

MILTON KEYNES COUNCIL
19 FEBRUARY 2014
BUDGET REPORT 2014/15

RESOLVED -

1. That the 2014/15 Net Revenue Budget of £197.064m be agreed, subject to:

- (a) the provision of a further £150k to fund work to deliver a financially sustainable passenger transport service based on shared taxis and buses, with this innovative transport solution, in line with the wider MK Smart Initiative, being developed such, that it can meet the long term transport needs of all users in the borough going forward, with the service being funded from one-off revenue resources available in the budget, until any on-going cost pressures created by this change is considered as part of the development of the 2015/16 budget;
- (b) the provision of an extra £15k to fund Trade Union facility time, equivalent of half a post, which reinstates a previous reduction in 2013/14 Budget, to be funded from one-off revenue resources available in the budget, until any on-going cost pressure created by this change is considered as part of the development of the 2015/16 budget;
- (c) the provision of an extra £15k to fund an Administrative Support post for the Safer Milton Keynes team, to be funded from one-off revenue resources available in the budget, until any on-going cost pressure created by this change is considered as part of the development of the 2015/16 budget;
- (d) the provision of an additional £25k of funding to parish and town councils to offset a proportion of the financial losses incurred by parish and town councils as a result of the Local Council Tax Reduction Scheme, to be funded from one-off revenue resources available in the budget, until any on-going cost pressure created by this change is considered as part of the development of the 2015/16 budget; with the additional funding being allocated in the following way:
 - (i) £20k distributed to parish and town councils to reduce the financial impact of the scheme by allocating this further funding based on an equal percentage loss of income.
 - (ii) £5k distributed to parish and town councils who incur the greatest Band D equivalent losses.

to ensure that parish and town councils receive Local Council Tax Reduction Scheme funding of £751k for 2014/15, with £15k of this funding specifically targeted at the parish and town councils with the greatest need;

- (e) the provision of £25k of funding to reduce the £50k Community Mobiliser saving proposal (S139) to £25k, to be funded from one-off revenue resources available in the budget, until any on-going cost pressure created by this change is considered as part of the development of the 2015/16 budget;
 - (f) the provision of £75k of resources as a revenue contribution to capital to fund improvements in estate roads and pavement repairs to fund road and pavement repairs on estates to increase the number of roads that can be brought up to an adoptable standard in 2014/15, thereby reducing the future call on General Fund capital resources, to be funded from one-off revenue resources available in the budget until any on-going cost pressure created by this change is considered as part of the development of the 2015/16 budget;
 - (g) an additional £140k of available one off resources being to the following projects:
 - (i) £75k for the provision of toilets in Station Square;
 - (ii) £35k for the provision of a review of Conservation Areas within the Borough; and
 - (iii) £30k for the provision of one off additional resource to assist in urgent repairs to highways and footways following the recent spells of excessive wet weather which have caused excessive erosion and wear in a number of areas; and
 - (h) the an additional sum of £200k, funded from one off resources and subject to the out-turn of the 2013/14 revenue budget, be made available to provide transitional protection, if required, for those who currently use the Community Transport service until such time as any changes arising from the current review are fully implemented.
2. That as part of the development of 2015/16 Budget, that £50k of funding be provided to parish and town councils as an addition to grant funding received through the Government's Revenue Support Grant with this being included in future revisions to the Council's Medium Term Financial Plan and, subject to consultation with the Parish Forum, being included in budget proposals to be recommended to Council in February 2015.
3. That, as a consequence of the additional £25k of funding for parish and town councils (Amendment [e]), the Parish and Town Council Tax Base and Provisional Funding Allocations be amended to a total funding distribution of £751k in 2014/15 from Milton Keynes Council to parish and town councils.

4. That the Capital Programme including its financing be agreed, subject to the removal of the £150k charge to the Housing Revenue Account for road and pavement repairs, with the costs in 2014/15 being funded from the unallocated Single Capital Pot Grant, with works for 2015/16 onwards being addressed as part of the development of the future years' Capital Programme.
5. That a Council Tax at Band D of £1,138.04, a nil percent increase on the previous year, be agreed.
6. That in line with the requirements of the Local Government Act 2003, it be noted that the Corporate Director, Resources is of the view that:
 - based on the Period 10 2013/14 forecast, the General Fund balance is adequate to meet the Council's financial needs in 2014/15. This view takes account of the reserves included in the Council's latest audited Accounts as at 31 March 2013; the movement of these reserves since that date (as tracked through the Budget Monitoring Reports); and the new reserves required, as outlined in the MTFP report.
 - the financial position set out in this report is sufficiently robust to allow a budget to be set for 2014/15. This takes into account the adequacy of the level of balances and reserves outlined above and the assurance gained from the forecast position for 31 March 2014.
7. That the estimated 2014/15 Dedicated Schools Grant (DSG) of £211.166m be noted.
8. That the fees and charges for 2014/15, including the exemptions to the Income Policy, be approved.
9. That it be noted that a Targeted Youth Support Service is being developed to support vulnerable young people and those 'at-risk'.
10. That it be noted that, at its meeting on 18 December 2013, the Cabinet approved the number of 76,261.84 equivalent Band D properties as the Council's Tax Base for the year 2014/15 in accordance with Section 31B of the Local Government Finance Act 1992.
11. That the Council Tax requirement for the Council's own purposes for 2014/15 (excluding Parish Precepts) of £86.789m, be noted.
12. That the following amounts be used for the year 2014/15 for calculations in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 [the "Act"]:
 - a. £647.814m Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
 - b. £555.939m Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3).

- c. £91.875m As its Council Tax requirement for the year, being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council, in accordance with Section 31A(4).
- d. £1,204.74 As the basic amount of its Council Tax for the year (including Parish Precepts), being the amount at (c) above, divided by the Council Tax Base agreed on 18th December 2013
- e. £5,086,371 Being the aggregate amount of all special items (Parish Precepts) referred to in Section 34(1) of the Act.
- f. £1,138.04 Being the amount at (d) less the result given by dividing the amount at (e) above by the Council Tax Base agreed on the 18th December 2013, as the basic amount of Council Tax for the year for Milton Keynes Council, excluding Parish and Major Precepting Authorities.

13. That the following amounts be calculated for Milton Keynes Council Tax:

| VALUATION BANDS | | | | | | | |
|------------------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| A | B | C | D | E | F | G | H |
| £ | £ | £ | £ | £ | £ | £ | £ |
| 758.69 | 885.14 | 1,011.59 | 1,138.04 | 1,390.94 | 1,643.84 | 1,896.73 | 2,276.08 |

14. That the amounts given by multiplying the amount at (f) by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to all dwellings listed in each particular valuation band divided by the number which in that proportion is applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, be agreed.
15. That it be noted that for the year 2014/15, the Police and Crime Commissioner for Thames Valley, in accordance with Section 40 of the Local Government Act 1992, has stated the following precepts to the Council for each of the categories of dwellings:

| VALUATION BANDS | | | | | | | |
|------------------------|----------|----------|----------|----------|----------|----------|----------|
| A | B | C | D | E | F | G | H |
| £ | £ | £ | £ | £ | £ | £ | £ |
| 107.01 | 124.84 | 142.68 | 160.51 | 196.18 | 231.85 | 267.52 | 321.02 |

16. That it be noted that for the year 2014/15, Buckinghamshire and Milton Keynes Fire Authority, in accordance with Section 40 of the Local Government Act 1992, has stated the following precepts to the Council for each of the categories of dwellings:

| VALUATION BANDS | | | | | | | |
|------------------------|----------|----------|----------|----------|----------|----------|----------|
| A | B | C | D | E | F | G | H |
| £ | £ | £ | £ | £ | £ | £ | £ |
| 39.42 | 45.99 | 52.56 | 59.13 | 72.27 | 85.41 | 98.55 | 118.26 |

17. That as a result of the above, the amounts of Council Tax (shown in Annexes G1 and G2) be set in accordance with Sections 30 and 36 of the Local Government Act 1992, for each of the categories of dwelling shown in the Schedule.
18. That the Treasury Management Strategy for 2014/15 to 2018/19 and the Treasury Policy Statement, including the Minimum Revenue Provision Policy, be agreed.
19. That the prudential indicators for Capital Expenditure and the Capital Financing Requirement, the Authorised Limit and Operational Boundary for External Debt, the Affordability Prudential Indicators and the Treasury Management Prudential Indicators for the years 2014/15 to 2018/19, be agreed.
20. That the Authorised Limit for external debt of £587m for 2014/15 to be the statutory limit determined under section 3(1) of the Local Government Act 2003 be confirmed.
21. That the resource allocation for the 2014/15 Tariff programme be approved.
22. That the equalities impact assessment for the budget, used to inform the Budget Resolution of the Council, be noted.