

TO: Economic Development Cabinet Committee – 9 January 2013

BY: Mark Dance, Cabinet Member for Regeneration and Economic Development

David Cockburn, Corporate Director of Business Strategy and Support

Subject: BUDGET CONSULTATION 2013/14

Summary: The late announcement of the Local Government Finance arrangements for 2013/14 means that final draft budget could not be available in time to include in this report. The Finance Business Partner will provide a verbal update on the proposals affecting the Regeneration and Economic Development portfolio, for the committee to consider.

1. Introduction

1.1 At the last meeting the Committee was given an update on the consultation on the draft budget launched in September. The consultation closed on 1st November but full analysis of all the responses was not available in time for the committee. A full report was presented to Cabinet on 3rd December and analysis from the independent MORI research and responses to KCC consultation document were published at the same time. These reports are available at http://www.kent.gov.uk/your_council/council_spending/budget_proposals.aspx

1.2 The consultation identified that the council faced estimated reductions in government grant/council tax collection of £28m (excluding Dedicated Schools Grant) and estimated additional spending demands of £32m. Together these required savings and income of £60m to balance the budget.

1.3 Since the KCC consultation was launched there have been a number of funding changes announced by central government and details of the new business rates arrangements still to be resolved. These were reported to Cabinet on 3rd December and Cabinet was asked to note the likely overall detrimental impact. Cabinet resolved that the impact would only be quantified after the provisional local government is announced (this was anticipated to be later than previous years and wouldn't be available until close to Christmas).

2. Consultation Responses

2.1 There were no specific issues affecting the Regeneration and Economic Development portfolio. However, for information to this Committee, the full Cabinet response to the 2013/14 Budget consultation has been included as Appendix 1.

3. Medium Term Financial Plan and Budget Book

3.1 The timing of the local government provisional settlement means that Committees have had little opportunity to consider the final draft proposals in advance of this meeting. Committees are invited to consider whether individual Informal member Groups (IMGs) should be convened to consider the draft proposals prior to final consideration at County Council on 14th February. The final proposals have been launched with a very short period for comments.

4. Recommendations

4.1 Members are asked to:

- (a) NOTE the late announcement of the provisional local government finance settlement and the impact on budget timetable
- (b) COMMENT on the issues raised in consultation and Cabinet's response
- (c) CONSIDER convening an IMG to consider the final budget proposals affecting the Regeneration and Economic Development portfolio in advance of County Council meeting on 14th February

Jackie Hansen
Finance Business Partner - Business Strategy and Support
Tel 01622 69(4054)
Email jackie.hansen@kent.gov.uk

Dave Shipton
Head of Financial Strategy
Finance & Procurement
Business Strategy & Support Directorate
Tel (01622) 694597