

10 January 2012		ITEM 6
Corporate Overview & Scrutiny Committee		
DRAFT GENERAL FUND 2012/13 BUDGET AND MEDIUM TERM FINANCIAL STRATEGY		
2012/13 PROPOSED FEES AND CHARGES		
Portfolio Holders: All		
Wards and communities affected: All	Key Decision: No	
Accountable Head of Service: Sean Clark, Head of Corporate Finance		
Accountable Director: Martin Hone, Director of Finance & Corporate Governance		
This report is Public		
Purpose of Report: To consult on the Draft General Fund Revenue and Capital budgets, and the proposed 2012/13 Fees and Charges.		

EXECUTIVE SUMMARY

The Committee will be aware that there have been a number of reports during the course of this year on both the current budget and that proposed for 2012/13.

During these meetings, the Overview and Scrutiny Committees considered a number of savings and growth proposals and these have been, in the main, agreed by Cabinet in October 2011.

Having agreed these, Cabinet will then consider a further report in January 2012 that will agree a number of assumptions and also introduce the Capital Programme bids and likely resources. This report is included at Appendix 1.

At its meeting on 11 January 2012, Cabinet will also be asked to consider the proposed fees and charges for 2012/13. This report is included at Appendix 2.

2. RECOMMENDATIONS:

- 2.1 That the Overview and Scrutiny Committee consider the assumptions, including those on prudential borrowing, and that**

the minutes, recording the discussion, be included in the budget report to Cabinet in February 2012;

- 2.2 That the Overview and Scrutiny Committee forward any comment on the capital resource assumptions and bids to the Cabinet meeting in February 2012; and**
- 2.3 That the Overview and Scrutiny Committee consider the assumptions included within the fees and charges report, and that the minutes, recording the decision, be included in the report to Cabinet in February 2012.**

3. CABINET PROPOSALS

- 3.1** At their meeting on 11 January 2012, Cabinet will be asked to consider the report and recommendations, as set out in the attached reports at appendix 1 and appendix 2.
- 3.2** The report is now being issued to the Overview and Scrutiny Committees for consultation and the feedback will be considered by Cabinet at their meeting in February 2012 in formalising their budget recommendations to Full Council later in that month.

4 THE MEDIUM TERM FINANCIAL FORECAST AND GOVERNMENT GRANT ANNOUNCEMENT

- 4.1** The Council's Medium Term Financial Strategy highlights a reduction in government grant funding through the Revenue Support Grant and Business Rates redistribution of £3.317m in 2012/13 which is consistent with the two year settlement announced for 2011/12. In addition, inflationary cost pressures of £2.325m have also been identified. This results in a reduction in spending power of £5.642m in overall terms when comparing the 2012/13 budget to the current year.
- 4.2** The specific proposals for growth and savings for each Service were worked into business cases and were considered during the informal Star Chamber process between July and September 2011 in order to evaluate the potential impact on corporate priorities. The proposals have been considered by each of the relevant Overview and Scrutiny Committees.

5. CONSULTATION

- 5.1** Regular meetings of Directors' Board, the Leadership Group and the wider Council management group have been held since the budget exercise commenced in July. There have also been meetings with the portfolio holders and the Conservative Group has been briefed.

Consultation with the trade unions and staff potentially affected by the planned changes is currently taking place.

6. IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT

6.1 The budget should reflect the priorities set out within the corporate plan and so impact on all service provision.

7. IMPLICATIONS

7.1 Financial

Implications verified by: **Martin Hone**
Telephone and email: **01375 652152**
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The financial implications have been clearly set out throughout the body of the report and the implications of savings options set out in the appendices.

7.2 Legal

Implications verified by: **David Lawson**
Telephone and email: **01375 652087**
dlawson@thurrock.gov.uk

Local authorities are under an explicit duty to ensure that their financial management is adequate and effective and that they have a sound system of internal control and management of financial risk. This budget report contributes to that requirement although specific legal advice may be required on the detailed implementation of any agreed savings options.

7.3 Diversity and Equality

Implications verified by: **Samson DeAlyn**
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This is a set of wide ranging and far reaching proposals, a significant number of which may have an impact on staff and residents. Each of these savings proposals will need to undergo an Equality Impact Assessment to identify potential adverse impacts on any groups.

As these proposals are going through the formal approval and scrutiny process, they will need the Equality Impact Assessment evidence to be presented for each item.

The Equality Act also came into force this October and this has raised the bar in terms of public sector equality duties for example a proposed requirement to consider socio-economic impact before implementing any policy. Whilst this requirement is subject to implementation at a later stage the Council needs to ensure that appropriate consideration is given to all new equality requirements in the policy and decision making process.

8. CONCLUSION

- 8.1** The budget plans are designed to ensure that a balanced financial position is achieved over the medium term while having regard to the Council's priorities, service delivery, service users and the wider public, staff and issues of equality.

BACKGROUND PAPERS USED IN PREPARING THIS REPORT:

- Various budget working papers held in Finance & Corporate Governance Directorate

APPENDICES TO THIS REPORT:

- Appendix 1 – Draft General Fund 2012/13 Budget and Medium Term Financial Strategy report to Cabinet 11 January 2012
- Appendix 2 – Budget – 2012/13 – Proposed Fees and Charges Report to Cabinet 11 January 2012

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