

**TO: OVERVIEW AND SCRUTINY COMMISSION
13 SEPTEMBER 2012**

**2013/14 BUDGET OVERVIEW
Borough Treasurer**

1 INTRODUCTION

- 1.1 On 3 July 2012 the Executive approved the Commitment Budget for 2013/14 to 2015/16, together with the overall budget strategy and timetable for 2013/14. A copy of the report is attached at Annex A.
- 1.2 The Overview and Scrutiny Commission is asked to comment on the key assumptions underpinning the Commitment Budget 2013/14 to 2015/16 and provide any feed back on the proposed strategy and timetable for 2013/14.

2 SUPPORTING INFORMATION

- 2.1 The Commitment Budget 2013/14 to 2015/16 is the first step in setting a budget for 2013/14 and beyond. As such, it updates the Council's current spending plans, identifies the resources that are likely to be available to finance future budgets and makes assumptions about future inflation, interest rates, capital spend and capital receipts.
- 2.2 The fundamental difference between the 2013/14 budget and other recent budgets is the uncertainty around future Government support. With many of the details associated with the relocalisation of business rates still awaited and the likelihood that many existing specific grants will be absorbed within the new funding arrangements, the Council will not know the precise level of resources it has available to fund the 2013/14 budget until the Provisional Local Government Financial Settlement is published in December.
- 2.3 For this reason the Commitment Budget contains a number of options ranging from a 2% (best case) reduction to a 7% (worst case) reduction in Formula Grant. Given the Government's commitment to tackle the national deficit there remains the possibility that changes to Formula Grant will fall outside of this range and the Council will need to plan accordingly.
- 2.4 The budget proposals will be approved for consultation by the Executive on 11 December, with the budget and Council Tax being agreed by Council on 27 February.

3 EQUALITIES IMPACT ASSESSMENT

- 3.1 None

4 STRATEGIC RISK MANAGEMENT ISSUES

- 4.1 These are set out in paragraph 6.4 of attached report.

Unrestricted

Background Papers

None

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