
EXCERPT FROM THE MINUTES OF THE RESOURCES OVERVIEW AND SCRUTINY PANEL HELD ON 3 JANUARY 2013

ROSP.06/13 BUDGET 2013/14

(1) Executive's response to the first round of Budget Scrutiny

There was submitted Minute Excerpt EX.157/12 detailing the response of the Executive to the comments made by the Overview and Scrutiny Panels in response to the first round of Budget scrutiny, namely:

“That the Overview and Scrutiny Panels be thanked for their consideration of the draft Budget reports; and their comments, as detailed within the Minutes submitted, would be taken into account as part of the Executive's deliberations on the 2013/14 Budget.”

RESOLVED – That the decision of the Executive (EX.157/12) be received.

(2) Executive Draft Budget Proposals 2013/14

There was submitted the Executive draft Budget proposals 2013/14 which had been issued for consultation purposes.

The draft Budget proposals comprised –

Section	Detail
A	Background and Executive Summary
B	Revenue Budget 2012/13 to 2017/18 <ul style="list-style-type: none">• Schedule 1 - Existing Net Budgets• Schedule 2 - Proposed Budget Reductions• Schedule 3 - Recurring Budget Increases• Schedule 4 - Non-Recurring Budget Increases• Schedule 5 - Summary Net Budget Requirement• Schedule 6 - Total Funding and Provisional Council Tax
C	Capital Programme 2012/13 to 2017/18 <ul style="list-style-type: none">• Schedule 7 - Estimated Capital Resources• Schedule 8 - Proposed Capital Programme• Schedule 9 - Summary Capital Resource Statement
D	Council Reserves Projections to 2017/18 <ul style="list-style-type: none">• Schedule 10 - Usable Reserves Projections
E	Budget Discipline and Saving Strategy

F	Statutory Report of the Director of Resources
G	Glossary of Terms

The draft Budget proposals were based on detailed proposals that had been considered by the Executive over the course of the last few months. In particular, reports of the Director of Resources considered at the Executive meeting of 17 December 2012.

In considering the draft proposals, Members made the following comments and observations:

- Was there an estimated cost for the new electoral registration scheme?

The Director of Resources informed the Panel that the estimated cost was not currently known but would be included in the Executive's budget.

- The Panel asked for clarification with regard to the car parking income pressure.

The Director of Resources clarified that the implication of freezing parking charges was a loss of £50,000 in income that would need to be accounted for in 2013/14 budget.

- What was the recurring budget increase for the capital scheme at the Sands Centre?

The Director of Resources responded that £5m had been included in the Proposed Capital Programme as a new spending proposal for the proposed move of the swimming pool. At the current time the Sands Centre was the proposed location but detailed work would be required before any decision was taken.

The Town Clerk and Chief Executive added that the relocation of the swimming pool was an aspiration only and required a detailed business case to be prepared before any further decisions on location and services were taken. If the Sands Centre was the final location there may be additional revenue savings which could cover the cost of any necessary borrowing. He reiterated that no decisions would be made without a detailed business case.

A Member asked if there was a timescale for the business case and the Town Clerk and Chief Executive responded that the preparation of a business case would be carried out at the request of the Executive to fit in with their calendar of work.

The Panel were very concerned that the Sands Centre and Methodist Hall had been named in the Budget Proposals as locations of the swimming pool and arts centre when business cases had not been prepared for either. They felt that by naming the locations it raised people's expectations and there was a chance that the locations may not be suitable.

The Town Clerk and Chief Executive agreed that the potential locations should not drive the facilities or services on offer. The two premises offered an opportunity that would be

explored fully and following very detailed work Members would then make the decision with regard to the locations.

The Finance, Governance and Resources Portfolio Holder informed the Panel that the Joint Management Team had met on 2 January 2013 and agreed that the specific names of the locations would be removed from the Budget, he also confirmed that he would feed back the Panel's concerns to the Executive.

- The Kingstown Industrial Estate project had an underspend of £150,000, could this money have been used to bring the roads up to an adoptable standard?

The Director of Resources explained that the original project had been to bring the roads up to the 10 years standard but the County Council engineer had changed the standard to the 40 years standard. To achieve this standard would have cost considerable more than the funds available. The City Council sent out a tender for the 10 years standard project and as a result the tender came in under budget but all work specified in the original project had been carried out.

The Finance, Governance and Resources Portfolio Holder summed up by saying that the Executive had worked closely with officers and, although the Council was still in a difficult position, the capital scheme had identified opportunities to ensure that the Council met its priorities.

RESOLVED – That the observations of the Panel, as detailed above, be conveyed to the Executive

(3) Background Information reports

(a) Revenue Estimates: Summary of Overall Budgetary Position 2013/14 to 2017/18

Report RD.58/12 – providing a draft summary of the Council's revised revenue base estimates for 2012/13, together with base estimates for 2013/14 and updated projections to 2017/18. Also included were details of the impact of the new savings and new spending pressures currently under consideration and the potential impact on the Council's overall revenue reserves.

The decision of the Executive on 17 December 2012 (EX.158/12) was:

“That the Executive noted the updated budget projections for 2012/13 to 2017/18, and made recommendations in the light of the budget pressures and savings submitted to date, together with the potential use of balances and reserves, in order to issue a draft Budget for consultation purposes.”

RESOLVED – That report RD.58/12 and decision of the Executive be noted.

(b) Provisional Capital Programme 2013/14 to 2017/18

Report RD.59/12 – providing revised details of the revised capital programme for 2012/13 together with the proposed method of financing as set out in Appendices A and B. Also summarised was the proposed programme for 2013/14 to 2017/18 in light of the capital bids submitted to date for consideration. It summarised the estimated and much reduced capital resources available to fund the programme.

The Executive had on 19 November 2012 (EX.140/12) decided:

“That the Executive :

1. Noted the revised capital programme and relevant financing for 2012/13 as set out in Appendices A and B of Report RD.46/12;
2. Recommended that the City Council approve reprofiling of £3,000,000 and savings of £2,080,300 from 2012/13 identified in the review;
3. Made recommendations to Council to approve virements from underspends from Kingstown Industrial Estate (£150,100) and Families Accommodation Replacement (£100,000) to fund additional expenditure at the Resource Centre;
4. Had given initial consideration to the capital spending requests for 2013/14 to 2017/18 contained in Report RD.46/12 in the light of the estimated available resources; and
5. Noted that any capital scheme for which funding had been approved by the Council may only proceed after a full report, including business case and financial appraisal, had been approved.”

RESOLVED – That report RD.59/12 and decision of the Executive be noted.

(c) Draft Treasury Management Strategy Statement, Investment Strategy and Minimum Revenue Provision Strategy 2013/14

Report RD.60/12 – setting out the Council’s Treasury Management Strategy Statement for 2013/14 in accordance with the CIPFA Code of Practice on Treasury Management. The Investment Strategy and Minimum Revenue Provision (MRP) Strategy for 2013/14 were incorporated as part of the Statement, as were the Prudential Indicators as required within the Prudential Code for Capital Finance in Local Authorities.

The Executive had on 17 December 2012 (EX.160/12) approved the draft Treasury Management Strategy Statement for 2013/14 incorporating the Investment Strategy and Minimum Revenue Provision Strategy, together with the Prudential Indicators for 2013/14 for draft Budget consultation purposes as set out in Appendix A and the Treasury Management Policy Statement as set out at Appendix D to Report RD.60/12.

RESOLVED – That report RD.60/12 and decision of the Executive be noted.