

NON-EXEMPT

EAST HAMPSHIRE DISTRICT COUNCIL

Council

27 February 2014

COUNCIL FINANCES 2014-2015

Executive Head (Governance & Logistics)

EXTH.03/14

FOR DECISION

Portfolio: LEADER AND FINANCE - CLLR FERRIS COWPER

Key Decision: Yes

1.0 Purpose of Report

1.1 This report marks the end of the financial planning process for the period 1 April 2014 to 31 March 2015.

2.0 Recommendation

Council is recommended to:

- i) Agree the Council Tax resolution for 2014/15, at Appendix 1
- ii) Agree the supporting financial information at Appendix 2 which includes:
 - The Revenue and Capital budgets for 2014/15 as agreed by Cabinet.
 - The Treasury Management Policy for 2014/15
 - The Reserves Schedule for 2014/15
 - The Fees and Charges schedules for 2014/15

3.0 Summary

3.1 Each year Councillors agree a council tax levy. This raises part of the income needed to provide services to the people of East Hampshire.

3.2 The rest of the funding required for services and operations comes from government grant, retained business rates, interest earnings and fees & charges. Councillors also agree the makeup of both the revenue and capital budgets for the Council each year.

4.0 Subject of Report

4.1 Appendix 1:- Council Tax Resolution

The resolution sets a “Band D” council tax (the comparator for all councils) at £137.30 – representing no increase from 2013/14. The total budgeted income for EHDC in 2014/15 from council tax is £6.426m.

Parish Councils and major precepting authorities have indicated their precept levels for 2014/15. These are outlined in Appendix C to the Council Tax Resolution.

Hampshire County Council and Hampshire Fire & Rescue Service have proposed Council Tax freezes for 2014/15. At the time of writing this report these were provisional proposals. If there are any changes to the proposals revised documentation will be provided at the meeting. The Police and Crime Commissioner has confirmed an increase of 1.99%.

4.2 Appendix 2:- Additional Financial Information

This is the Report that was presented to Cabinet on 29th January 2014 and comprises:

A) Revenue and Capital Budgets for 2014/15

The detailed revenue budget breakdown shows a projected gross expenditure of £46.192m. It also shows the income and expenditure budget proposal for each service. The appendix also identifies approved capital expenditure for 2014/15 (i.e. spending on long term projects) estimated to be £2.033m, and also shows capital bids received during the budget process.

B) Treasury Management

The Treasury Management Policy is attached. Key areas within the policy are the Council’s current investment portfolio, interest rate forecasts, the way in which security of investments will be maintained, and the investment strategy for 2014/15.

C) The Reserves Schedule

The reserves schedule sets out the budgeted expenditure and income for the Council’s reserves, together with anticipated balances on reserves up to 2014/15.

D) The Fees & Charges Schedule

A comprehensive list of the fees and charges for 2014/15 is set out here. Council is asked to note the new charges.

E) The Council tax Base

The Council Tax Base provides the total Band D properties in the district for Council Tax setting.

CONSULTATION FEEDBACK

- 4.3 The Budget proposals for 2014/15 have been presented to the Area Forums, to the Finance Panel, to Overview and Scrutiny, and to local businesses for comment and feedback.
- 4.4 Feedback from the forums was noted by Cabinet.

STATEMENT BY THE SECTION 151 OFFICER ON THE ROBUSTNESS OF THE BUDGET ESTIMATES FOR 2013/14

- 4.5 Section 25 of the Local Government Act 2003 imposes a duty on the Chief Financial Officer to report to the budget setting Council on the following matters:
- The robustness of the estimates made for the purpose of the calculations (to set the Council Tax) and
 - The adequacy of the proposed financial reserves.
- 4.6 The Chief Financial Officer's statement was presented in appendix F in the Budget Report to Cabinet on 29th January 2014. There have been no changes to that opinion since the Cabinet meeting.

5.0 Implications

- 5.1 **Resources:** The budget sets the financial framework for delivering the Council's business plans.
- 5.2 **Legal:** there are no specific legal implications at this stage.
- 5.3 **Strategy:** the budget is compiled to support all the Council's priorities
- 5.4 **Risks:** The budget and medium term financial forecasts include a number of assumptions. There is a risk that assumptions made can change over time.
- 5.5 **Communications:** None at this stage.
- 5.6 **For the Community: none at this stage**
- 5.7 **No Integrated Impact Assessment (IIA)** has been completed at this stage but this may be necessary for individual services proposing any significant budget changes in future

6.0 Consultation

6.1 The Joint Management Team, Informal Cabinet, Area Forums, Finance Panel and Overview & Scrutiny have all been consulted through the budget

Appendices:

Appendix 1 – Council Tax Resolution

Appendix 2 – Council Finances 2014/15

Agreed and signed off by:

Legal Services: 16/1/14

Executive Head of Governance & Logistics: 16/1/14

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