the budget, council tax and capital programme for 2013/14 and beyond.

Revenue Budget and Precept 2013/14

3. The revenue report that was presented to Cabinet on 8 February 2013 is attached as Annex 1 to this Part 1 report. Since the original report was released, the final Local Government finance settlement has been announced and a minor reduction of £3,000 has been notified. This has been matched by a reduction in corporate contingencies to ensure the council tax requirement remains unchanged.

The only changes that have been made to the report approved by Cabinet are:

- The reduction of £3,000 in budget requirement and corporate contingencies due to a reduction in final Formula Grant. This amendment has been reflected in Appendices 6 and 9 to Annex 1.
- Updated collection fund surplus figures from District Councils that have reduced by just over £300,000, which has been balanced by an additional draw from the grant equalisation reserve to the same level.
- Minor self balancing changes within the capital financing and pension sections of Appendices 1 and 6 to Annex 1, arising from the finalisation of these technical budgets following Cabinet.
- Changes to DSG, RCCO and specific grants within Appendix 6 to Annex 1 reflecting the final notification of these amounts and the transfer of funding from DSG to schools for capital repairs. This has no overall impact on the bottom line budget.

- A recommendation has been added in this Part 1 report (item i below) that formally determines that the County Council's council tax increase is not excessive. This is a technical issue introduced by the new requirements of the Localism Act and is required in connection with the potential for local referendums on council tax increases. Clearly with a council tax freeze for 2013/14 this is not an issue for next year.
- New appendices 11 and 12 have been added to the revenue report which set out service summaries for the 2012/13 revised budget and the 2013/14 proposed budget which include allocations for support services, capital charges and pension costs which are not calculated until after the cash limited service budgets have been approved by Cabinet. In addition, a service summary of the budget requirement is also provided at Appendix 13 which contains the figures that are used for the council tax leaflet. The addition of the new appendices is also reflected in the recommendations to County Council shown at (b) and (c) below.

4. Following the late announcement of the return of top sliced New Homes Bonus funding, the amount available for new capital investment has increased by £890,000 and this has been reflected in the recommendations to Council in this part I report.

5. All of these changes have been reflected in the main report set out at Annex 1 and Cabinet have recommended the following to the County Council.

RECOMMENDATIONS

That the County Council approve:

- (a) The Chief Financial Officer's report under Section 25 of the Local Government Act 2003 be taken into account when determining the budget and precept for 2013/14 (as set out in Appendix 8 of Annex 1)
- (b) The Revised Budget for 2012/13 (as set out in Appendices 1 and 11 of Annex 1)
- (c) The Revenue Budget for 2013/14 (as set out in Appendices 4, 6, 12 and 13 of Annex 1)
- (d) That earmarked reserves, together with New Homes Bonus funding totalling £26.5 million be set aside for new capital investment.
- (e) That capital expenditure to the value of £26.5 million be added to the capital programme. Final decisions on specific schemes, will be reported to a decision day of the Executive Member for Policy and Resources.
- (f) That the total **budget requirement** for the general expenses of the County Council for the year beginning 1 April 2013, be £755,782,200
- (g) The **council tax requirement** for the County Council for the year beginning 1 April 2013, be £490,113,505.73
- (h) The County Council's band D council tax for the year beginning 1 April 2013 be £1,037.88 as in the previous three years

- (i) That in accordance with the set principles set by the Secretary of State for Communities and Local Government for the year, it is determined that the relevant basic amount of council tax for 2013/14 is not excessive.
- (j) The County Council's council tax for the year beginning 1 April 2013 for properties in each tax band be :

	£
Band A	691.92
Band B	807.24
Band C	922.56
Band D	1,037.88
Band E	1,268.52
Band F	1,499.16
Band G	1,729.80
Band H	2,075.76

- (k) Precepts be issued totalling £490,113,505.73 on the billing authorities in Hampshire, requiring the payment in such instalments and on such dates set by them previously notified to the County Council, in proportion to the tax base of each billing authorities area as determined by them and as set out below:

Basingstoke and Deane	60,252.70
East Hampshire	45,965.13
Eastleigh	41,575.62
Fareham	40,244.00
Gosport	24,532.40
Hart	37,212.78
Havant	37,204.14
New Forest	67,702.70
Rushmoor	28,799.18
Test Valley	43,344.00
Winchester	45,392.95

- (l) The treasury management, annual investment strategies and prudential indicators for 2013/14 be approved, in accordance with the recommendations in Appendix 10 (to Annex 1).

345. CAPITAL PROGRAMME 2013/14 TO 2014/15

1. The Capital Programme report presented to Cabinet on 8 February is attached at Annex 2 to this Part 1 report. There have been no changes to the report since Cabinet which recommended the following to County Council

RECOMMENDATIONS

- (a) £1.652 million be added to the Children's Services capital programme for 2012/13 for Early Education for Two Year Olds from lower income households, funded from an additional Government grant of £1.652 million
- (b) £4.3 million be added to the Children's Services capital programme for 2012/13 for an all weather pitch with floodlighting and a grass rugby pitch at Swanmore College, funded in full from a capital receipt from the disposal of land at Swanmore
- (c) £780,000 per annum be added to the Economy, Transport and Environment programmes for 2013/14, 2014/15 and 2015/16 for the proposed Member Environment (Highway) Fund, met from the Corporate Policy Reserve
- (d) the capital programme for 2013/14 and the provisional programmes for 2014/15 and 2015/16 (as set out in Appendix 3 of Annex 2) and subject to the conditions set out in section B.3 of the County Council's Financial Procedures on the responsibilities for managing the capital programme and, where appropriate, to the approval of the Executive Member for Policy and Resources to proposals by Executive Members to retain more than a 25% share of capital receipts
- (e) expenditure on preliminary design and planning work for major transport schemes be permitted when they have achieved a place in the County Council's Local Transport Plan, subject to the cost being met within existing Government allocations
- (f) that authority be given to incur expenditure on land purchases as follows:
 - (1) up to the sum specified in respect of sites still required for the schemes included in the capital programme for the period 2013/14 to 2015/16 provided that the relevant scheme has been the subject of a feasibility or design project appraisal approved by the relevant Executive Member
 - (2) up to the amount included in the programmes for 2013/14 to 2015/16 in respect of advance and advantageous land purchases.