

CABINET 12 FEBRUARY 2014
2014/15 SERVICE & FINANCIAL PLANNING

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SECTION 1

2014/15 SERVICE AND FINANCIAL PLANNING

LOCAL GOVERNMENT ACT 2003, SECTION 25 REPORT ON THE 2014/2015 BUDGET PROPOSALS

1. Purpose of the Report

- 1.1 To provide, in accordance with the requirements of Section 25 of the Local Government Act 2003, advice from the Authority's Chief Finance Officer (CFO) on aspects of the 2014/15 Budget Proposals.

2. Background

- 2.1 Part 2 of the Local Government Act 2003 contains a series of duties and powers that give statutory support to aspects of good Financial Management within Local Government.
- 2.2 Section 25 requires the CFO to report to an Authority, when it is making its decision on determining the council tax, providing advice on the following issues:
- The robustness of the estimates included in the budget
 - The adequacy of the reserves the budget will provide
- 2.3 The CIPFA Prudential Code also requires consideration to be given to the affordability and prudence of capital investment, given its impact on the revenue budget.

3. Advice of the Chief Finance Officer

- 3.1 This report is based on the Budget Recommendations as set out in **Section 3** of the 2014/15 Budget documentation.

Robustness of the Estimates

- 3.2 As Members are aware, the setting of the 2014/15 Revenue and Capital budgets is the final stage of the annual Service and Financial Planning process, during which consideration has also been given to various pressures and key priorities for inclusion within those budgets.
- 3.3 As part of that process, emphasis has been given to ensuring that any risks associated with the proposals have been clearly identified to ensure that properly informed and prioritised decisions are made.
- 3.4 Members have also been made aware throughout this year's process that there are significantly greater risks in relation to overall funding levels, given the introduction of the Business Rates Retention system and the local Council Tax discount scheme.

3.5 This assessment therefore reflects the changing financial environment in addition to the specific proposals contained within the budget.

3.6 In terms of expenditure estimates of a general nature, which are included in the proposed budget, I would offer the following comments:

(i) ***Pay Inflation Assumptions***

A provision for a 1% pay award has been included within the budget, taking account of the latest position on the Government's general position on public sector pay. Further consideration may need to be given to this provision if that position changes.

(ii) ***Interest Rate Assumptions***

A prudent view of interest rates has been taken in constructing estimates for interest charges in 2014/15. Whilst these estimates are considered to be adequate at this point in time, interest rate trends and Capital Financing operations will continue to be monitored closely throughout the year by the established Treasury Management Panel, to facilitate timely action designed to optimise the Authority's position.

3.7 In relation to the income estimates that form the proposed budget, I would offer the following comments:

(i) ***Council Tax Income Assumptions***

The estimates for Council Tax Income are based on a collection rate of 95%. This remains at the same level as last year and reflects the impact of the local Council Tax Discount scheme and anticipated collection rates this financial year. Although at this stage I have no reason to believe that this is not a robust assumption, given the changes, the position will need to be closely monitored during the course of the year.

(ii) ***Business Rates Income Assumptions***

Under the Business Rate Retention scheme introduced last year Barnsley retains 50% of the total income collected. Clearly there is the potential for volatility around this income source, in relation to the overall level of businesses in the Borough and also in relation to any appeals that are already within the 'system' that will fall to the Council to fund. At this stage the expected income of £26.0M included within the budget is, I believe, based on prudent assumptions, however the position will need to be closely monitored during the course of the year.

Adequacy of Reserves

- 3.8 **Section 8** of the Budget papers sets out the position in relation to the current level of Provisions, Reserves and Balances available to the Authority.
- 3.9 As indicated in that paper, the current Minimum Working Balance held by the Authority stands at £10.0M. This Balance is in line with the target previously agreed by Members of 5% of Net Revenue Budget.
- 3.10 All other earmarked Reserves and Provisions were also reviewed following the closure of the 2012/13 Accounts to ensure their continued validity and so against this backdrop I consider the current levels to be adequate. However, it is appropriate and necessary that ongoing monitoring should be applied to these levels in the light of any changing circumstances and a further review will be carried out as an integral part of the 2013/14 Accounts closure.
- 3.11 Members have previously agreed to earmark Reserves to fund the estimated costs of down-sizing the organisation which currently stands at £6.0M. Given the significant changes that the Council faces as it moves toward Future Council I am recommending that this reserve be increased by £3.5M to a total of £9.5M. I consider this to be adequate at this stage but will review in light of progress on the Future Council.
- 3.12 Members have also previously agreed to earmark any remaining Reserves in support of unquantified pressures and the economic plan. A balance of some £12.1M of 'Strategic Reserves' is now available and following further consideration of known and potential one off pressures over the planning period my advice is that this remain earmarked to support those potential pressures over the period.

Prudence and Affordability

- 3.13 The current Prudential Borrowing regime places a duty on the CFO to ensure that the financial impact of decisions to incur additional borrowing over and above that supported by Government are affordable both in the immediate and over the longer term.
- 3.14 Consideration of all new Capital Schemes and their revenue impact is therefore undertaken alongside other Revenue service issues to ensure that resources are allocated in accordance with the Authority's overall priorities and within the overall resources available.
- 3.15 The budget includes provision for £5.0M of Prudential Borrowing to support a Capital New Starts Programme, which I consider to be prudent at this time. The position on any additional capital resources arising over the planning period will continue to be monitored throughout the year and further consideration be given to their use.

Medium Term Financial Strategy and Budget Reduction Measures 2014/2017

- 3.16 A balanced 2014/15 budget can be delivered through the agreement of the proposals within the budget papers. However, this view is contingent upon the additional matters identified at 3.17 and 3.18 below.
- 3.17 The draft budget for 2014/15 is again based upon a significant volume of budget reduction measures and there needs to be a strong and sustained focus on ensuring the timely and comprehensive implementation of these measures.
- 3.18 There still remain considerable uncertainties around the overall level of resources which will be available to Local Authorities from 15/16 onwards and clearly Members need to be mindful that the gaps already identified within the current MTFF paper at **Section 4 Annex 3** have the potential to increase.

4. Budget Recommendations

- 4.1 As indicated in the 3 year forecast at **Section 4 Annex 3**, based on the Budget Recommendations a balanced budget would be set for 2014/15.
- 4.2 This would leave a Minimum Working Balance of £10.0M and “one off” resources earmarked in support of pressures already identified, including the economic plan.
- 4.3 The proposals identified within the budget papers provide a reasonably robust platform and framework around which the Future Council work can be formulated during 2014/15. However it should be stressed that the proposals are insufficient to bridge the gaps currently identified in future years and actions will need to be taken to identify a robust plan for future years. However, as previously stated a strong focus must be given to ensuring the achievement of the service reductions and associated savings planned for 2014/15.
- 4.4 **In summarising my advice, I would stress that the robustness of the estimates and adequacy of the reserves which the budget will provide are satisfactory. However, this is contingent upon the requirements outlined at paragraphs 3.17 and reiterated at paragraph 4.3 being delivered.**

F Foster CPFA

Assistant Chief Executive, Finance, Property and Information Services

2014/15 SERVICE & FINANCIAL PLANNING

2014/15 BUDGET OVERVIEW

1. Purpose of the Report

- 1.1 This paper provides an update on the Council's Service and Financial Planning process and its impact on the formulation of our General Fund budget for 2014/15.

2. Background/ Context

- 2.1 The position reported formally to Cabinet in December 2013, along with other previous Cabinet reports, has updated the Council's forecast for a number of significant changes over the course of this financial year.
- 2.2 Previous reports have indicated the overall loss of funding to Barnsley since the inception of the current Government. The draft Local Government settlement, announced on 18 December 2013, extends the funding position to 2015/16 and it is estimated that during the period of the current Government (2010/11 to 2015/16) Barnsley's general government grant funding has fallen by almost **£70M** (approximating to a 40% cut).
- 2.3 In order to address the level of cuts that Barnsley has / will face over this period, the Council established a coordinated priority led approach for delivering savings. A Key Lines of Enquiry (KLOE) programme was set up in 2011/12 and has already established savings totaling some **£59M** over this period (2011/12 – 2014/15) with further deficits of £27M still to address in 2015/16 - 2016/17. This total savings requirement covers not only Government funding cuts but also additional service pressures (including inflation).

3. Barnsley's Draft Local Government Settlement

Business Rate Retention (BRR) scheme

- 3.1 The provisional Local Government Settlement was announced in late December. This outlined the funding resources for the new Business Rates Retention (BRR) scheme that was implemented in April 2013 split between:-
- Local Share of Business Rates;
 - Top Up Grant;
 - Revenue Support Grant (RSG).
- 3.2 As has been reported into Cabinet previously, the purpose of the BRR scheme is to allow local authorities to retain 50% of any income it raises locally on business rates (known as the 'local share') and pass the other 50%

over to Central Government. The figure that Government expect Barnsley to generate as its local share is £24.8M (this increases to £26M including section 31 grant for the 2% business rate capping and extension of the small business rate relief).

- 3.3 The £24.8M is a notional figure that ultimately determines the level of top up grant and RSG that Barnsley will receive. At this stage, this is in line with the Authority's own expectations although there is potential for considerable change. It should be emphasised that if the actual income collected locally differs from the expected income of £24.8M it will have a direct impact on the Authority's budget.
- 3.4 The revised resource position as a result of the provisional Local Government Settlement is provided in the table below for 2014/15 along with an indicative position for 2015/16.

Local Government Finance Settlement – Impact on the Forecast

	2014/15 £M	2015/16 £M
Local Share	24.767	25.451
Top Up Grant	25.939	26.655
RSG	61.976	44.035
Funding via BRR scheme	112.682	96.141
S31 Grant - 2% capping & SBRR	+1.538	+1.538
S31 Grant - CTF Grant *	-0.854	-0.854
Total Funding	113.366	96.825
Previous Forecast	112.716	96.226
Additional Funding	+0.650	+0.599

* Council Tax Freeze (CTF) Grant rolled into RSG

- 3.5 The overall position in 2014/15 changed from the previous forecast position for the following reasons:-
- The Government rolled in Council Tax Freeze Grant into RSG rather than paying it over via a Section 31 Grant.
 - The Government capped the increase in Business Rates to 2% rather than the level of inflation. This affects both local share and top up grant and the government have set aside a specific Section 31 Grant to compensate local authorities for the loss of containing the increase to 2%. The actual amount paid over is subject to change.
 - The Government extended the 100% Small Business Rate Relief (SBRR) to 31 March 2015 and the Government's intention is to compensate local authorities for the loss of rates via a Section 31 Grant. The actual amount paid over is also subject to change.
- 3.6 Whilst the overall position for 2014/15 and 2015/16 has improved on the previous forecast, the draft Local Government settlement still represents a cut of almost **£28M** from 2013/14 to 2015/16. In addition the settlement also

announced some further details that will/could adversely affect the Council's budget position. These include: -

- The dropping out of the Local Welfare Provision grant in 2015/16. This amounts to almost £1M for Barnsley that had been assumed to be recurrent for budgeting purposes.
- The Government has indicated that the referendum threshold requirement, which was set at 2% in previous years, might change for 2014/15. No further details have been released as yet but if the limit is lowered this will reduce the scope of the Council to raise income via Council Tax (see para 5.3 under Council Tax Options).

Funding for Schools

3.7 Details of the Dedicated Schools Grant were also announced on 18 December 2013 which included details of the Dedicated Schools Grant allocations and the levels of the Pupil Premium.

i) Pupil Premium Grant (PPG)

3.8 There has been an increase in the pupil premium funding allocation for 2014/15, due to the expected increase in the funding per pupil for primary school disadvantaged pupils (following the announcement made in the Autumn Statement). The PPG is based on the number of eligible disadvantaged pupils (i.e. pupils on free school meals); number of Service children and number of children looked after in schools.

3.9 From 2014/15, the PPG allocation for eligible free school meals pupils will increase from £953 to £1,300 for primary schools and £900 to £953 for secondary schools respectively. The significant increase in allocation for primary schools is intended to allow schools to intervene early and raise attainment as well as ensure that every child is ready for the move to secondary school. In addition, from 2014/15 the PPG allocation for looked after children (pupil premium plus) will more than double from £900 to £1900 per child.

3.10 The Pupil Premium Grant allocation for Barnsley for 2014/15 is currently estimated at £11.8M an increase of £2.3M over 2013/14. Final allocations for 2014/15 will not be confirmed until the summer of 2014 as it is based on the January 2014 pupil census count.

ii) Dedicated Schools Grant (DSG)

3.11 The settlement also confirmed the Dedicated Schools Grant funding for 2014/15. DSG funding continues to be based on the current 'spend-plus' methodology and is set out in three spending blocks: an early years block, a schools block and a high needs block. The DSG cash per pupil amount for 2014/15 has been maintained at 2013/14 levels i.e. a flat cash rate and is used to derive the schools and early years block funding (based on pupil numbers). The high needs funding is provisional at this stage based on the

previous year's baseline – this will subsequently be adjusted to reflect the changes in the number of high needs places projected for the year.

- 3.12 The 2014-15 DSG settlement for Barnsley is £156.5M (inclusive of academies), made up of schools block £126.8M; early years block £8.1M; high needs block £17.7M and other funding of £3.9M (mainly for 2 year olds free nursery entitlement). The DSG allocation for the schools and early years blocks are as expected and not significantly different from forecast. Although overall schools budgets will stay at the same level on a per pupil basis (before the addition of PPG) the level of each school's individual budget will vary. However, the application of the minimum funding guarantee will ensure that no school will see more than a 1.5% per pupil reduction in 2014-15 budgets compared to 2013-14 and before the pupil premium is added.

iii) *Free Schools Meals funding*

- 3.13 The Council is still awaiting confirmation of expected funding for the extended eligibility for free schools meals in primary schools. The Autumn Statement confirmed the Government's intention to provide funding to support universal free school meals for children in reception, year 1 and year 2 from September 2014. It should be noted that the Council has received capital funding to enable an increased capacity in school kitchens and eating areas as part of the policy objectives.

4. Implications of the Local Government Settlement for the Medium Term Financial Strategy

Revenue

- 4.1 The impact of the Local Government Settlement on the forecast is shown below. This updated forecast includes an assumption that Council Tax will be increased by 1%, necessary adjustments to existing KLOE's including the loss of Welfare grant (see 3.6) and an additional provision required for contract inflation.

	<u>2014/15</u> <u>£M</u>	<u>2015/16</u> <u>£M</u>	<u>2016/17</u> <u>£M</u>
<i>Revised Gap (Dec 2013)*</i>	+4.051	+17.440	+8.610
LG Settlement (net change in govt. funding)	-0.650	+0.051	-
Phase 2 KLOE Budget Reductions	-3.660		
Council Tax @ 1% (prev assumed 1.75%) & change in CT base	+0.367		-
Loss of Welfare Grant / Cost pressures	-	+0.850	-
PTE Levy - Additional Savings	-0.286	-	-
Change to Contract Inflation	+0.178		
<i>Revised Gap (Jan 2014)*</i>	0.000	+18.341	+8.610

* Assuming permanent savings achieved to meet previous years deficits

4.2 The revised position is based on the following key forecast assumptions:-

- Assuming permanent savings achieved to meet the previous years' deficit.
- Pay award assumed at 1% per annum in 2014/15 and thereafter;
- Council Tax based on a 1% increase.

Capital

4.3 As Members are aware, within the Local Government Finance System there is no direct relationship between the Government's Supported Borrowing allocations and any grant provided to support them.

4.4 As in previous years there is a need to prioritise both Capital and Revenue investment within the overall revenue resources available. Any approved schemes above the "supported borrowing" provision will need to be funded through Prudential Borrowing and will impact on the current revenue budget. The current forecast includes funding for additional investment of up to £5M. Any additional investment proposed above this would mean a further cost of some £0.1M p.a. for each £1M invested (full year effect). See **Section 5** for further details.

5. Council Tax Options

Overall Council Tax Increase

5.1 Details of the current position on Council Tax can be found at **Section 7 (a)** which outlines the resources that could be generated at various levels of increase. In summary each 1% variation in the level of increase equates to approximately £0.7M of Council Tax Income.

5.2 The Government has however announced further funding that it will make available to Local Authorities to 'freeze' their Council Tax again in 2014/15 and 2015/16. This will be based on a 1.0% increase in 2014/15.

5.3 As mentioned at paragraph 3.6, the Government have not yet announced details of the referenda criteria for increasing Council Tax. A final decision on Council Tax levels or whether to accept the CTF grant will need to be deferred until the Government have released more details on the threshold and how Council Tax Freeze Grant will be paid in future within the BRR scheme.

5.4 The precepts levied by the Police and Fire Authorities will also impact upon the overall Council Tax levels for the Borough.

Over 65's Discount Scheme

- 5.5 The Council has operated a discount scheme for over 65s since 2009/10 which granted a discount to a person (or persons) based on prescribed qualifying criteria. A more detailed report setting out the background, qualifying criteria and options is provided at **Section 7 (b)**.
- 5.6 As a result of the current financial climate and the rising costs of the scheme it is proposed to phase out the current discount scheme over a 5 year period.

6. Medium Term Budget Forecast

- 6.1 In taking decisions in relation to the 2014/15 budget, it is very important that Members are mindful of the position over the Medium Term and the ongoing gaps that still need to be closed which are:-

2015 / 2016	-	£18.3M approx *
2016 / 2017	-	£8.6M approx *

* assuming that permanent savings will be found annually to deal with each year's gap.

- 6.2 Given these levels of potential shortfall in future years and that the delivery of a balanced 2014/15 budget appears achievable at this stage, ongoing work needs to concentrate on the development / implementation of the three year plan that underpins the 'Future Council'.
- 6.3 Further reports detailing the progress on the development of this 3 year plan will be brought back to Members as part of the ongoing Service and Financial Planning process.

7. Options for Achieving a Balanced Budget in 2014/15 and Beyond

- 7.1 At this stage it is anticipated that on the assumption that no further investment is agreed and the savings outlined on this agenda are approved that the 2014/15 budget will be balanced. Given that the estimated 2015/16 position is currently above £18M and significant gaps remain in future years, consideration needs to continue to focus on all options available for reducing net expenditure. This will centre on the new business model to support the 'Future Council' which will be based around the key components of:-

- ***A Strong Core*** – to identify our future needs and improve our commissioning and planning processes to deliver them - a key bedrock being that our core support services should be both lean and efficient;
- ***Business Units*** – to establish business units to deliver services in a more business like manner, drive out efficiencies and improve productivity across all services (especially support services);

- **Alternative Models** – to consider alternative models of delivery including for example shared services, social enterprises and setting up different types of companies (e.g. limited, community led, cooperatives etc).

7.2 Within this framework, the Council will also assess more 'traditional' methods of delivering a balanced budget which will include:-

- **Cross Cutting Thematic Reviews** – review major areas of spend across all Council departments including contracts, commissioning and business support;
- **Further Service Reductions** – identify areas of current service which whilst still highly desirable, do not have a relatively high priority overall;
- **Income Generation** – continue to review current levels of charges and investigate the potential for any new areas of income generation (**Section 6** refers);
- **Asset Rationalisation** – review the Authority's asset base and ensure its relevance to future service needs;
- **Council Tax Levels** – increased income could be generated by setting Council Tax levels higher than those assumed within the forecast, however this needs to be considered within the constraints of needing to go to a local referendum (details of the criteria still to be released) (**Section 7 (a)** refers);
- **Use of "One Off" resources** – any such use must only be considered as part of a 'bridging' strategy whilst permanent reductions in expenditure are delivered (**Section 8** refers).

SERVICE AND FINANCIAL PLANNING**2014/15 BUDGET RECOMMENDATIONS****1. 2014/15 Revenue Budget, Capital Programme and Council Tax**

1.1 Further to previous reports submitted by the Assistant Chief Executive of Finance, Property and Information Services.

RECOMMENDED:-

- i) that Cabinet are recommended:
 - a) to consider the budget for all services and approve, for submission to Council, the 2014/15 budget proposals as separately presented in **Sections 4 and 5**;
 - b) to note the following specific items incorporated within **Section 4** including for 2014 / 2015 :-
 - (i) A provision for a 1% pay award;
 - (ii) A provision for the introduction of the 'Living Wage';
 - (iii) A provision for inflation in relation to external providers;
 - (iv) An adjustment of £500,000 to reflect the provision required for the anticipated revenue costs of existing and new borrowing;
 - (v) An adjustment of £4,174,000 to reflect the impact of the actuarial revaluation
 - c) that the 2014/15 base budget adjustments and KLOE savings proposals outlined in **Section 4 Annex 1 and Annex 2** be approved for implementation along with any full year effects;
 - d) that appropriate action be taken by the Senior Management Team in consultation with the Assistant Chief Executive HR, Performance and Communications in relation to all the KLOE agreed above;
 - e) that, as a consequence of KLOE CS/LG/1, the Assistant Chief Executive, Human Resources, Performance and Partnerships and Communications be designated as the Statutory Scrutiny Officer in accordance with Section 31 of the Local Democracy, Economic Development and Construction Act 2009;
 - f) that the total additional funded capital investment of £8.121M as outlined at **Section 5** be included within the capital programme and released subject to further detailed reports on the proposals for its use;
 - g) that further consideration be given by the Senior Management Team for the use of the remaining Capital Funding of £6.790M alongside any other capital requirements for future agreement by Cabinet;

- h) that the detailed proposals for increases in fees and charges as set out in **Section 6** and included within the budget proposals at **Section 4** be agreed;
- i) **Section 8** (Position on Reserves, Provisions and Balances) be noted, along with the earmarking of an additional £3.5M for Future Council reorganisation costs. The remaining resources being earmarked in strategic reserves to address Future Council priorities;
- j) that the report of the Assistant Chief Executive Finance, Property and Information Services under **section 25 of the Local Government Act 2003 at Section 1** be noted and that the 2014/15 budget proposals be agreed on the basis that the Chief Executive, in liaison with the Assistant Chief Executive of Finance, Property and Information Services and in consultation with the Senior Management Team, submits for early consideration detailed proposals from the ongoing activity in order that the potential budget gaps in 2015/16 and the longer term be closed;
- k) Council be recommended to approve cash limited budgets for each service with overall net expenditure for 2014/15 of £186.769M;
- l) that the forecast budget positions for 2014/15 to 2016/17 contained in **Section 4 Annex 3** (Medium Term Financial Forecast) be noted and monitored as part of the arrangements for the delivery of the Future Council;
- m) that the Assistant Chief Executive of Finance, Property and Information Services in liaison with the Chief Executive and SMT as appropriate be required to submit reports into Cabinet, as a matter of urgency, in relation to the detailed General Fund Revenue Budget for 2014/15 including recommendation on any action further to that set out above required to achieve an appropriately balanced budget for that financial year;
- n) that the Chief Executive, Assistant Chief Executive of Finance, Property and Information Services and SMT be responsible for managing their respective budgets including ensuring the implementation of efficiency savings;
- o) that the Chief Executive, Assistant Chief Executive of Finance, Property and Information Services and SMT be required to submit regular reports as necessary on the implementation of proposals into Cabinet as a matter of urgency to resolve any outstanding issues in relation to their budgets and deal with any consequential effects;
- p) that the Authority's Senior Management Team be charged with ensuring that the budget remains in balance and reporting regularly to Cabinet on budget and efficiency savings monitoring and any action required;
- q) that the Cabinet be authorised to make any necessary technical adjustments to form the 2014 / 2015 budget;

- r) that appropriate consultation on the agreed budget proposals takes place with the Trade Unions and representatives of Non Domestic Ratepayers and that the views of consultees be considered by Cabinet and the Council;
- s) that the budget papers be submitted for the consideration of the whole Council.

2. Council Tax 2014/15

RECOMMENDED:-

that Cabinet note the contents of **Section 7 (a)** (2014/15 Council Tax options) and that:-

- a) the Council Tax Collection Fund net surplus as at 31 March 2013 relating to BMBC of £1.151M be used to reduce the 2014/2015 Council Tax requirement, in line with statute;
- b) consideration of the Band D Council Tax increase for Barnsley MBC's services be deferred until the details of the Government Referendum criteria are known;
- c) the Band D Council Tax for Barnsley MBC's areas be determined following confirmation of the South Yorkshire Police Authority and South Yorkshire Fire Authority precepts for 2014/15;
- d) the Band D Council Tax for areas of the Borough with Parish / Town Councils be determined following confirmation of individual parish precepts for 2014/15;
- e) the current discount scheme for over 65's is phased out over 5 years as set out at **Section 7 (b) Option 2.**

2014/15 SERVICE & FINANCIAL PLANNING**DRAFT 2014/15 GENERAL FUND DIRECTORATE REVENUE BUDGET****1. Purpose**

- 1.1 This report submits for consideration draft 2014/15 Directorate budget summaries for General Fund services.

2. 2014/15 Draft General Fund Revenue Budget

- 2.1 Annex 1 attached summarises the second phase 2014/15 Future Council Budget Reductions recommended for approval in Section 3.

- 2.2 Annex 2 attached summarises the provisional 2014/15 total net cost budget for:

- Development, Environment and Culture (*Row 1*)
- Children, Young People and Families (*Row 2*)
- Adults & Communities (*Row 3*)
- Corporate Services (*Row 4*)
- Public Health (*Row 5*)
- Other Non Service Budgets (*Rows 7-11*)

- 2.3 The composition of Directorate budgets stems from the Service and Financial Planning and related Future Council processes and includes the following adjustments taken in the same order as the Medium Term Financial Forecast included at Annex 3:

- Fixed and Ongoing Adjustments – to reflect pay and contract related inflation, levy changes and other base budget adjustments;
- Future Council Budget Reductions – cash releasing savings reflecting the 2014-15 effect of the agreed key lines of enquiry proposals;
- Investment and Other Decisions - to reflect decisions taken as part of the Service and Financial Planning process.

KLOE TO BE AGREED**Children Young People & Families Directorate 2014/15**

KLOE Reference	Brief Description of KLOE	Estimated saving 2014/15 Phase 2	Number of potential redundancies 2014/15
LLAE/A4	<u>Music Service</u> - Examine stopping the subsidy for tuition fees and increase charges within the music service to vulnerable groups.	208,000	2
LLAE/B1	<u>Early Childhood Services</u> - Reconfiguration of Early Childhood Services.	200,000	tbd
LLAE/B2	<u>Children, Young People & Families</u> - Strategic review of Children and Young People Services as part of the anticipated 3 year plan.	300,000	tbd
		708,000	2

KLOE TO BE AGREED**Adults & Communities Directorate 2014/15**

KLOE Reference	Brief Description of KLOE	Estimated saving 2014/15 Phase 2	Number of potential redundancies 2014/15
AC/DPS/8	<u>Independent Living at Home Service</u> - Potential income generation from trading opportunities in terms of providing services to other local authorities as well as to the general public.	100,000	-
AC/DPS/9	<u>Autism Strategy</u> - Balance of recurrent funding following implementation of requirements to support the Autism Strategy (largely one off training requirements).	50,000	-
AC/DPS/10	<u>Workforce Development</u> - Various Minor Efficiencies and additional income generation	40,000	-
AC/DPS/11	<u>Day Opportunities Alternative Travel Model</u> - Phase 3 of the Learning Disability review of travel arrangements in Day Services, moving to more personalised travel options and away from a number of block contracts with external providers.	50,000	-
AC/VA/13	<u>Older People Care Packages</u> - Containment of costs associated with inflationary fee increase for residential care providers resulting from a national increase in the pension rates, which under national regulations reduces the net amount the Council pays.	300,000	-
AC/AS/23	<u>Re-Ablement Funding</u> - Re-cycling of funding taking into account overall existing funding and the need to maintain existing services.	400,000	-
AC/AS/24	<u>Commissioning Review</u> - Minor restructure of commissioning functions within the Directorate pending the corporate review.	100,000	4
AC/AS/25	<u>Health and Wellbeing Board</u> - Partners contributions agreed to support the co-ordination and administration of the Health and Well Being Board.	30,000	-
		1,070,000	4

KLOE TO BE AGREED**Development, Environment & Culture Directorate 2014/15**

KLOE Reference	Brief Description of KLOE	Estimated saving 2014/15 Phase 2	Number of potential redundancies 2014/15
DEC/DEV/01	Delete two vacant posts plus a minor restructure that will impact on the ability of the service to deliver priorities.	70,000	-
DEC/DEV/02	Increase income target - building control. This will amend the existing budget to reflect the expected income.	15,000	-
DEC/DEV/03	Reduce Remaking Barnsley projects budget - will reduce the ability to pump-prime any Remaking Barnsley projects and will affect the ability to generate external grant funding. The economic strategy budget can help to support development projects.	60,000	-
DEC/DEV/04	Reduce Enterprising Barnsley projects budget - this is not likely to have any impact. This is base budget match funding that is not required.	15,000	-
DEC/DEV/06	Increase income target - planning fees. This will realign the budget to reflect the slightly higher income stream.	30,000	-
DEC/DEV/07	SYSGEP project one-off savings. This is the effect of additional ERDF grant received that is not built into the base budget.	60,000	-
DEC/ENV/01	Surplus savings identified in KLOE DEV/ENV/16 (phase 1 proposal previously agreed). That KLOE has delivered more savings than were originally planned.	120,000	-
DEC/ENV/02	Westgate Management Efficiency Savings. Reduction of 4 group leaders to 2. This will have an effect on the ability to service Member forums, SY LTP meetings etc.	105,000	2
DEC/ENV/03	Restructure of Network Resilience and Asset Management Group and reduce resource to carry out roads site assessment.	20,000	1
DEC/ENV/04	Bridges & Structures Team Restructure. Reduce the team by a Principal Engineer, which will reduce the capacity to fulfill the statutory duty on reservoirs and maintenance of highways structures.	48,000	1
DEC/ENV/05	Highway Development Control - Restructure. Reduce ability to process planning applications and S38 agreements. This can only operate on current levels of planning applications.	42,000	1
DEC/ENV/06	Landscape Design. The reduced capacity may result in the need for consultancy support on schemes.	40,000	1
DEC/ENV/07	Transportation Strategy. This will reduce the capacity to develop a transport strategy. The administration of electric vehicle hire will cease.	35,000	1
DEC/ENV/08	Traffic Regulation Orders and Traffic Studies. The ability to provide a service to Area Councils / ward alliances will be substantially reduced. The resources available will be allocated to capital and third party funded schemes first.	35,000	1
DEC/ENV/09	Increase cost of Residents Parking Permits. The administration of the scheme will become self financing and permit costs will increase by approx 50%.	10,000	-
DEC/ENV/12	Increase efficiency/productivity of Design Consultancy and winning external work. This is a productivity issue and will mean more outputs from the team.	90,000	-
DEC/ENV/14	Capitalisation of Staff Costs. This relates to the staff time relating to planned road maintenance.	75,000	-
DEC/ENV/15	Increase in Engineers trading surplus.	65,000	-
DEC/CR/01	Minor Restructure of Enforcement & Community Safety. Reduced capacity to deal with low level Enforcement and anti-social behaviour issues.	24,000	1

KLOE TO BE AGREED

KLOE Reference	Brief Description of KLOE	Estimated saving 2014/15 Phase 2	Number of potential redundancies 2014/15
DEC/CR/04	Delete Technical Clerk post - Regulatory Services. Some front line officers may have to undertake technical duties - e.g. taking calls, answering queries etc.	21,000	2
DEC/CR/07	Rationalise out of hours dog warden cover. The service will not be provided on a 24 hour basis, but will cease at 9.00 p.m. The facility to kennel stray dogs will only be available between 9am and 9pm.	10,000	-
DEC/CR/08	Reduction of one gardener at the Crematorium. The additional workload will be contained within the existing team. There will be some loss of quality.	21,000	1
DEC/CR/09	Increase in burial fees (6%) - Bereavement Services. This is in line with the proposed increase in crematorium fees (also 6%)	20,000	-
DEC/CR/11	Reduction in the grant payable to Barnsley Civic Enterprise (20%). The impact is currently being quantified, but it is not expected that this will affect the ability of BCE to continue as a going concern.	20,000	-
		1,051,000	12

KLOE TO BE AGREED**Corporate Services Directorate 2014/15**

KLOE Reference	Brief Description of KLOE	Estimated saving 2014/15 Phase 2	Number of potential redundancies 2014/15
LEGAL & GOVERNANCE			
CS/LG/1	<u>Overview & Scrutiny</u> - Rationalisation of Officer Support for Overview & Scrutiny	93,624	2
		93,624	2
FINANCE, PROPERTY & IS			
CS/FP/1	<u>Telephony</u> - This KLOE is to rationalise the telephony lines across the Council and improve the contract across the Y&H region. This rationalisation will provide cheaper call costs and line rentals.	100,000	-
CS/FP/2	<u>Blackberry Devices</u> - The KLOE seeks to rationalise the number of Blackberry devices based on assessed need. A bring your own device solution is planned (for e-mail access etc) where a Blackberry cannot be justified.	175,000	-
CS/FP/3	<u>Contract Management</u> - Following the rationalisation of the number of Blackberry devices there will be a reduction in the associated contract management fee.	20,000	-
CS/FP/4	<u>Desk top asset review</u> - Reduce the number of computer assets procured from Bull over and above the contract baseline.	38,000	-
CS/FP/7	<u>Restructure</u> - Reduction in senior management capacity in Finance, Property & Information Services	152,694	1
CS/FP/8	<u>Finance</u> - Introduction of Prompt Payment Discount Scheme (Oxygen Finance)	50,000	-
		535,694	1
HR, PERFORMANCE & PARTNERSHIPS & COMMS			
CS/HR/1	<u>Restructure</u> - Review of HR Structure	202,120	6
		202,120	6
TOTAL CORPORATE SERVICES			
		831,438	9
OVERALL SAVING PROPOSALS			
		3,660,438	27

DRAFT NET GENERAL FUND BUDGET 2014/15

SECTION 4 Annex 2

	Col (1)	Col (2)	Col (3)	Col (4)	Col (5)	Col (6)	Col (7)	Col (8)	Col (9)	Col (10)
Row DIRECTORATE:	2013/14 Net Direct Expenditure (controllable) £	Fixed and Ongoing Items £	Future Council Budget Reductions Phase 1 £	Future Council Budget Reductions Phase 2 £	Investment & Other Decisions £	2014/15 Net Direct Expenditure (controllable) £	Indirect Expenditure / Overheads (non controllable) £	ORIGINAL TOTAL NET COST BUDGET 2014-15 £	ORIGINAL TOTAL NET COST BUDGET 2015-16 £	ORIGINAL TOTAL NET COST BUDGET 2016-17 £
1 DEVELOPMENT, ENVIRONMENT & CULTURE	26,428,355	1,022,336	(2,867,000)	(1,051,000)	(26,000)	23,506,691	11,245,400	34,752,091	34,752,091	35,552,091
2 CHILDREN, YOUNG PEOPLE & FAMILIES	35,418,311	1,335,320	(1,624,000)	(708,000)	(500,000)	33,921,631	21,990,540	55,912,171	56,212,171	56,512,171
3 ADULTS & COMMUNITIES	57,167,091	854,925	(3,541,000)	(1,070,000)	(1,000,000)	52,411,016	881,890	53,292,906	54,142,906	54,142,906
4 CORPORATE SERVICES	25,801,462	815,421	(1,416,026)	(831,438)	(21,000)	24,348,419	(4,444,920)	19,903,499	20,003,499	20,103,499
5 PUBLIC HEALTH	-	50,297	-	-	-	50,297	140,120	190,417	190,417	190,417
6 TOTAL SERVICE EXPENDITURE	144,815,219	4,078,299	(9,448,026)	(3,660,438)	(1,547,000)	134,238,054	29,813,030	164,051,084	165,301,084	166,501,084
7 LEVIES	15,236,335	-	-	-	(1,286,000)	13,950,335	-	13,950,335	13,950,335	13,950,335
8 CORPORATE & DEMOCRATIC CORE	558,335	-	-	-	-	558,335	4,531,660	5,089,995	5,089,995	5,089,995
9 NON DISTRIBUTED COSTS	307,315	-	-	-	-	307,315	21,000	328,315	328,315	328,315
10 CAPITAL FINANCING	22,513,240	(2,300,000)	-	-	-	20,213,240	(34,365,690)	(14,152,450)	(13,652,450)	(13,152,450)
11 CORPORATE ITEMS / PROVISIONS	12,585,601	3,643,970	(4,000)	-	1,276,150	17,501,721	-	17,501,721	18,941,721	21,781,721
12 SUB-TOTAL NON SERVICE EXPENDITURE	51,200,826	1,343,970	(4,000)	-	(9,850)	52,530,946	(29,813,030)	22,717,916	24,657,916	27,997,916
13 TOTAL NET EXPENDITURE	196,016,045	5,422,269	(9,452,026)	(3,660,438)	(1,556,850)	186,769,000	-	186,769,000	189,959,000	194,499,000

MEDIUM TERM FINANCIAL FORECAST - 2014/15 - 2016/17

	FORECAST 2014/15 £M		FORECAST 2015/16 £M		FORECAST 2016/17 £M	
EXPENDITURE:						
1. Base Net Expenditure (Net of Schools)						
Base Expenditure		196.016		186.769		189.959
		196.016		186.769		189.959
2. Fixed and Ongoing						
Pay Award, National Insurance & Increments. Pay assumed at 1%.	2.052		1.804		3.041	
Pension - Actuarial Assessment 2014-7	4.174		0.258		0.162	
Living Wage	0.100					
Other Inflation (inc BSF)	1.396		0.838		1.097	
Financing Capital New Starts Programme (including FYE from Previous Years)	0.500		0.500		0.500	
Review of Capital Financing Budget (after 2013/14 outturn)	-2.800					
		5.422		3.400		4.800
3. Future Council Budget Reduction						
Service / Cross Cutting Key Line of Enquiries - July	-9.452					
Service / Cross Cutting Key Line of Enquiries- November	-3.660		0.850			
		-13.112		0.850		0.000
4. Investment & Other Decisions						
FYE of Previous Years Decisions	0.129					
Future Area Council Proposals	2.100					
Public Health - Switch Funding	-1.500		-1.400		-0.600	
PTE / PTA Levy Savings	-1.286					
LCTS - Demographic Changes	0.000		0.340		0.340	
Adults - Current years' Saving	-1.000					
		-1.557		-1.060		-0.260
		186.769		189.959		194.499
5. TOTAL EXPENDITURE						
RESOURCES:						
6. Core Resources						
Council Tax						
Council Tax Income	71.515		72.549		73.939	
		71.515		72.549		73.939
Business Rates Retention (BRR) scheme						
Local Share - Business Rates (net 50% share)	24.294		24.767		25.451	
Local Share - Top Up Grant	25.444		25.939		26.655	
RSG including Rolled in Grants / CTF Grant	75.617		61.976		44.035	
		125.355		112.682		96.141
S31 Grant						
S31 Grant for 2% Capping - Top Up / Local Share			0.538		0.538	
S31 Grant - SBRR			1.000		1.000	
		0.000		1.538		1.538
		196.870		186.769		171.618
Core Resources b/f						
7. Change in Resources						
Impact of Accepting 13/14 CT Freeze Grant - received as S31 rolled into RSG	-0.854					
14/15 Council Tax increase @ 1% & 2% thereafter	0.862		1.390		1.390	
Council Tax Increased Base / Collection Fund Surplus	1.026					
		1.034		1.390		1.390
Business Rates Retention (BRR) scheme						
Local Share - Business Rates (net 50% share) - capped at 2%	0.473		0.684		0.750	
Top Up Grant - Capped at 2%	0.495		0.716		0.000	
Top Up / Local Share Grant - S31 Grant for 2% Capping	0.538		0.000			
Small Business Rate Relief (SBRR) - S31 Grant for SBRR	1.000		0.000			
RSG including Rolled in Grants / CTF Grant	-13.641		-17.941		-6.210	
		-11.135		-16.541		-5.460
		186.769		171.618		167.548
8. TOTAL RESOURCES						
NET SHORTFALL						
		0.000		18.341		26.951
SHORTFALL IF PERMANENT SAVINGS ANNUALLY						
		0.000		18.341		8.610

2014/15 SERVICE & FINANCIAL PLANNING**INDICATIVE CAPITAL PROGRAMME 2014/15****1. Purpose of Report**

- 1.1 To identify the Council's capital investment needs and resource availability for 2014/15 and to outline a methodology for approving next years capital programme.

2. Overall Position

- 2.1 Resources available to invest in the Council's infrastructure have been severely restricted by the Comprehensive Spending Review and subsequent local government finance settlements.
- 2.2 New resources available for investment in 2014/15 total £14.9M comprised as follows:

	£M
Scheme Specific Capital Grants & Contributions	8.121
Council Resources (General Grants / Prudential Borrowing included within the Medium Term Financial Strategy)	6.790
Total Available for Investment	<u>14.911</u>

- 2.3. Total investment needs across the Authority have been identified and equate to £16.6M for 2014/15 alone, which represents £19.1M of proposed new starts less £2.5M new starts already approved by Cabinet (Appendices 1 & 2 refer). This requirement exceeds available resources by some £1.7M.
- 2.4. Given the shortfall in resources and the continuing difficult financial climate, scarce capital resources clearly need to be allocated to the most essential / highest priority schemes only.

3. Specific Grants

- 3.1 Of the specific grants, £1.9M (indicative) relates to investment and maintenance in the schools' stock (maintenance allowance) and must be used on school related priorities. As part of the 2013/14 capital new starts process, £0.6M of this had already been approved and allocated to individual Children, Young People and Families' capital appraisals, leaving a balance of £1.3M in respect of proposals for 2014/15.
- 3.2 Grant funding totalling £0.4M relates to the Universal Free School Meals Grant which is ringfenced to primary school kitchen works.

3.3 Proposed school related schemes have therefore been prioritised to reflect the specific funding available, with the balance of unfunded school schemes to be considered against all other priorities which have been identified across the Council. The grant allocation is indicative and the approvals will be limited to the actual amount awarded and therefore schemes may need to be reviewed once final allocations have been received.

3.4 A further £6.0M of the specific grants relate to the Local Transport Programme (Highways Maintenance Block Allocation £3.277M + indicative sum for Integrated Transport Block £1.880M + Local Sustainable Transport Fund £0.851M) and is available to invest in the Borough's road maintenance needs. This level of funding is broadly comparable with that received in 2013/14.

4. **Other Available Funding**

4.1 Over and above the specific grants outlined above there are general non ring fenced grants of £1.8M available and the Council has also set aside a maximum provision of £5.0M for further capital investment in 2014/15 funded via prudential borrowing (with the revenue budgetary provision for debt charges included within the Medium Term Financial Forecast).

4.2 Assuming that specific capital grants are used in support of the schemes to which their conditions relate, this means that there is a total maximum balance of resources available for investment of £6.8M against total unfunded proposals of £8.5M for 2014/15.

4.3 It is also important that the capital investment requirements contained within this paper are considered alongside any other emerging priorities, particularly the key economic priority related to the regeneration of the town centre.

5. **Proposal**

5.1 It is recommended that the list of schemes in Appendix 1 and summarised in the table below (which are funded from specific capital grants) are approved for inclusion in the 2014/15 capital programme. However, it needs to be noted that the school allocations are indicative and the approvals will be capped in line with actual allocations.

5.2 That SMT give further consideration to prioritising the Council's remaining unfunded capital investment needs as set out in Appendix 2 (£8.5M) alongside any other emerging capital investment priorities, against the resource availability set out in this paper (£6.8M).

5.3 Subject to a further report to Cabinet making recommendations on the outcome of the work set out at paragraph 5.2, the indicative capital programme for 2014/15 looks as follows:

	<u>£M</u>	<u>Notes</u>
<u>Specific Funding</u>		
School Improvement & Maintenance Schemes (indicative)	1.726	<i>Appendix 1</i>
Local Transport Programme / Borough Road Maintenance	6.008	<i>Appendix 1</i>
Other	0.387	<i>Appendix 1</i>
	<u>8.121</u>	
Available Resources 2014/15	14.911	
	<u>6.790</u>	
Balance of Resources Available for Further Investment in Other Priority Areas Shown in Appendix 2 / Town Centre Regeneration	<u>6.790</u>	

Appendix 1 - Proposed New Starts

<u>Description</u>	TOTAL CAPITAL COSTS				
	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>Total</u>
	£	£	£	£	£
<u>DEVELOPMENT, ENVIRONMENT & CULTURE</u>					
DEC 6 Local Transport Plan Maintenance Programme / Integrated Transport Programme / Local Sustainable Transport Programme 2014/15	6,008,000				6,008,000
Less Specific Grants	-6,008,000				-6,008,000
	0	0	0	0	0
DEC 12 Replacement of Wheelie Bins	387,000				387,000
less Lease Funding	-387,000				-387,000
	0	0	0	0	0
DEC 7 Signalisation of M1 Junction 37	2,000,000				2,000,000
Scheme Already Approved By Cabinet (£1.4M DfT Grant/ £0.6M Economic Strategy)	-2,000,000				-2,000,000
	0	0	0	0	0
DEC 11 Urban Centre Infrastructure Expansion	510,000				510,000
Scheme Already Approved By Cabinet (£0.2M ERDF / £0.3M Economic Strategy)	-510,000				-510,000
	0	0	0	0	0
TOTAL DEVELOPMENT, ENVIRONMENT & CULTURE NEW STARTS	8,905,000	0	0	0	8,905,000
Less Specific Funding	-6,008,000	0	0	0	-6,008,000
Less Lease Funding	-387,000	0	0	0	-387,000
Less Other Funding	0	0	0	0	0
Less Schemes Already Approved By Cabinet	-2,510,000	0	0	0	-2,510,000
TOTAL DEVELOPMENT, ENVIRONMENT & CULTURE	0	0	0	0	0
<u>CHILDREN, YOUNG PEOPLE & FAMILIES</u>					
CYPF 1a Accessibility	75,000				75,000
Less Specific Grant	-75,000				-75,000
Less Other Funding	0				0
	0	0	0	0	0
CYPF 2a Electrical Rewiring	225,000				225,000
Less Specific Grant	-207,000				-207,000
Less Other Funding	-18,000				-18,000
	0	0	0	0	0
CYPF 3a External Works	151,000				151,000
Less Specific Grant	-145,000				-145,000
Less Other Funding	-6,000				-6,000
	0	0	0	0	0
CYPF 4a Health & Safety Works	395,000				395,000
Less Specific Grant	-395,000				-395,000
Less Other Funding	0				0
	0	0	0	0	0
CYPF 5a Internal Dilapidation	90,000				90,000
Less Specific Grant	-85,000				-85,000
Less Other Funding	-5,000				-5,000
	0	0	0	0	0
CYPF 6a Kitchen Works	400,000				400,000
Less Specific Grant	-400,000				-400,000
Less Other Funding	0				0
	0	0	0	0	0

Appendix 1 - Proposed New Starts

<u>Description</u>	TOTAL CAPITAL COSTS				Total £
	<u>2014/15</u> £	<u>2015/16</u> £	<u>2016/17</u> £	<u>2017/18</u> £	
CYPF 7a Heating Works	170,000				170,000
Less Specific Grant	-156,000				-156,000
Less Other Funding	-14,000				-14,000
	0	0	0	0	0
CYPF 8a Roofing / Structures Replacements	55,000				55,000
Less Specific Grant	-49,000				-49,000
Less Other Funding	-6,000				-6,000
	0	0	0	0	0
CYPF 9a Additional Pupil Places	165,000				165,000
Less Specific Grant	-165,000				-165,000
Less Other Funding	0				0
	0	0	0	0	0
TOTAL CHILDREN, YOUNG PEOPLE & FAMILIES NEW STARTS	1,726,000	0	0	0	1,726,000
Less Specific Funding	-1,677,000	0	0	0	-1,677,000
Less Other Funding	-49,000	0	0	0	-49,000
TOTAL CHILDREN, YOUNG PEOPLE & FAMILIES	0	0	0	0	0
OVERALL CAPITAL PROPOSALS	10,631,000	0	0	0	10,631,000
Less Specific Funding	-7,685,000	0	0	0	-7,685,000
Less Other Funding	-49,000	0	0	0	-49,000
Less Lease Funding	-387,000	0	0	0	-387,000
	-8,121,000	0	0	0	-8,121,000
Less Schemes Already Approved By Cabinet	-2,510,000	0	0	0	-2,510,000
TOTAL TO BE FUNDED	0	0	0	0	0

Appendix 2 - Deferred New Starts

<u>Description</u>	TOTAL CAPITAL COSTS				Total
	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	
	£	£	£	£	£
<u>DEVELOPMENT, ENVIRONMENT & CULTURE</u>					
DEC 1 Central Goldthorpe Green Space	780,000				780,000
DEC 2 Developing the Visitor Economy: building a sustainable investment strategy for Barnsley Museums	100,000				100,000
DEC 3 Disabled Facilities Grants Programme (Private Sector Housing)	2,000,000				2,000,000
DEC 4a Expanding Steel Slag and Interim Maintenance - Option 1 (Removal)	1,277,000	1,276,000			2,553,000
DEC 4b Expanding Steel Slag and Interim Maintenance - Option 2 (Safety Works Only)	100,000	100,000	100,000		300,000
DEC 5 Goldthorpe Terrace Remodelling	1,214,000	1,214,000	1,214,000		3,642,000
DEC 8 Barnsley MBC Private Sector Landlords and Managing Agents Accreditation Scheme - Grants Scheme	18,000	50,000	50,000		118,000
DEC 9 Sustainable Heritage: Re-surfacing at Elsecar Heritage Centre	500,000				500,000
DEC 10 Rights of Way Improvement Plan	200,000				200,000
DEC 13 Locke Park - Restoration of Damaged Wall	50,000				50,000
DEC 14 Cannon Hall Income Development: Refurbishment of Former Stables	112,000	338,000			450,000
DEC 15 Worsbrough Closed Churchyard - Restoration of Damaged Wall	60,000				60,000
	6,411,000	2,978,000	1,364,000	0	10,753,000
TOTAL DEVELOPMENT, ENVIRONMENT & CULTURE	6,411,000	2,978,000	1,364,000	0	10,753,000
OVERALL DEC CAPITAL PROPOSALS	6,411,000	2,978,000	1,364,000	0	10,753,000
Less Specific Funding	0	0	0	0	0
TOTAL TO BE FUNDED	6,411,000	2,978,000	1,364,000	0	10,753,000
<u>CHILDREN, YOUNG PEOPLE & FAMILIES</u>					
CYPF 4b Additional Health & Safety Works	75,000				75,000
Less Specific Grant	0				0
Less Other Funding	-6,000				-6,000
	69,000	0	0	0	69,000
CYPF 2b Additional Electrical Rewiring	70,000				70,000
Less Specific Grant	0				0
Less Other Funding	0				0
	70,000	0	0	0	70,000
CYPF 7b Additional Heating Works	150,000				150,000
Less Specific Grant	0				0
Less Other Funding	0				0
	150,000	0	0	0	150,000
CYPF 8b Additional Roofing / Structures Replacements	140,000				140,000
Less Specific Grant	0				0
Less Other Funding	0				0
	140,000	0	0	0	140,000
CYPF 9b Additional Pupil Places	175,000				175,000
Less Specific Grant	0				0
Less Other Funding	0				0
	175,000	0	0	0	175,000
TOTAL CHILDREN, YOUNG PEOPLE & FAMILIES	604,000	0	0	0	604,000
OVERALL CYP&F CAPITAL PROPOSALS	610,000	0	0	0	610,000
Less Specific Funding	0	0	0	0	0
Less Other Funding	-6,000	0	0	0	-6,000
TOTAL TO BE FUNDED	604,000	0	0	0	604,000

Appendix 2 - Deferred New Starts

<u>Description</u>	TOTAL CAPITAL COSTS				Total
	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	
	£	£	£	£	£
<u>ADULTS & COMMUNITIES</u>					
ADU 1 Customer Services Programme	400,000				400,000
ADU 2 Development of Penistone Community Hub	160,000	160,000			320,000
TOTAL ADULTS & COMMUNITIES	560,000	160,000	0	0	720,000
OVERALL ADULTS CAPITAL PROPOSALS	560,000	160,000	0	0	720,000
Less Specific Funding	0	0	0	0	0
TOTAL TO BE FUNDED	560,000	160,000	0	0	720,000
<u>CORPORATE SERVICES</u>					
CORP 1 Cudworth LIFT – Removal of Cash Counter and Creation of Useable Office Space	66,000				66,000
CORP 2 Development of Goldthorpe Community Hub	160,000	160,000			320,000
CORP 3 Metrodome Renewables	565,000				565,000
CORP 4 Photovoltaic Panels	100,000				100,000
TOTAL CORPORATE SERVICES	891,000	160,000	0	0	1,051,000
OVERALL CORPORATE CAPITAL PROPOSALS	891,000	160,000	0	0	1,051,000
Less Specific Funding	0	0	0	0	0
TOTAL TO BE FUNDED	891,000	160,000	0	0	1,051,000
OVERALL CAPITAL PROPOSALS	8,472,000	3,298,000	1,364,000	0	13,134,000
Less Specific Funding	0	0	0	0	0
Less Other Funding	-6,000	0	0	0	-6,000
TOTAL TO BE FUNDED	8,466,000	3,298,000	1,364,000	0	13,128,000

2014/15 SERVICE AND FINANCIAL PLANNING

FEES AND CHARGES

1. Purpose of The Report

- 1.1 This report brings together the Authority's proposed fees and charges for 2014/15, which are an integral part of the key lines of enquiry being considered by Cabinet for recommendation to Council for approval on the 27th February 2014. These are summarised in Appendix 1 to this report.

2. Recommendation

2.1 It is recommended that:

- **The fees and charges set out in Appendix 1 are recommended to Council for approval from 1st April 2014 or later in 2014/15 as applicable;**
- **That additional reports are submitted throughout the course of the year, as and when further amendments to existing fees & charges have been finalised as part of the development of key lines of enquiry.**

3. Introduction & Background

Work Undertaken on Fees & Charges

- 3.1 Individual Directorate key lines of enquiry, developed as part of the service and financial planning process, have included due consideration of setting appropriate fees and charges for all Council services.
- 3.2 In addition, the Council has developed a cross cutting review of all existing and potential fees and charges to ensure both consistency of approach within services and also to identify potential new income streams.
- 3.3 All fees and charges for 2014/15 have been proposed in light of the Council's formally agreed Fees and Charges Policy. This provides a corporate framework within which all decisions on implementation and / or changes in the levels of fees and charges are considered and approved.
- 3.4 It should be noted that proposals in relation to some existing fees and charges have not yet been finalised as they form part of a wider consideration of current key lines of enquiry. These will be submitted to Cabinet in due course when all relevant issues have been worked through.

Fees & Charges Policy

- 3.5 A significant element of the Authority's activity is underpinned by income generated through a variety of fees and charges made in relation to such activities.
- 3.6 Whilst being an important element of the overall financing of the Council's services and activities, fees and charges can also have an important role in other areas such as:
- Demonstrating the value of a service;
 - Discouraging abuse of a service;
 - Strengthening service and corporate objectives; and
 - Promoting and encouraging access to services.
- 3.7 Therefore, as well as ensuring that fees and charges are in line with Council objectives, it is also sound practice to ensure that there is good evidence on the likely impact of charges on patterns of service use by different groups of users. The objectives of any charging policy should also be clearly communicated to the public who should have the opportunity to hold the Council to account.
- 3.8 The overall principle aim is to ensure that the Council's fees and charges are set within a framework of value for money management, whereby financial, performance, access and equality issues are considered fully and appropriately, and decisions taken represent a transparent and balanced approach.
- 3.9 The legal basis for charging has now been made much clearer following the implementation of specific provisions contained in the Local Government Act 2003.
- 3.10 In addition to existing statutory provisions which expressly authorise charging, Section 93 of the 2003 Act allows a local authority to charge for any services which it has discretion to provide. Charges cannot be made for any services for which there is a duty to provide or where legislation expressly prohibits the charging for discretionary services. In exercising its charging powers, a local authority is under a duty to ensure that taking one financial year with another, the income from any charge for a service does not exceed the cost of providing the relevant service.
- 3.11 This means that over a realistic period of time, any surpluses or under recovery of income should be addressed through a review of the charging policy. However, the reinvestment of any income generated in excess of the cost of providing the service would not represent a surplus. The underlying principle behind the legislation is that one service should not be cross subsidising another as each service must be viewed as distinct for charging purposes. Statutory Guidance has been issued by the Secretary of State which needs to be taken into

account in considering the exercise of the charging powers and which addresses the above principles in greater detail.

3.12 The key features to consider in the framework include:

- Fees and charges will be structured to support the Authority's Corporate Plan and encourage public engagement in policy development;
- The income generated from fees and charges will be used to support the work of the Authority;
- Fees and charges will normally be calculated on a marginal or full cost recovery basis, depending on the state of the market and any other relevant factors;
- All concessions will be specified;
- Any Fees and Charges agreed to generate income greater than costs incurred should be clearly articulated as part of the decision, having regard to the principles in the 2003 Act and the guidance issued by the Secretary of State;
- Market research, comparative data, management knowledge and any other relevant information will be used where appropriate to ensure that charges do not adversely affect the take up of services;
- Fees and charges will not be used in such a way that would restrict access to information or services;
- The impact on income from fees and charges will be taken into consideration when a decision is taken to change any services provided by the Authority;
- The cost of collection will be considered to ensure that fees and charges are economical to collect; and
- The income generated from fees and charges will be monitored on a monthly basis as part of the overall budget monitoring process.

3.13 Through consideration of these factors and assessment of their relative importance for individual services, it is envisaged that the overall principles will be achieved.

4. **Summary**

4.1 In accordance with the overall review of all fees and charges and the savings proposals included in Section 4, it be agreed that the full schedule of fees and charges as set out in Appendix 1 are implemented from the 1st April 2014 or later in 2014/15 as applicable.

- 4.2 Any additional fees and charges proposed, not included as a current Key Line of Enquiry are currently being retained by services, in mitigation of specific contract inflationary pressures.

DIRECTORATE / SERVICE - TYPE OF FEE AND CHARGE	2013-14			PROPOSALS FOR 2014-15		
	Basis and Charge for 2013/14 (d)	2013/14 (units if applicable) (e)	Budget 2013/14 f = d x e £000s	Basis and proposed charge for 2014/15 (d)	2014/15 (units if applicable) (e)	Proposed Budget 2014/15 f = d x e £000s
Means Tested Charges - Linked to Fairer Charging Policy Homecare Day Care Waking Night Support Overnight Sleep In Community Support (Individual) Community Support (Groups) Housing Related Support Respite Care in Registered Care Home Individual Budgets	£13.00 per hour £30.00 per day £13.00 per hour £35.00 per night £13.00 per hour £30.00 per day £13.00 per hour £15.75 per night Actual value of IB	Note: People only pay what they are able to pay following a financial assessment	3,360	Approved as part of KLOE AC/P/4 £13.00 per hour £30.00 per day £13.00 per hour £35.00 per night £13.00 per hour £30.00 per day £13.00 per hour £15.75 per night Actual value of IB	Ongoing KLOE (AC/VA/5) agreed maximum an individual would pay towards care would go up from £90 to £150 in increments of £15. The 2013/14 limit is currently £105 per week which will increase to £120 per week in	3,360
Non Means Tested Charges Transport (Day Care) Laundry/Bathing (At Day Centre) Lunch (At Day Centre)	£1.00 per journey £1.05 per load £3.00 per meal		24 1 57	£1.00 per journey £1.05 per load £3.00 per meal		24 1 57
Respite Care in Registered Care Home and Adult Placements Adult Placement - High Rate DLA Entitlement - Middle Rate DLA Entitlement - Low Rate DLA Entitlement	£60.00 per 7 nights £40.55 per 7 nights £16.05 per 7 nights		45	£60.00 per 7 nights £40.55 per 7 nights £16.05 per 7 nights		45
Residential Care Residential Care Nursing Care	Charges based on national guidance - CRAG	Council pays providers net of assessed client contribution - provider recovers contribution from individual - No budget income line		Charges based on national guidance - CRAG	Council pays providers net of assessed client contribution - provider recovers contribution from individual - No budget	
Central Call Careline Mobile Care Assistive Technology - Passive Assistive Technology - Non Passive	£3.24 per week £1.00 per week £0.55 per week £1.05 per week		976	£3.24 per week £1.00 per week £0.55 per week £1.05 per week	Proposal from service to keep charges at same level as 2013/14 given they are in the	976
Bamsley Library & Information Service Fines, Sales and Receipts (Book fines, video & CD hire, obsolete stock etc) Berneslai Homes	Various Charges Based on number of transactions attributable to BH over the various locality settings and specific costs for out of hours support and Contact Centre	Figure has reduced over the last few years based on changes in working practices	118 780	Various Charges Based on number of transactions attributable to BH over the various locality settings and specific costs for out of hours support and Contact Centre	No expected change at this stage	118 780
Other Training - Training Fee Income Blue Badge Scheme	Fees agreed across the region £10.00 per Application	Variable 5000	342 50	Fees agreed across the region £10.00 per Application	Variable 5000	342 50
Fees and Charges To Be Agreed Via This Report			5,753			5,753

DIRECTORATE / SERVICE - TYPE OF FEE AND CHARGE	2013-14			PROPOSALS FOR 2014-15		
	Basis and Charge for 2013/14 (d)	2013/14 (units if applicable) (e)	Budget 2013/14 f = d x e £000s	Basis and proposed charge for 2014/15 (d)	2014/15 (units if applicable) (e)	Proposed Budget 2014/15 f = d x e £000s
Registrars						
Statutory Fees						
General Search	£18.00		} 167	£18.00		} 167
Certificates	£10.00			£10.00		
Marriages (Register Office)	£45.00	5		£45.00	5	
Non Statutory Fees						
Marriages / Ceremonies (Ceremony Suite)						
- Monday - Thursday	£45.00	81	4	£79.00	81	6
- Friday	£61.50	90	6	£98.00	90	9
- Saturday	£81.50	199	16	£121.00	199	24
Marriages / Ceremonies (Approved Premises)						
- Monday - Thursday	£277.50	18	5	£298.00	18	5
- Friday	£297.50	102	30	£335.00	102	34
- Saturday	£331.50	222	74	£428.00	222	95
- Sunday	£388.00	42	16	£435.00	42	18
- Bank Holiday	£404.00	2	1	£435.00	2	1
Advanced Booking Fee	£20.00	721	14	£25.00	721	18
Fees & Charges Subject to Separate Cabinet Approval			333			377

DIRECTORATE / SERVICE - TYPE OF FEE AND CHARGE	PROPOSALS FOR 2013-14			PROPOSALS FOR 2014-15		
	Basis and proposed charge for 2013-14 (d)	2013-14 (units if applicable) (e)	Proposed Budget 2013-14 f = d x e £000s	Basis and proposed charge for 2014-15 (d)	2014-15 (units if applicable) (e)	Proposed Budget 2014-15 f = d x e £000s
Lifelong Learning, Achievement & Enterprise						
Performing Arts						
Instrumental Tuition & Hire	Apr - July 2013			Apr - July 2014		
	Instrument Hire @£15	743		Instrument Hire @£15	Dependent on take up and expression of interest by schools. Information still being gathered	350
	Contn Lessons @£30.00	164		Contn Lessons @£30.00		
	Group Lessons @£45	1596		Group Lessons @£45		
Individual Lessons @£90	142		Individual Lessons @£90			
	Sept 2013 - Mar 2014			Sept 2014 - Mar 2015		
Instrument Hire @£15	1486	339	Instrument Hire @£15			
Contn Lessons @£30.00	328		Contn Lessons @£30.00			
Group Lessons @£45	3193		Group Lessons @£45			
Individual Lessons @£90	284		Individual Lessons @£90			
	KS1 1 term projects @£360	21		KS1 1 term projects @£360		
	KS2 full year projects @£700	76		KS2 full year projects @£700		
Early Years						
Day Care charges	Daily Rate (ranges on avg (£29.25 - £35.25))	childcare places dependent on KLOE	1,015	Daily Rate (ranges on avg (£30.00 - £36.00))	childcare places dependent on KLOE	1,040
Adult Learning						
Tuition / Course Fees	£2.90 per hour . £1.45 for clients on means tested benefits excluding JSA & ESA (WRAG)		176	£2.90 per hour . £1.45 for clients on means tested benefits excluding JSA & ESA (WRAG) NO CHANGE		176
Moorland Plastics - Sales	Per product/item	Information currently being gathered on any increased costs of production, which will be passed onto the customer	880	Per product / item	Information currently being gathered on production activity for 2014/15 - dependent on the revised Business Plan	880
STRATEGIC SERVICES, PARTNERSHIP & COMMISSIONING						
School Workforce Modernisation						
Tuition Fees - Governor Development/NQTs/school support training	£60 per governor x number of governors (buy back) £50 per Governor (outside of buy back) Course fees are based on how much the venue and the consultant cost information provided by advisor		82	£60 per governor x number of governors (buy back) £50 per Governor (outside of buy back) Course fees are based on how much the venue and the consultant cost information provided by advisor		82
Leadership & Integrated Workforce						
Tuition Fees	Course fees are based on how much the venue and the consultant cost information provided by advisor	Anticipated increase in course volumes	8	Course fees are based on how much the venue and the consultant cost information provided by advisor	Anticipated increase in course volumes	8
School Organisation & Governance						
Governor Clerking for schools	Per annum charges: Full service £1407 Primary & £1713 Secondary. £1236 & £1542 Partial 1% INCREASE FROM 2012/13		115	Per annum charges: Full service £1407 Primary & £1713 Secondary. £1236 & £1542 Partial		115
Admission services (Academy)	Per Academy: Admissions:£9 pp on roll Appeals: £42 pp on roll + £354 per 1/2 day hearing	dependent on buy back from converting academies	0	Per Academy: Admissions:£9 pp on roll Appeals: £42 pp on roll + £354 per 1/2 day hearing	dependent on buy back from converting academies	2
Free school meals eligibility checking (Academy)	Per Academy: Primary / Special £100 flat fee + £5 per eligible pupil Secondary: £200 flat fee + £5 per eligible pupil	dependent on buy back from converting academies	0	Per Academy: Primary / Special £100 flat fee + £5 per eligible pupil Secondary: £200 flat fee + £5 per eligible pupil	dependent on buy back from converting academies	5
Educational Visits & Journeys (Academies, VA and Trust Schools)	Per Acad/VA/trust school: £300 flat fee + £1 pp on roll	dependent on buy back from converting academies	0	Per Acad/VA/trust school: £300 flat fee + £1 pp on roll	dependent on buy back from converting academies	3
Commissioning & procurement						
Contract/procurement services: Schools and academies	Small Pri £495 pa Med Pri £995 pa Sec+Spe £1,995 pa		0	Small Pri £495 pa Med Pri £995 pa Sec+Spe £1,995 pa		4
School Meals						
School Meals	2 course meal - charge 1.75	dependent on take up of service by schools - TBC	2,627	2 course meal - CURRENT charge 1.75		2,627
				Discussion ongoing to determine price or likely increase (to £1.85 for primary schools / £.90 for secondary) in unit price for 2014/15 (from 1 Sept 2014) - dependent on Lead Member approval.	dependent on take up of service by schools - TBC	
Milk Sales	SLA charges as applicable to level of service provided at each individual school.		121	SLA charges as applicable to level of service provided at each individual school.		121

DIRECTORATE / SERVICE - TYPE OF FEE AND CHARGE
SAFEGUARDING HEALTH SOCIAL CARE
Inclusion: Out of Boro SEN Placements
Education Psychology: Schools: Additional provision
Education Welfare: Schools: Additional provision
Safeguarding: multi-agency child protection and safeguarding training - academies
<u>Newsome Avenue Respite Care</u> Daycare / Overnight stays for Children with Disabilities from other Authorities

PROPOSALS FOR 2013-14		
Basis and proposed charge for 2013-14	2013-14 (units if applicable)	Proposed Budget 2013-14
(d)	(e)	f = d x e £000s
<i>Proposed new funding arrangements for high needs pupils (SEN) in place for 2013/14 - this will see the removal of the recoupment charging process</i>		
Various levels of service: 3 add days pa-£1800, 6 add days pa-£3600, 19 add days pa-£12000, 36 add days pa-£1900, Day rate £650	NB Service levels /Charges not yet agreed for 13/14. New arrangements with academies tbd	0
S175 safeguarding training-£100 prim & £150 sec. EWO Buy Back Hourly Cost for maintained schools / academies	NB Service levels /Charges not yet agreed for 13/14	185
£30.00 per licence for e-learning		0
£75.00 per person for non attendance at training courses and not cancelling within the agreement of the Cancellation Policy		0
Budgeted Running Cost of Unit £440 per night, £20 per hr day care. No change		2
		5,550

PROPOSALS FOR 2014-15		
Basis and proposed charge for 2014-15	2014-15 (units if applicable)	Proposed Budget 2014-15
(d)	(e)	f = d x e £000s
<i>Proposed new funding arrangements for high needs pupils (SEN) in place for 2014/15 - this will see the removal of the recoupment charging process</i>		
Various levels of service: EPS2 3 days per year £1,650, EPS3 6 days per year £3,300, EPS4 19 days per yr £10,000, EPS5 36 days per year £19,000.		200
S175 safeguarding training-£300 prim & £400 sec. EWO Buy Back £25 per Hour for maintained schools / academies plus vat where applicable		248
£30.00 per licence for e-learning No Change		
£75.00 per person for non attendance at training courses and not cancelling within the agreement of the Cancellation Policy No Change		5
Respite care £450 per night, £20 per hr day care.		10
		5,876

PROPOSALS FOR 2013-14			
DIRECTORATE / SERVICE - TYPE OF FEE AND CHARGE	Basis and proposed charge for 2013/14	2013/14 (units if applicable)	Proposed Budget 2013/14 £000s
	(d)	(e)	f = d x e
Building Control			
Building control fees	Fees recalculated to ensure costs of running the service are recovered	Various	469
Searches	Searches	At cost	3
Planning & Housing Enforcement			
HMO Licence Fees & Accredited Landlord Fees	Fees set by Local Authority £335 HMO Licence & £225 Accredited Landlord (both Licences can last for up to 5 years)	Variable	4
Environmental Regulatory Unit			
Misc Fees & Charges	Banded Statutory Fee of £75 Littering & £50 Dog Fouling - BMBC using Default band in line with Neighbouring Authorities.	variable	6
Dog Warden fees	various charges	variable	1
Pollution Control			
Misc Fees & Charges	various charges	variable - anticipated drop in volumes expected	2
PPC Permits	Statutory Fee - Individual charge to each company based on an Annual Risk Assessment	variable - anticipated drop in volumes expected	44
LSO Contracts	Fixed Annual Contracts - Varying terms	variable - anticipated drop in volumes expected	10
Public Health and Drainage			
Works in Default	Charged @ Cost Rechargeable works a/c	Variable	49
Entertainment Licences			
Licence Fees - Premises, Alcohol & Gambling	Statutory Fee set by Central Government	Variable	168
Hackney Carriage Licences			
Private Hire & Hackney Vehicle, Driver & Operator Licensing	Can only recover fees to recover total cost of service	Variable	197
Trading Standards			
Stamping Fees and Poison Licences	Various Fees set by Local Authority Coordinators of Regulatory Services. Increase by 2.5%	Variable	1
Animal Health			
Licence Fees	Various statutory fees ranging from £95 to £230	Variable	6
Food Health & Safety			
Tuition Fees	£60 per Person	Variable	10
Museums and Heritage Centres.			
	At cost - this includes charges for car parking , room hire etc.	Not applicable	322
Markets			
	No changes proposed		620
Standard per week	£8.80 per week		
Large per week	£11.10 per week		

PROPOSALS FOR 2014-15		
Basis and proposed charge for 2014/15	2014/15 (units if applicable)	Proposed Budget 2014/15 £000s
(d)	(e)	f = d x e
Fees recalculated to ensure costs of running the service are recovered	Various	484
Searches	At cost	3
No change recommended.	Variable	4
No change recommended- various charges.	variable	6
No change recommended- various charges.	variable	1
No change recommended- various charges.	variable - anticipated drop in volumes expected	2
Statutory Fee - Individual charge to each company based on an Annual Risk Assessment	variable - anticipated drop in volumes expected	44
Fixed Annual Contracts - Varying terms	variable - anticipated drop in volumes expected	10
Charged @ Cost Rechargeable works a/c	Variable	49
Statutory fees set by Government, except sex establishments. New charges for sex establishments:- new application - £234, renewal application £112, variation £234, transfer £34.	Variable	168
Can only recover fees to recover total cost of service	Variable	197
No change recommended.	Variable	1
No change recommended.	Variable	6
No change recommended.	Variable	10
At cost - this includes charges for car parking , room hire etc. No changes proposed other than at Worsbrough Mill car park. Replace the existing flat rate of £3 per day with new scale of charges - £1 for 1 hour, £2 for 2 hours, £3 for the day.	Not applicable	322
No changes proposed		620
£10.00 per week.		
£12.50 per week		

PROPOSALS FOR 2013-14				PROPOSALS FOR 2014-15		
DIRECTORATE / SERVICE - TYPE OF FEE AND CHARGE	Basis and proposed charge for 2013/14	2013/14 (units if applicable)	Proposed Budget 2013/14 £000s	Basis and proposed charge for 2014/15	2014/15 (units if applicable)	Proposed Budget 2014/15 £000s
	(d)	(e)	f = d x e	(d)	(e)	f = d x e
Parks Services						
Fairs & Circuses	3% increase suggested		7	3% increase suggested	-	7
Playground Inspections	£45 suggested		2	£45 suggested	-	2
Golf Course - Green Fees / Season Tickets	Various Adult, Junior & senior season & day ticket rates		300	No change suggested. The low cost has created an increase in income as more members have joined from more expensive clubs.	-	300
Football Pitch Rent Income	Various adult & junior rates		42	3% increase suggested		42
Cricket Pitch Rent Income	Cat A Adult £445 / Cat A Junior £225 per yr		1	No change - no current customers		1
Sports						
Passport to Leisure	No increase proposed for 2013/14, noting effect of increased charge had on take up rates in 2012/13		5	No change suggested - income target not being met		5
Bereavement Services						
Burial & Cremation fees	5% increase cremations only		1,394	6% increase burials and cremations		1,462
Waste						
Commercial waste collection	Income stream will cover costs only.	1700 customers	880		1,700	880
Clinical waste collection		15 customers only	7		15 customers.	7
Clinical waste charge to PCT	Pressure from PCT to reduce prices	1	50	No change recommended.	1	54
Bin delivery charges	£15 is a reasonable charge	660	10	No change recommended.	660	10
Bin provision						
Special (bulky) collection	£5 for 1 item & £10 for 2/3 or 4 items. £15 for 5 items	4,000	35	No change recommended.	4,000	35
Glass	Subject to contract - income may fall depending on market forces. Market prices are currently high	8,000	200	Subject to contract - income may fall depending on market forces. Market prices are currently high	8,500	220
Paper	Subject to contract - income may fall depending on market forces. Market prices have recently dropped	5,500	400	Subject to contract - income may fall depending on market forces. Market prices have recently dropped	4,000	400
Cardboard				Subject to contract - income may fall depending on market forces.	3,000	80
Fleet						
MOT fees - taxi	£45 per inspection & £20 re-test	1500 tests and 500 re-tests	78	£45 per inspection and £20 re-test	1300 tests and 600 re-test	75
MOT fees - general public	£45 per inspection no re-test charge	150	7	£45 per inspection no re-test charge	160	7
Engineers						
Street Lighting - external	Individually priced jobs dependant upon work required	70	290	Individually priced jobs dependant upon work required	70	290
Other (dropped crossings)	Individually priced jobs dependant upon work required	70	40	Individually priced jobs dependant upon work required	80	50
Other (signs)	Individually priced jobs dependant upon work required	20	45	Individually priced jobs dependant upon work required	20	45
Mechanical sweeping - external	£61.05 per hour	7 customers	10	£61.05 per hour	7 customers	10
Cesspit emptying - domestic	£265 per visit	91	24	£265 per visit	91	24
Cesspit emptying - industrial	£187.42 for 2 hrs	107 hrs	10	£187.42 for 2 hrs	107 hrs	10
Recycling	individually priced per material and tonnage purchased	-	100	individually priced per material and tonnage purchased	-	100
Stores						
Sales of scrap metal and timber	Individually priced per material and tonnage purchased	-	1	Individually priced per material and tonnage purchased	-	1
Tipping	£2.00 per tonne	232 tonnes	1	£3 per tonne.	232 tonnes	1
Weighbridge	£5.00 per usage	180	1	£5 per use	180	1

PROPOSALS FOR 2013-14			
DIRECTORATE / SERVICE - TYPE OF FEE AND CHARGE	Basis and proposed charge for 2013/14	2013/14 (units if applicable)	Proposed Budget 2013/14 £000s
	(d)	(e)	f = d x e
Highways Licences, Permits and Services			
Licensing of builders' skips placed on the highway	£15 per skip for a maximum of 14 days (non permitted) or 7 days maximum if permitted	Variable	45
Licensing of builder's skips placed on the highway - retrospective license	£50 per skip	Variable	-
Licence charge for scaffolding and other structures on highways (Fixed)	£155 for first week, £50 for subsequent weeks	Variable	10
Licence charge for scaffolding and other structures on highways (Mobile)	£51 per day	Variable	1
Licensing of builder's materials deposited on the highway	£10 per day	Variable	1
License to dispense with erection of a hoarding	£77 to cover site inspection	Variable	1
Site inspections to monitor compliance with duties relating to the erection of hoardings	£50 per inspection - nationally agreed fee	Variable	1
Various licences to make openings in the street or footway for constructing works, cellars or the admission of light into premises	£180 per licence	Variable	1
License to construct a vehicle crossing - use of BMBC Engineering Services or private contractors	Application fee £51 - where Engineering Services are used no fees for site inspections. For hardened footway applications using private contractors two site inspections at £51 each. For commercial applications involving radius kerb /full carriageway const	Variable	5
Clearance of accident debris	Actual costs +10%		
Application for an exemption to a Traffic Regulation Order	£102 per application		
Road Closure Orders (Planned)	£847 per closure		66
Road Closure Notice (Emergency)	£341 per closure		
Road Closure Order (Special Events)	£847 per closure		
Parking place suspension	Estimated loss of parking revenue	Variable	
Application for a traffic sign to specified land or premises (permanent)	£51 per sign application fee. If the application is successful - a charge for the costs of manufacturing and erecting the sign plus 10%	Variable	
Application for a traffic sign to specified land or premises (temporary)	£40 per sign	Variable	
Placing of traffic sign for specified land or premises	Actual cost +10%	Variable	
Pavement café licences	£362 application fee plus annual maintenance fee for 2 site inspections of £202	Variable	3
Consideration of applications for consent for overhead beams, Rails, wires, banners etc above the highway	£90 per application (no charge for charities)	Variable	
License to Oversail the Highway with Tower Cranes etc	£85 application fee plus a monthly £56 inspection charge	Variable	
Consideration of applications to buildings, structures, balconies etc over the highway	£561 per application	Variable	
Licence to non-Statutory Undertakers to place and maintain apparatus in the Highway (New Roads and Street works Act)	£385 per licence	Variable	53
Construction of highways to be adopted (section 38 Highways Act 1980)	6.5% of estimated total works	Variable	72
Charges for Demolition Notices	£205 per licence	Variable	9
Bus lane enforcement	£60 for driving in a bus lane with 50% discount for early payment and 50% enhancement for late payment.	Variable	15
Increased Highways Act enforcement	Charges will be made to people based on cost for clearing the highway, if they fail to do it themselves. This will include, for example overhanging vegetation.	Variable	5
Licensing of builder's skips placed on the highway - retrospective license	No change can only recover reasonable costs		-
Weekly Inspection of Scaffolding and hording			
Retrospective Licences for S184, S50 & Scaffold licenses would incur a charge of £70 additional to the normal license fee.			
Road Closure Orders (Planned) PROW Initial fee - dependant on dwelling numbers, sliding scale for more than 1 dwelling	440	Variable	-
Road Closure Orders (Planned) PROW weekly fee	83	Variable	-
Road Closure Orders (Planned) PROW Extension	220	Variable	-
Road Closure Notice (Emergency) PROW	200	Variable	-
Public Path Orders (Diversion Orders) - dependant on dwelling numbers, sliding scale for more than 1 dwelling	2,640	Variable	-
Pavement café licences new application	10% increase suggested	10	3
Pavement café licences (continuation fee)			
Water Course Consenting			
Status Enquiries	50	100	5

PROPOSALS FOR 2014-15		
Basis and proposed charge for 2014/15	2014/15 (units if applicable)	Proposed Budget 2014/15 £000s
(d)	(e)	f = d x e
No change recommended.	Variable	45
No change recommended.	Variable	-
No change recommended.	Variable	10
No change recommended.	Variable	1
No change recommended.	Variable	1
No change recommended.	Variable	1
Nationally agreed fee - £51 per inspection	Variable	1
No change recommended.	Variable	1
No change recommended.	Variable	5
No change recommended.	Variable	
No change recommended.	Variable	66
No change recommended.	Variable	
No change recommended.	Variable	66
No change recommended.	Variable	
Estimated loss of parking revenue plus 10% to cover administration costs	Variable	
No change recommended.	Variable	
No change recommended.	Variable	
No change recommended.	Variable	3
No change recommended.	Variable	
No change recommended.	Variable	
No change recommended.	Variable	
No change recommended.	Variable	55
8.5% of estimated total works	Variable	94
£250 per licence	Variable	11
No change recommended.	Variable	15
No change recommended.	Variable	5
From £50 to £72/ license (inspection fee £52 + £20 admin cost)	30	2
£52 (This is an increase of 2% based on pay)		
New £72 fee (inspection fee £52 + £20 admin cost)	36	3
484 (Increase of 10%)	Variable	-
91 (Increase of 10%)	Variable	-
242 (Increase of 10%)	Variable	-
220 (Increase of 10%)	Variable	-
2901 (Increase of 10%)	Variable	-
£370 (based on an increase of 2%)	2	1
£202 (No change recommended)	16	3
£52 (This is an increase of 2% based on pay)	5	0
£52 (This is an increase of 2% based on pay)	100	5

PROPOSALS FOR 2013-14				PROPOSALS FOR 2014-15		
DIRECTORATE / SERVICE - TYPE OF FEE AND CHARGE	Basis and proposed charge for 2013/14	2013/14 (units if applicable)	Proposed Budget 2013/14 £000s	Basis and proposed charge for 2014/15	2014/15 (units if applicable)	Proposed Budget 2014/15 £000s
	(d)	(e)	f = d x e	(d)	(e)	f = d x e
Residents Parking Zones						
Permits for Residents Parking Zones	£10 1st permit resident £20 1st Permit Business - Additional Permit £25 Resident £50 Business - Further Permits £50 Resident & £100 Business.	Variable	14	£20 1st Resident Permit and Special Organisation Permit; £30 1st Business Permit; 2nd & 3rd Resident Permit £40 and £60; 2nd & 3rd Business Permit £60 & £100; Resident Change of Vehicle/Lost Permit £5; Business Replacement Permit £10; Voucher Books £7.50.	Variable	24
Car Parking						
Off Street Parking	£1.20 1 Hour, £1.60 2 Hours, £2.50 4 Hours, £5.00 All Day. Pitt Street, Burleigh Street (East and West) and Joseph Street, 2 Hours 70p, Pitt Street, Burleigh Street (East and West) and Joseph Street 4 Hours £1.20, Pitt Street, Burleigh Street (East and West) and Joseph Street more than 4 hours £2.00. West Road less than 4 Hours £1.10, more than 4 hours £2.20		719	No change recommended		719
On Street parking	Inner Zone £0.70 for 1/2 Hour & £1.40 for 1 Hour Outer Zone £0.70 for 1 Hour & £1.4 for 2 Hours		310	No change recommended.		310
Public Season Tickets	£22 for 5 days, £27 for 6 days. £82 one month (5 days per week) £100 one month (6 days per week), £230 for 3 months (5 days per week), £275 for 3 months (6 days per week), £770 for 1 year (5 days per week), £910 for 1 year (6 days per week). £940 for 1 year (reserved bay)		72	No change recommended.		72
Staff Discounted Season Tickets	£17.50 per month or £35 per month for Chief Officers.		203	No change recommended.		203
Charges for Fixed Penalty Notices	£70 or £50 depending on the type of contravention, falling to £35 and £25 if paid early		284	No change recommended.		284
Pest Control & Drainage ENV						
Pest Control Fees (Owner occupiers, B Homes, Private contracts)	Various charges		90			100
	Introduce a £20 charge for follow up visits/treatments on fleas and bed bugs.	Variable	1	It is recommended that this charge ceases	-	-
	£20 survey fee before treatment begins	Variable	-	It is recommended that this charge ceases	-	-
Gypsy Sites						
Pitch rents at Smithies Lane Gypsy & Traveller site (Small improved pitch)	£67.04 per week per pitch		-	Increase should be in line with the increase in rents for Berneslai Homes stock - 6.3% £71.26 per week per pitch		-
Pitch rents at Smithies Lane Gypsy & Traveller site (Large improved pitch)	£87.15 per week per pitch		94	£92.64 per week per pitch		100
			-			-
Hire of caravans (Ings Road site etc)	£55.48 per week 28ft caravan £61.45 per week 35ft caravan		-	£58.97 per week 28ft caravan £65.32 per week 35ft caravan		-
			7,933			8,186

DIRECTORATE / SERVICE - TYPE OF FEE AND CHARGE	PROPOSALS FOR 2013/14			PROPOSALS FOR 2014/15		
	Basis and proposed charge for 2013-14 (d)	2013-14 (units if applicable) (e)	Proposed Budget 2013-14 f = d x e £000s	Basis and proposed charge for 2014-15 (d)	2014-15 (units if applicable) (e)	Proposed Budget 2014-15 f = d x e £000s
	Finance, Property & Information Services					
Benefits & Taxation						
Summons	£52 per Summons	tbc though volumes are anticipated to increase during 2013/14.	Combined 1,098	£52 per Summons	tbc though volumes under review as there is an anticipated increase during 2014/15.	Combined 1,195
Liability Order	£26 Per Order			£28 Per Order		
Financial Services						
Prompt Payment Discount Scheme		N/A	0	tbc	tbc	50
Information Services						
Central Learning Net services: Schools / Academies	All secondary schools are now included in the BSF ICT Managed Service charge Pri £2500 (£2889 for academies) fixed plus £7.00 per pupil NO CHANGE	tbc - will be phased as schools convert to academies during the year and decision whether they will continue to buy back the services	TBD after Jan 2013 Pupil Census & Academy conversions	All secondary schools are now included in the BSF ICT Managed Service charge Pri £2500 (£2889 for academies) fixed plus £7.00 per pupil NO CHANGE	tbc - will be phased as schools convert to academies during the year and decision whether they will continue to buy back the services	TBD after Jan 2014 Pupil Census & Academy conversions
BSF ICT Managed Service Charge	£131.50 + RPIX increase per secondary pupil £51.49 + RPIX increase per primary pupil - NO CHANGE	tbc	TBD after Jan 2013 Pupil Census & April 2013 PRIX calculations	£131.50 + RPIX increase per secondary pupil £51.49 + RPIX increase per primary pupil - NO CHANGE	tbc	TBD after Jan 2014 Pupil Census & April 2014 PRIX calculations
Information management: Maintained schools / academies	Pri - flat cost: £677 plus £1.96 per pupil (£2.55 per pupil for academies) Sec - flat cost: £1,388 plus £0.63 per pupil (£1.22 pp for academies) Sec+6th form - flat cost: £1,628 plus £0.63 per pupil (£1.22 pp for academies)	TBC - will be phased as schools convert to academies during the year	80 19 3	Pri - flat cost: £677 plus £1.96 per pupil (£2.55 per pupil for academies) Sec - flat cost: £1,388 plus £0.63 per pupil (£1.22 pp for academies) Sec+6th form - flat cost: £1,628 plus £0.63 per pupil (£1.22 pp for academies)	TBC - will be phased as schools convert to academies during the year	80 19 3
Business Support Services						
Late Payment of Commercial Debts (Interest) Act 1998	tbc	tbc	25			25
Property and Procurement						
Investment Properties & Industrial Site Rents	Market Value	N/A	1,304	Market Value	N/A	1,460
Fees - Asset Disposals	5% Fee of Sale Price	N/A	175	5% Fee of Sale Price	N/A	74
Rent Income Way leaves	No change suggested		1	No change suggested		1
Rent Income Council Dwelling	No change suggested		5	No change suggested		5
Allotment Enrolment Fees	No change suggested		3	No change suggested		3
Allotment Rent Income	£69 per plot with water access/ £34 with no access to water. NB increase in water rates payable by the Council.		88	£69 per plot with water access/ £34 with no access to water. NB increase in water rates payable by the Council.		88
Garage Rent Income	£47 per site		6	£47 per site		6
Community Learning & Information Service						
Buildings rent	£8 - £10 per hour		64	£8 - £10 per hour		64
Room Hire	Various charges depending on course attended		4	Various charges depending on course attended		4
Tuition fees	£8 per hour		8	£8 per hour		8
Lettings	Relates to maintenance element of licence fee. Fee based on inflation, rise in heat, light and power - TBD - will be in line with inflation	Information currently being gathered to determine the increase in the current licence fee, but will need to be in line with inflation	556	Relates to maintenance element of licence fee. Fee based on inflation, rise in heat, light and power - TBD - will be in line with inflation	Information currently being gathered to determine the increase in the current licence fee, but will need to be in line with inflation	252
Licence Fees						
Facilities Management						
Admin Buildings - Rent/Service Charges	Market Value	N/A	793	Market Value	N/A	780
Legal & Governance						
Local Land Charges						
Land Charge Searches - Various Types	All Fees are set by parliament over which we have no control Various Charges Dependant on type of Search		150	All Fees are set by parliament over which we have no control Various Charges Dependant on type of Search		158
Human Resources, Performance, Partnerships & Communications						
Human Resources						
CRB Checks - External	20	500	10	20	500	10
Cross Cutting - All Central Services						
Central Service Charges to Berneslai Homes	Cost recovery based on service provided	N/A	TBD	Cost recovery based on service provided	N/A	TBD
			4,907			4,786

2014/15 SERVICE & FINANCIAL PLANNING**2014/15 COUNCIL TAX OPTIONS****1. Introduction**

1.1 This report considers the calculation and options for setting the Authority's Council Tax for 2014/15.

2. Basis of Council Tax Calculation

2.1 The following stages are involved in determining options for setting the Council Tax:

- 1) Determining the Council Tax Base;
- 2) A review of past performance in collecting Council Tax;
- 3) Identifying the potential impact on the Council's Medium Term Financial Strategy of various Council Tax increases; and
- 4) Options for setting the Council Tax in the context of national and local policy.

Step 1 – Determining the Council Tax Base

2.2 The Authority's Tax Base represents the estimated number of chargeable dwellings in the area, expressed in terms of Band D equivalent properties and after allowing for disabled persons relief, discounts and other statutory adjustments.

2.3 The calculation of the tax base is further complicated by the Central Governments' Local Government Finance reforms that took effect from 1st April 2013. These changes are summarised below.

Local Council Tax Support Scheme

2.4 From 2013/14, the Council Tax Benefit scheme was replaced by a Local Council Tax Support Scheme (LCTS). Government however reduced the overall funding for Council Tax Support by 10%.

2.5 After taking account of extra powers awarded to Councils around technical changes (see below), in March 2013 members agreed to pass this funding reduction on to working age claimants. This equated to each working age claimant having to make a 15% contribution to their Council Tax

2.6 The Council must decide each year whether to revise or replace the scheme. Any changes to the scheme would require a public consultation and as the scheme was only introduced in April 2013, we have not yet completed a full year in which to assess its full impact. For these reasons it is proposed that no changes (other than the uplifting of allowances for inflation) are made to the current scheme for 2014/15.

Technical Changes to Council Tax

- 2.7 Central Government announced that from 2013/14, local authorities have more discretion to charge Council Tax on second homes and empty properties. As part of the 2013/14 budget setting process, the Council implemented the following:-
- A discount of 0% be applied to second homes and empty furnished homes;
 - a discount of 25% be applied to properties that are vacant and undergoing repair or major structural alterations for up to 12 months, or 6 months after the completion of works, whichever is shorter;
 - a discount of 0% be applied to properties that are vacant and unfurnished;
 - a 150% premium be charged on properties which have been empty and unfurnished for in excess of two years.
- 2.8 Cabinet have since agreed to change this policy (Cab 15.1.2014 7.1) so that a discretionary discount of up to a maximum of 1 month Council Tax will be granted to vacant and unfurnished properties (bullet point 3 above) from the date that the property becomes empty. This discount will only be awarded subject to the property being occupied for at least 6 months prior to becoming vacant and consequently there will be a maximum of 1 months discount available in any 6 month period.
- 2.9 A 2014/15 revised Council Tax Base of 58,751.60 has also been approved by Cabinet (Cab 15.1.2014 7.1) reflecting these policy changes as well as normal in year movements to the Tax Base.

Step 2 - Review of Performance in Collecting Council Tax

- 2.10 The policy changes implemented at the start of 2013/14 have impacted on the collection of Council Tax. However, the estimates made predicted this and the current projected collection rates are in line with forecast assumptions (the 2014/15 Council Tax Base approved by Cabinet was set on the basis of a 95% collection rate reflecting these changes). The collection rates will continue to be reviewed and a final update made prior to the setting of the 2014/15 Council Tax.

Step 3 – Potential Council Tax Yields 2014/15

- 2.11 Table 1 below provides information on the estimated Council Tax yields that could be generated based on the currently estimated Council Tax base at different levels of tax increase.

Table 1 – Council Tax Options (2014/15)

% Increase	0% £M	0.25% £M	0.50% £M	0.75% £M	1.00% £M	1.25% £M	1.50% £M	1.75% £M	2.00% £M
Council Tax Income	70.536	70.712	70.889	71.065	71.241	71.418	71.594	71.770	71.947
Collection Fund Surplus	1.151	1.151	1.151	1.151	1.151	1.151	1.151	1.151	1.151
2013/14 Council Tax Freeze Grant	0.854	0.854	0.854	0.854	0.854	0.854	0.854	0.854	0.854
Total Council Tax Income	72.541	72.717	72.894	73.070	73.246	73.423	73.599	73.775	73.952

2.12 Each 1% increase in the Authority's Band D Council Tax generates additional income to the Authority of approximately **£0.7M** per annum recurrently (0.5% = £0.35M etc).

2.13 Table 2 below provides an analysis of the impact of the various increases on the actual Council Tax for BMBC services for each band.

Table 2 –Indicative 2014/15 Council Tax Levels for BMBC Services

% Increase	0.00%	0.25%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%
Band A-	666.99	668.66	670.32	671.99	673.66	675.33	676.99	678.66	680.33
Band A	800.39	802.39	804.39	806.39	808.39	810.39	812.40	814.40	816.40
Band B	933.78	936.11	938.45	940.78	943.12	945.45	947.79	950.12	952.46
Band C	1067.18	1069.85	1072.52	1075.18	1077.85	1080.52	1083.19	1085.86	1088.52
Band D	1200.58	1203.58	1206.58	1209.58	1212.59	1215.59	1218.59	1221.59	1224.59
Band E	1467.38	1471.05	1474.72	1478.39	1482.05	1485.72	1489.39	1493.06	1496.73
Band F	1734.17	1738.51	1742.84	1747.18	1751.51	1755.85	1760.18	1764.52	1768.85
Band G	2000.97	2005.97	2010.97	2015.98	2020.98	2025.98	2030.98	2035.99	2040.99
Band H	2401.16	2407.16	2413.17	2419.17	2425.17	2431.17	2437.18	2443.18	2449.18

2.14 However, it must be noted that the final overall Council Tax increase for properties in the Borough will also depend on the precepts levied by the Police and Fire Authorities. These are currently being discussed by the respective authorities and are not yet available. It is however estimated that every 1% increase in the precepts (applied equally to Police and Fire) from the base BMBC increase will add an additional 0.15% to the overall headline Council Tax increase.

Step 4 – Options for Setting the Council Tax in the Context of National and Local Policy

Background to 2014/15

2.15 The coalition Government has introduced a Council Tax Freeze Grant each year since 2011/12. This has allowed the Authority to freeze Council Tax for the past 3 years at 2010/11 levels whilst still benefiting from an uplift in Council Tax yield. The grant awarded in 2011/12 and 2012/13 was equivalent to a 2.5% uplift in Council Tax in each of those years, whereas the grant awarded for 2013/14 equated only to a 1% uplift.

2.16 Previously, the coalition Government has paid over the Council Tax Freeze Grant as a time limited specific grant (see below for 2014/15 proposals).

Options for 2014/15

i) Council Tax Freeze Grant 2014/15

2.17 The Government has proposed a further freeze grant for 2014/15, equivalent to a 1% increase in Council Tax for any authority which maintains its Council Tax at 2013/14 levels.

2.18 Therefore, if the Council was minded to accept the 2014/15 freeze grant this would allow the Authority to benefit from income equivalent to a 1% increase in Council

Tax (£0.7M) and residents would benefit from another freeze in their Council Tax bills for 2014/15.

2.19 Whereas previously grant has been paid over as a time limited specific grant, Council Tax Freeze grant has now been rolled into Revenue Support Grant (RSG). As such it is no longer transparent how Council Tax Freeze Grant will be funded in future. Further clarification is being sought from the Government in order to inform a final decision on setting 2014/15 Council Tax levels or accepting the Council Tax Freeze Grant (see also para 2.23 below).

ii) Council Tax Referendums & Council Tax Capping

2.20 Schedule 5 of the Localism Act introduced a new Chapter into the 1992 Local Government Finance Act, making provision for Council Tax referendums to be held if an authority increases its Council Tax by an amount exceeding principles determined by the Secretary of State and agreed by the House of Commons.

2.21 In 2013/14, the Secretary of State announced that a referendum will be required if an Authority sets Council Tax increases above 2%. It should be noted that this calculation was previously based on excluding levy payments from a Local Authority's Council Tax requirement.

2.22 However, due to the complications that the levy adjustments above created, the Secretary of State is currently proposing to change the calculation so that the referendum cap is applied to a council's basic Band D charge.

2.23 The Government has indicated that the referendum threshold requirement which was set at 2% in previous years might change for 2014/15. They have not released any details as yet but if the limit is lowered this will reduce the scope of the Council to raise income via Council Tax. As outlined at para 2.19, a decision on Council Tax levels or whether to accept the Council Tax Freeze grant will need to be delayed until the coalition Government releases further details on both the referendum threshold and how Council Tax Freeze Grant will be funded in future.

2.24 The indicative Council Tax charges for BMBC services at various levels of increase (including a Council Tax freeze in 2014/15) are shown in table 2 above.

iii) Pensioner Discount Scheme

2.25 The Council introduced a Council Tax Pensioner Discount scheme in 2010/11 whereby eligible persons aged 65 and over do not experience an increase in the Barnsley element of their Council Tax (over the previous year).

2.26 Further details on options for continuing the scheme for 2014/15 and the implications are the subject of a separate report to members.

3. Conclusion

3.1 Given the significant short and long term impacts of any decision, Members will need to give careful consideration on whether to accept the coalition Government's offer of a further 'Council Tax Freeze Grant' for 2014/15 or increase Council Tax when further details are released by the coalition Government. Depending upon the timing of these details, this may require a late decision by Cabinet.

SECTION 7b

2014/15 SERVICE & FINANCIAL PLANNING

2014/15 COUNCIL TAX - BARNESLEY PENSIONER DISCOUNT SCHEME

1. Introduction

- 1.1 This report provides Members with various options for consideration in relation to the Council Tax Pensioner Discount Scheme for 2014/15.

2. Background

- 2.1 In 2009/10, the Council made a commitment recognising the difficulties faced by elderly residents in the Borough in meeting annual Council Tax rises. The '65's and Over' Local Council Tax Discount Scheme (now referred to as the Council Tax Pensioner Discount Scheme) was introduced on 1 April 2009 and provided that certain residents, aged 65 and over, would not experience an increase in the BMBC element of Council Tax in 2009/10. Increases made by the precept authorities were not affected.

- 2.2 The pensioner discount scheme is not means tested and eligibility was originally set on criteria for claimants who:

- Were liable to pay Council Tax either jointly or in their own right, by being an owner occupier, or a spouse or partner of an owner/occupier, or a tenant, or a spouse or partner of a tenant, on a property in Barnsley on 1 April 2009;
- Had a sole or main residence at the property on 1 April 2009;
- Were, in the case of a single occupier, aged 65 or over, or in the case of joint occupiers both aged 65 or over on 1 April 2009;
- Were not in receipt of any Council Tax Benefit on the property on 1 April 2009;

and who would, if all conditions were met, be entitled to claim discount.

- 2.3 Since then it has run with the same criteria, although the qualifying date for claimants reaching the required pensionable status has been annually updated, and is currently 1 April 2013. The requirement not to be in receipt of Council Tax Benefit has, because of its abolition, been replaced by one of not being in receipt of Council Tax Support.

- 2.4 Since its introduction, a principle of the scheme has always been maintained that no new claimant entering the scheme would be any worse off than someone who was already qualified. All claimants therefore currently receive a flat rate banded discount resulting in them paying the same Barnsley element of the Council Tax charge as it would have been in 2008/09.

- 2.5 There is a significant ongoing discount take up and currently 10,300 households claim a total discount of £490,000, which is broken down in **Table 1**:

Table 1: Current Banded Discount and Overall Take Up – 2013/14.

Council Tax Band	Banded Discount (£)	No. of Eligible Properties	Discount Granted (£)
Band A	39	4,160	163,000
Band B	45	2,245	101,050
Band C	52	2,005	104,000
Band D	58	1,230	71,200
Band E	71	430	30,500
Band F	84	162	13,600
Band G	97	65	6,300
Band H	116	3	350
Total		10,300	490,000

2.6 On average, each qualifying household currently receives an annual discount of around £47.00, although those in higher banded properties receive considerably more.

3. The Future of the Scheme.

3.1 The Council has approved the pensioner discount annually since 2009/10. It is however under increasing financial pressure to deliver services, whilst making efficiency savings due to the Government's fiscal strategy, reduced grant funding, changing policy requirements and local pressures including the need to manage an ageing population and meet increasing customer expectations.

3.2 Steps are currently being taken to address the way the Council works, to create a sustainable 'Future Council', and there is a recognition that more fundamental decisions need to be taken to cut back expenditure and services, including considering those that have served the Council well in recent years.

3.3 The Council has, in recent years, accepted annual Council Tax Freeze (CTF) grants offered by Government, allowing its own charges to be held at the same level as they were back in 2010/11. This has led to little increase in the cost of the discount scheme during this period.

3.4 The Government has announced CTF grants will again be made available in 2014/15. Government criteria in previous years' has established a 2% threshold before Council Tax referendums are required however they have not yet released details for 2014/15. The Council's previous budget planning forecast has assumed a 1% Council Tax increase next year and 2% rises in 2015/16 and 2016/17.

3.5 Recent take up and demographic data suggests that if the current scheme continued unchanged, discount claims will continue to increase, rising to more than 10,750 by 2016/17. On this basis the cost of the scheme would increase considerably, costing the Council around £602,000 to fund in 2014/15, rising to around £826,000 in 2015/16 and then to around £1,060,000 in 2016/17 (see table 4).

3.6 The discount is not means tested and there is no evidence to suggest that retaining or removing it would have any significant detrimental financial impact on pensioners currently claiming under the scheme.

4. Future Options

4.1 This report shows that, without further check, the cost of the scheme will continue to rise, putting more pressure on the Council’s already limited financial resources.

4.2 Members therefore need to consider if the Council can continue to financially support a non-statutory pensioner discount scheme in this current climate. If the scheme is continued consideration will need to be given to whether it can continue in its current form, or whether it should be capped or restricted to prevent escalation, or whether it should be removed altogether. The following options have been identified.

Option One: Removing the Pensioner Discount Scheme Immediately.

4.3 Removing the scheme from 2014/15 would create a significant saving to the Council however this would require the charge for current claimants to be reinstated to the same level as other Council Tax payers, from next year. This would lead to a Council Tax increase substantially above any incurred by other households not receiving the discount, as shown in **Table 2**.

Table 2: Immediate Removal of Scheme - Full Charge Reinstated 2014/15.

Council Tax Band	Current Banded Discount (£)	Revised Annual Discount (£)	Estimated Annual Savings 2014/15 (£)	% Increase in Council Tax
Band A	39	0	163,000	4.8%
Band B	45	0	101,050	4.8%
Band C	52	0	104,000	4.8%
Band D	58	0	71,200	4.8%
Band E	71	0	30,500	4.8%
Band F	84	0	13,600	4.8%
Band G	97	0	6,300	4.8%
Band H	116	0	350	4.8%
Total			490,000	

4.4 The one off increase in charges next year would range from £39 for a Band A property to £116 for a Band H property. Any decision made to withdraw the scheme in this way would have to be given very careful consideration. Inevitably it would lead to complaints but only a minor risk of non-collection of the increased charge is likely. The loss of this discount would also be on top of any proposed Council Tax increase for 2014/15.

Option Two: Phased Removal of the Pensioner Discount Scheme

4.5 Removing the scheme on a phased basis over more than one year offers an alternative to

immediate removal. The full charge would still eventually be reinstated but this would lessen the impact on households currently qualifying for discounted bills.

- 4.6 Phasing out could be extended over a 5 year period which would still achieve a saving to the Council. **Table 3** shows the impact removing the scheme over 5 years would have on claimants, and annual savings this could create.

Table 3: Phased Removal of Scheme – Full Charge Reinstated over 5 Years

Council Tax Band	Current Banded Discount (£)	Revised Annual Discount (£)					Estimated Annual Savings 2014/15 (£)	% increase in Council Tax per year*
		2014/15	2015/16	2016/17	2017/18	2018/19		
Band A	39	31	23	15	7	0	33,280	0.7%
Band B	45	35	26	18	9	0	20,205	0.7%
Band C	52	41	30	20	10	0	22,055	0.7%
Band D	58	45	34	23	11	0	14,760	0.7%
Band E	71	56	42	28	14	0	6,450	0.7%
Band F	84	66	49	33	16	0	2,754	0.7%
Band G	97	76	57	38	19	0	1,300	0.7%
Band H	116	93	70	46	23	0	72	0.7%
Total							100,876	

* on top of any proposed Council Tax increase for 2014/15 @ 1%

- 4.7 Although this option would still result in qualifying households experiencing Council Tax rises, above other potential Council Tax increases, it would be likely to create fewer complaints and an even lower risk of non-collection.

Option Three: Extending Existing Pensioner Discount Scheme

- 4.8 The continued extension of the scheme in recent years has mainly been helped by the Council Tax ‘freezes’ that have kept down the overall cost of the discount. It would have been extremely difficult to fund the scheme in its current format, without CTF grants.
- 4.9 In recent years the number of claimants entering the scheme has grown and this would be expected to continue. This set alongside maintaining a scheme that continued to offset any future annual Council Tax rise would create a substantial escalation in discount.
- 4.10 The Council’s previous financial planning forecast has allowed for a 1% increase in Council Tax next year and 2% in 2015/6 and 2016/17. Taking all these factors into account it is estimated the cost of the scheme would increase considerably as projected in **Table 4**. This would be higher if Council Tax increases were to go up above these levels.

Table 4: Extending the Existing Scheme

Council Tax Band	Revised Banded Discount (£)			Estimated Cost of Discount Awarded (£)			2014/15 % Increase in Discount Awarded
	2014/15	2015/16	2016/17	2014/15	2015/16	2016/17	
Band A	47	64	81	198,400	274,250	352,270	21%
Band B	55	74	94	125,300	171,100	220,525	21%
Band C	63	85	107	128,150	175,450	224,100	21%
Band D	70	95	120	87,300	120,175	154,010	21%
Band E	86	116	147	37,500	51,275	65,850	21%
Band F	102	137	173	16,750	22,750	29,050	21%
Band G	117	158	200	7,700	10,600	13,600	21%
Band H	140	189	239	450	570	700	21%
Total				601,550	826,170	1,060,105	

4.11 Keeping the scheme will continue to tie up resources that might otherwise be used to support other key Council priorities. Keeping a scheme that continues to bear the costs of Council Tax rises will drive up the cost of the discount to a level that becomes impossible to sustain, and this will put huge pressure on future Council budgetary planning.

Option Four – Restricting Property Bands Eligible to Discount

4.12 This report has identified various options that would, if taken up, affect all existing and potential new claimants. This option provides an alternative for continuing to support the scheme by restricting relief to certain Council Tax property bands. This would result in some existing claimants continuing to receive a discount while others would not.

4.13 The scheme could continue to attract new claimants from certain banded properties and they, as well as existing claimants would either receive flat banded discounts that continued to offset annual Council Tax increases, or draw on a ring-fenced pot determined by the Council.

4.14 Projections from estimated take up, potential Council Tax increases and continued support to offset the increases indicate a restriction could be applied to Band A, B and C claimants in 2014/15, at a level not exceeding the Councils current annual cost of £490,000 on discount. However in following years the cost would start to significantly exceed that figure. In the 3 year period identified in **Table 5** only Band A claimants could continue to be supported at a cost below the current cost.

Table 5: Restricting Property Bands.

Council Tax Band Restriction	Annual Discount Granted (£)			Estimated Annual Saving (£)		
	2014/15	2015/16	2016/17	2014/15	2015/16	2016/17
A only	198,400	274,240	352,270	291,600	215,760	137,730
A & B	323,690	445,330	572,794	166,310	44,670	N/A
A & B & C	451,830	620,770	796,852	38,171	N/A	N/A

Conclusion/ Recommendation

- 4.15 The options are put forward for consideration. It is recommended however that approval be given to Option 2 (Table 3) - phasing out the Council Tax Pensioner Discount scheme over a 5 year period from 2014/15.

RESERVES & BALANCES 2013-14

REVENUE STRATEGIC RESERVES

	£M
Reserves Per Audited Accounts	74.541
<u>Less Agreed Commitments</u>	
Minimum Working Balance	-10.000
School Balances	-6.084
Economic Plan	-12.595
Future Council Re-organisation Costs (2013/14 to 2015/16)	-6.000
Insurance Fund	-3.509
Building Schools for the Future	-8.253
KLOE Slippage (2013/14) / Pensions (2013/14)	-1.500
Service Specific Earmarking's	-11.000
<i>Sub-Total Agreed Commitments</i>	-58.941
<i>Sub-Total - Balance of Strategic Reserves</i>	15.600
<u>Less Proposals 2014/15 Budget</u>	
Increase in Future Council Re-organisation Costs	-3.500
<i>Sub-Total - Proposals 2014/15 Budget</i>	-3.500
GRAND TOTAL - STRATEGIC RESERVES AVAILABLE TO FUND FUTURE COUNCIL PRIORITIES	12.100

CAPITAL RESOURCES

	£M
Capital Funding 2013/14 - April 2013	18.911
<u>Less Agreed Commitments</u>	
New schemes approved by Cabinet in 2013/14	-15.184
<i>Sub-Total Agreed Commitments</i>	-15.184
<u>Add Resources Received In Year</u>	
Cash received in 2013/14 from Asset Disposal Programme	2.093
<i>Sub-Total Resources Received In Year</i>	2.093
GRAND TOTAL - CAPITAL RESERVES AVAILABLE TO FUND FUTURE COUNCIL PRIORITIES	5.820

