

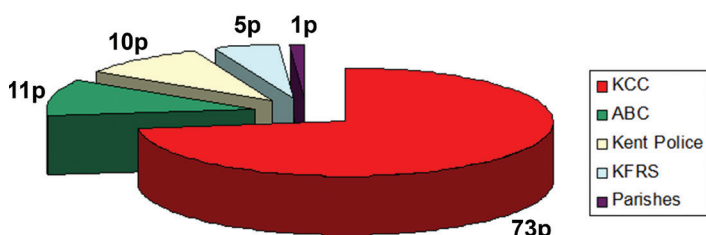
2013-14 Budget consultation summary document

– Ashford Borough Council

The budget process

Council tax is a local tax on residential properties that helps to pay for local services provided by Kent County Council (KCC), Ashford Borough Council and other boroughs and districts in Kent, as well as Kent Police, Kent Fire and Rescue Service (KFRS) and services you receive from parish councils.

The amount you have to pay depends on the property band that your home is placed in. This is based on the value of your property. Ashford Borough Council is responsible for collecting the council tax payments made by Ashford residents. We keep only 11p out of every £1 you pay to provide our services and distribute the rest to KCC, Kent Police, KFRS and parishes.



This table shows how every £1 of your council tax is divided, and what each authority receives.

On 21 February 2013 the council will set its budget for the next financial year, which runs from 1 April 2013 to 31 March 2014.

The full draft budget is available to view on the council's website. The document is necessarily long to include all details in the interests of transparency. This summary document is therefore produced so those residents, businesses and organisations with an interest in the proposals can make an informed comment on our plans if they wish.

Ashford Borough Council's cabinet members agreed a provisional budget in December. Residents are now being consulted on

the proposals while the council's scrutiny committee looks at the budget in detail. A final budget will be considered by cabinet on 14 February, when recommendations will be made for full council to approve a week later.

If you have any comments on the information here or in the full document, please respond to the consultation by using the contact details at the end of this summary document.

The present climate

Although these are tough financial times, the council is well placed to weather the storm.

The council's five-year business plan, which saw residents, voluntary organisations, business representatives, staff and council members identify the council's priorities to the year 2015, ensures the council is always delivering the best services resources allow.

Influences on the budget

- The current economic climate – difficult financial times across the country and Europe mean that caution is important
- Continued reductions in funding from central government and the continued policy of public spending cuts by the coalition government
- The views of residents and the services they want us to prioritise
- Current low interest rates mean lower interest for council funds
- The economic climate means that the council is receiving less money from services such as planning (planning fees, land charges and search fees) and parking (car park charges)

Discussion about these influences

The council's budget for the financial year 2013-14 has been drafted in the context of continued austere times for all councils. The coalition government's 'deficit reduction

programme' is on-going and further cuts have been made to grants to local authorities.

To give you an idea of the steep reduction in funding that Ashford Borough Council has received from central government, for the 2013-14 financial year we are forecasting that we will receive 29.7% less funding than we received in 2010-11 (which was the year before the cuts in grants began). It is anticipated that in the financial year 2014-15 we will receive 35.9% less than we received in 2010-11.

While anticipating these reductions in funding, the council is learning about how local authorities is being funded in the future. Ashford is a borough with good prospects for growth. The council's aim is to deliver sustainable growth that will lead to long-term economic prosperity.

New homes bonus is a funding stream that has been created by reducing other grants. This funding has been used for two purposes

1. Supporting the base budget.
2. Help provide the infrastructure necessary to support the new developments.

Continuing its localism plans, the government is pursuing new initiatives that will transform the future way local authorities are funded, including:

- Local retention of business rates – this offers an incentive to local authorities to encourage business growth in their area by allowing them to retain an element of the business rates generated by growth. However there is a risk should income fall
- Localisation of council tax support – this is explained on our website at www.ashford.gov.uk/counciltaxsupport
- Reform of the housing subsidy system, which is now complete. This means councils like Ashford may retain all income from the housing rent it collects. The benefits of this are being seen already, with the council about to begin work on remodelling its sheltered housing schemes
- A locally determined community infrastructure levy for councils to apply to new developments. This will raise money

that can be used to support the construction of infrastructure that the council and local residents need and want

These changes along with new homes bonus are designed to end the system of central government giving one grant to councils. The changes do mostly offer opportunities for Ashford but there are risks and careful management of local issues where different views are represented will be needed.

What has guided the setting of the budget?

Ashford 2030 – a framework is an aspirational document setting out an approach to the future development of Ashford. The council's five-year business plan has this document at its heart. The core aim is that Ashford in 2030 will be best placed in Britain for living and opportunity.

The challenge for the council now is to pace the delivery of the framework according to the needs and wishes of the local community. This year's draft budget seeks to allocate the resources to achieve this as part of our Medium Term Financial Plan.

2013-14 service spending totalling £82.8m

2013-14 is the third year of our business plan delivery.

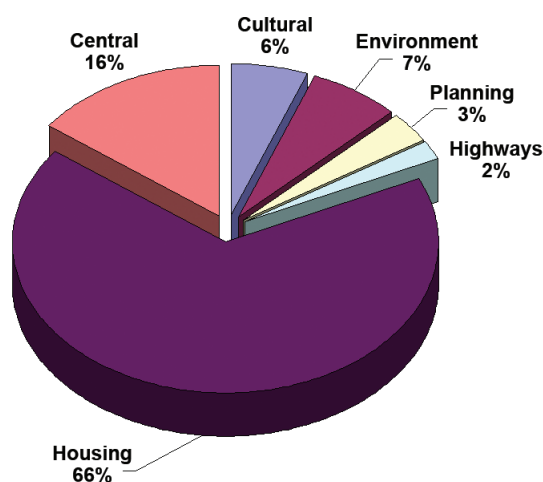


Chart to show the proportion of money that is spent by council departments.

In addition to delivering its core services the council is working on several major projects. These all address the council's priority areas as set out in its business plan. Some of these projects are:

- Introducing a new and improved recycling service from April 2013
- Working to deliver a new country park at Conningbrook Lakes with a 300 home lakeside village
- Providing new community facilities at Repton Park
- Reviewing the planning core strategy, which will be adopted in 2014
- Continuing to deliver affordable housing developments across the borough and continuing to improve our sheltered housing stock

During the year we will continue to deliver the programme of agreed budget savings, for 2013-14 these amount to £0.6m (part of £3.7 million of reductions over the five year period).

The 2013-2014 preliminary draft budget

The proposed budget includes:

- A decision has yet to be taken on the level of council tax that will be set for the financial year 2013-14
- Ashford Borough Council's spend represents approximately 11% of residents' total council tax bill. Council tax represents 7% of gross funding for council services
- Council house rents will provisionally rise by 4% in line with government guidelines
- A modest capital programme

2013-2014 Funding of spending totalling £82.8m

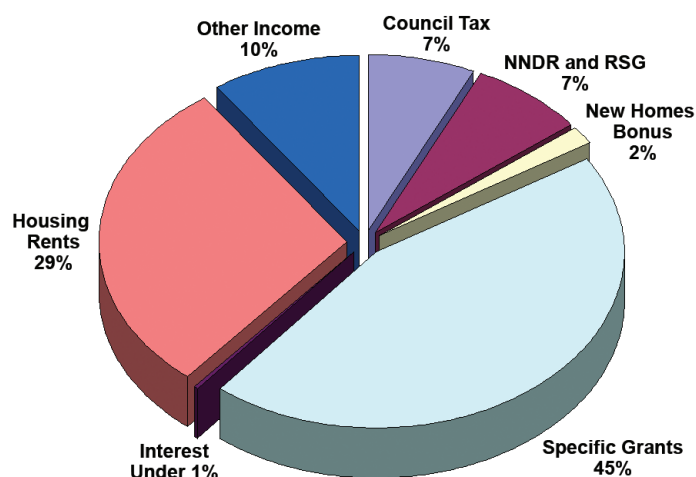


Chart to show the proportion of how the council receives its funding.

The draft revenue budget 2013-14

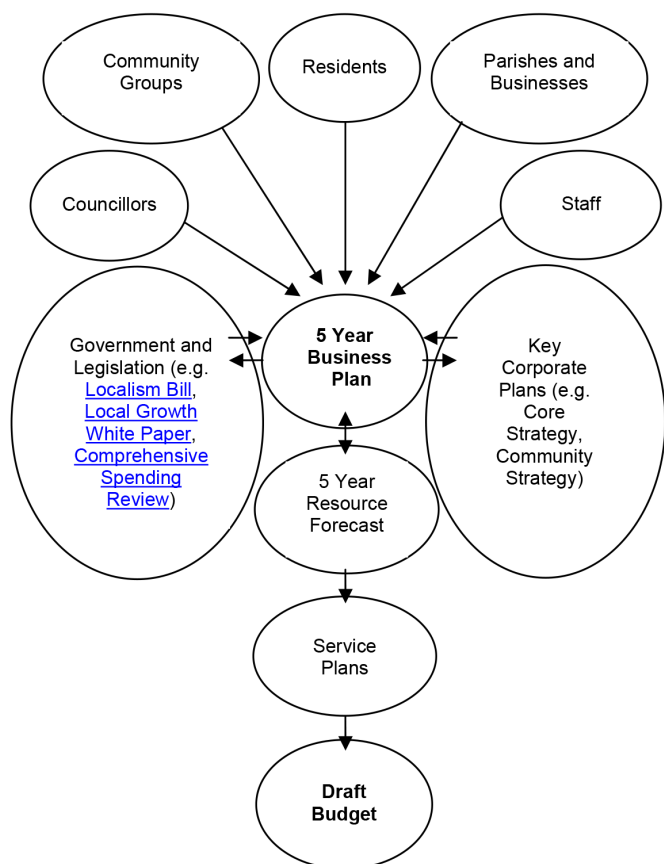
2012-13 £'000	Service	2013-14 £'000	Per head
	GROSS EXPENDITURE		
3,780	Cultural	4,899	40.22
7,027	Environmental	5,654	46.42
2,687	Planning	2,763	22.68
1,608	Highways & Transportation	1,707	14.01
62,055	Housing	55,611	456.53
13,089	Central Services to the Public	13,450	110.42
90,246	GROSS EXPENDITURE	84,084	690.28
(77,947)	Less Grants & Other Income	(69,471)	(570.31)
12,299	NET EXPENDITURE	14,613	119.96
124	Contribution to/ (from) Reserves	(1,210)	(9.93)
12,423	BUDGET REQUIREMENT	13,403	110.03
	FINANCED BY:		
(269)			0.00
(5,673)	Government Grants	(7,493)	(61.51)
0	Collection Fund Surplus		0.00
6,481	Council Tax Requirement	5,910	48.52

Table shows the difference in council spend between the 2012-13 and 2013-14 financial years.

Medium Term Financial Plan (MTFP) (2013-2018)

This contains the forecasts of our financial position for the next five years; the plan is reviewed each year. The latest version was considered at the Council's cabinet on 6 December. Please click here to view a copy.

How the draft budget sits in relation to the document 'Ashford 2030 – a framework'



What do you think?

We welcome your views on our budget proposals. If you, or your organisation, would like to comment, or if you have any questions, please do not hesitate to contact us.

Your comments are welcome in writing, by post or by email, using the contact details below.

Comments made will be reported to the council's cabinet meeting on 14 February. Comments received after this date but before 21 February will be reported to the full council meeting that evening.

CONTACT:

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