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<b>Meeting</b>	<b>Budget and Performance Overview and Scrutiny Committee</b>
<b>Date</b>	<b>19 September 2012</b>
<b>Subject</b>	<b>Business Planning 2013/14 – 2014/15</b>
<b>Report of</b>	<b>Overview and Scrutiny Office</b>
<b>Summary</b>	<p>The paper set out at Appendix A sets out the current budget proposals included in the Council's Medium Term Financial Strategy for 2013/14 and 2014/15.</p> <p>Budget headlines will be approved by Cabinet in November, which will refresh and update these proposals for 2013/14 and 2014/15, as well as set out plans for 2015/16.</p> <p>In advance of the approval of budget headlines, the Budget and Performance Overview and Scrutiny Committee are requested to review the current budget proposals in Appendix A and make appropriate comments and recommendations to Cabinet.</p>

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<b>Officer Contributors</b>	John Murphy, Overview and Scrutiny Officer
<b>Status (public or exempt)</b>	Public
<b>Wards Affected</b>	All
<b>Key Decision</b>	No
<b>Reason for urgency / exemption from call-in</b>	N/A
<b>Function of</b>	Budget and Performance Overview and Scrutiny Committee
<b>Enclosures</b>	None
<b>Contact for Further Information:</b>	John Murphy, Overview and Scrutiny, Tel: 020 8359 2368

## **1. RECOMMENDATIONS**

- 1.1 The Committee consider the paper at Appendix A, which sets out the current budget proposals for the period 2013/14 – 2014/15, as approved by Council in March 2012, and make comments and recommendations to Cabinet.**
- 1.2 That the Committee consider any areas on which it would like to receive further information.**

## **2 RELEVANT PREVIOUS DECISIONS**

- 2.1 Council, 6 March 2012, approved the Annual Budget, Corporate Plan and Medium Term Financial Strategy for 2012/13 to 2014/15. Cabinet, 17 July 2012, Finance and Business Planning Process, Cabinet considered the strategic outlook, and agreed a financial and business planning process covering the period 2013/14 to 2015/16.**
- 2.2 Budget and Performance Overview and Scrutiny Committee, 19 June 2012 – the Committee requested a meeting to scrutinise budget proposals in advance of budget headlines in November 2012.**

## **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1 The financial and business planning process is designed to enable Members to set the strategic direction of the Council and for that direction to be reflected in the Corporate Plan which is refreshed annually. Individual service plans will set out how the council's strategic objectives will be delivered and this will flow through to individual officer objectives, thus creating a 'Golden Thread'. The council's budget will be focussed on delivering its strategic objectives, ensuring that resources follow strategy.**

## **4. RISK MANAGEMENT ISSUES**

- 4.1 There are risks inherent in the financial planning of the organisation and these are set out in the Annual Budget, Corporate Plan and Medium Term Financial Strategy for 2012/13 to 2014/15 as approved by Council on 6 March 2012.**
- 4.2 This report invites the committee to comment on existing budget proposals and make recommendations to Cabinet in advance of budget headlines in November. There are no specific risk management implications of this report.**

## **5. EQUALITIES AND DIVERSITY ISSUES**

- 5.1 The equalities and diversity issues relevant to the Council's budget setting are set out in the Annual Budget, Corporate Plan and Medium Term Financial Strategy for 2012/13 to 2014/15 as approved by Council on 6 March 2012.**

## **6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)**

6.1 The use of resources implications relevant to the Council's budget setting are set out in the Annual Budget, Corporate Plan and Medium Term Financial Strategy for 2012/13 to 2014/15 as approved by Council on 6 March 2012. .

## **7. LEGAL ISSUES**

7.1 Legal issues are set out in the Council budget setting report.

## **8. CONSTITUTIONAL POWERS**

8.1 The scope of the Overview and Scrutiny Committees is contained within Part 2, Article 6 of the Council's Constitution.

8.2 The Terms of Reference of the Overview and Scrutiny committees are in the Overview and Scrutiny Procedure Rules (Part 4 of the Constitution). The Budget and Performance Overview and Scrutiny Committee has within its terms of reference responsibility:

- “To scrutinise the Council’s annual budget process, reviewing and scrutinising its performance in relation to budget management, and assisting the Council in developing a three-year budget strategy”; and
- “To consider, consult upon, comment and, where appropriate, make recommendations to the Executive in respect of the proposed Council budget and Medium Term Financial Strategy”

## **9. BACKGROUND INFORMATION**

9.1 The purpose of this report is to enable the Budget and Performance Overview and Scrutiny Committee to review and comment on current budget proposals, and related budgetary considerations, in advance of budget headlines being approved by Cabinet in November. Full details of the current budget proposals, as agreed by Council in March, for the years 2013/14 and 2014/15, are set out in **Appendix A**.

9.2 The budget is underpinned by the delivery of savings related to projects that are part of the One Barnet programme. Of the total savings that need to be delivered in the MTFS up to 2015, £14.6m are scheduled to be delivered from the One Barnet programme. The current position on the delivery of these savings is set out in **Appendix B**.

9.3 In setting the Council’s budget for 2013/14, consideration will need to be given around the level of Council Tax. The current budget strategy assumes a 2.5% increase in Council Tax. In the previous two years, the government has provided funding to support a freeze (albeit in 2012/13 this was only one off funding so creates a future funding pressure). It is not currently clear if the government will fund a further freeze. The budgetary impact of a 2.5% increase in Council Tax is approximately £4m, so if government support was

not available to freeze Council Tax, further savings would need to be found to enable a balanced budget to be set.

- 9.4 Other considerations that will be considered in setting a budget include:
- The level of fees and charges for the forthcoming financial year;
  - The implications of changes as a result of Council Tax support which will come into effect in April 2013 (along with wider housing and welfare reforms); and
  - Changes to the funding of local government through the introduction of business rate retention.
- 9.5 The Committee are asked to consider the contents of this report and make comments and recommendations as appropriate.

## **10 BACKGROUND PAPERS**

- 10.1 None

<b>Cleared by Finance (Officer's initials)</b>	JH/MC
<b>Cleared by Legal (Officer's initials)</b>	JEL