

COUNCIL – 10 FEBRUARY 2012

BUSINESS STRATEGY AND SERVICE & RESOURCE PLANNING 2012/13 – 2016/17

Supplementary Report by Assistant Chief Executive & Chief Finance Officer

Introduction

1. The report and addenda to Cabinet on 17 January 2012 set out information known at that time on the revenue budget for 2012/13 along with the Medium Term Financial Plan (MTFP) and Capital Programme for 2011/12 to 2016/17.
2. The Final Local Government Settlement has still not been notified but the County Council's share of the District Council's collection fund surpluses has been finalised and is set out in this report. In addition, some information in respect of reserves is also provided.

Final Local Government Finance Settlement

3. From communications with Communities and Local Government, the Local Government Association understands that the current plans are for the Final Local Government Finance Settlement for 2012/13 to be debated by Parliament on 8 February 2012. As this is a matter for Parliament, confirmation of the settlement will not be given until it is debated. A further report will be provided when the settlement is confirmed along with any implications that result.

Collection Fund

4. All of the District Councils have now confirmed the County Council's share of income from collection fund surpluses and shortfalls. In total £4.019m will be received. The MTFP included an assumption of a £1.6m surplus; this is £2.419m more than included in the MTFP and is available on a one-off basis for 2012/13.

Reserves

5. The Service & Resource Planning report to Cabinet in December 2011 set out that those specific grants for 2011/12 announced after the budget had been set in February 2011 that were due to continue in 2012/13 provided additional funding and have been used towards balancing the overall budget.
6. In April 2011 the Financial Monitoring Report to Cabinet stated that, in relation to use of these grants in 2011/12, that a decision on how the extra funding was allocated should be delayed until after the outcomes of the various consultations were known. Given the outcome of the libraries consultation was only agreed by Cabinet in December 2011 it is proposed that the £2.043m remaining funding in

2011/12 is added to the Efficiency Reserve and can be utilised in 2012/13 or later years to support one-off budget proposals.

Conclusion

7. This report reflects a number of changes since the last report to Cabinet on 17 January 2012 but does not provide the final funding position for the Council. The Medium Term Financial Plan, which forms Annex 1 of the Council report, reflects all of the changes described in this report.

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30 January 2012

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