

# **MAIDSTONE BOROUGH COUNCIL**

## **CABINET**

**17 DECEMBER 2014**

### **REPORT OF CORPORATE LEADERSHIP TEAM**

**Report prepared by Paul Riley**

#### **1. BUDGET STRATEGY 2015 16 ONWARDS - REVENUE**

##### 1.1 Issue for Decision

1.1.1 This report is produced annually to update the Cabinet on the budget strategy and normally follows the publication of the provisional finance settlement figures. The Autumn Statement was given by the Chancellor of the Exchequer on 3<sup>rd</sup> December 2014 and the provisional finance settlement, although imminent, had not been received at the time of writing this report.

1.1.2 A decision on the recommendations in this report also enables the Cabinet to formally consult the Strategic Leadership and Corporate Services Overview and Scrutiny Committee on the current situation in relation to the budget strategy in January 2015. Such consultation is a requirement of the Constitution.

1.1.3 It is essential that Cabinet consider the latest information at this time in order to remain on target for a balanced budget to be presented to Council at the end of February 2014.

##### 1.2 Recommendation of Corporate Leadership Team

1.2.1 That the Cabinet agree the provisional allocation of the local council tax support funding as set out in Appendix A be notified to parish councils along with their tax base.

1.2.2 That the Cabinet agree the revised strategic revenue projection at Appendix B which incorporates the changes outlined in sections 1.6, 1.7 and 1.8.

1.2.3 That the Cabinet agree the proposed savings as set out in Appendix C.

- 1.2.4 That the cabinet agree to the proposed use of earmarked reserves and the allocation of the general fund balances as set out in Appendix D.
- 1.2.5 That the Cabinet note the outcome from the completed consultation exercise and the impact on the budget strategy as set out in 1.12.
- 1.2.6 That the Cabinet note the work of the budget working group and formally consult Strategic leadership and Corporate Services Overview and Scrutiny Committee on the decisions arising from this report.
- 1.3 Background
- 1.3.1 On 10<sup>th</sup> September 2014 the Cabinet considered the initial budget strategy for 2015 onwards. At that time a strategic revenue projection (September SRP) was agreed, including a provisional level of Council Tax as a planning and consultation tool. The September SRP included increases for inflation based on information provided by key officers and future indices from sources such as the office of budget responsibility.
- 1.3.2 The September SRP used an estimate of resources at £32.7m and predicted expenditure, including new budget pressures, of £33.6m. This meant a need to find savings in 2015/16 of £0.9m. At that time a number of risks were considered by Cabinet:
- a) The future consequence of the government's spending round 2013.
  - b) Possible enhancements to the business rates pool.
  - c) Potential council tax levels.
  - d) The level of other income being achieved.
  - e) Commercial activity
  - f) Future year's issues on single tier pensions.
  - g) A series of local pressures including King Street Multi Storey Car Park and the Local Plan.
- 1.3.3 Since the initial report some of the factors have changed and the effect of these changes on the September SRP is considered later in this report.
- 1.3.4 The Chancellor of the Exchequer made the Autumn Statement to parliament on 3<sup>rd</sup> December 2014 and this is considered below. As a consequence of that statement the Department for Communities and Local Government (DCLG) provide each authority with its provisional finance settlement for the following year, at the time of writing this report the settlement information had not been

received.

#### 1.4 The Autumn Statement

1.4.1 The Autumn Statement is one of two major statements made by the Chancellor of the Exchequer each year. The other is the Budget Statement usually presented in March. The Chancellor presented the Autumn Statement to Parliament on 3<sup>rd</sup> December 2014. This announcement precedes the receipt of the provisional finance settlement.

1.4.2 Issues important to local government in the Autumn Statement include:

- a) Recognition of the work of the public sector in reducing the deficit and a commitment that the new decisions announced will not be funded through a further reduction in local government funding;
- b) A commitment to the continued support of small and medium enterprises including a second year of capping the business rates increase to 2%;
- c) The continuance of the small business rates relief extension and other small business exemptions currently in existence;
- d) A commitment to review the structure of business rates in 2016 that will be fiscally neutral but with no commitment to this neutrality being at the level of individual authorities; and
- e) Changes to the period over which business rates appeals are backdated.

1.4.3 The statement contained no detail at a service or local level and at this time it is expected that the additional support to health and other services will continue to impact on the funding provided to district councils in a disproportionate way.

1.4.4 Until the details of the provisional finance settlement are published by the DCLG it will be difficult to identify the exact impact on this council.

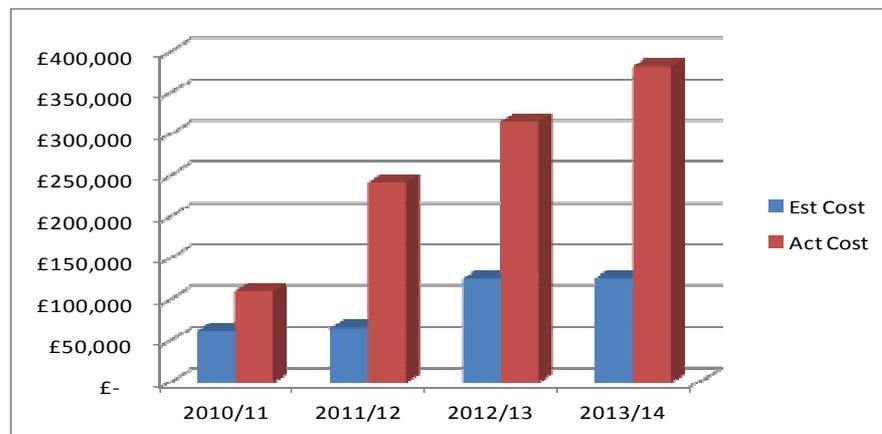
#### 1.5 Review of Current Performance

1.5.1 The current year's financial performance is reported to the Corporate Leadership Team and to the Cabinet on a quarterly basis. The first two quarterly reports show a favourable position with an expected outturn of £0.36m under spend at 31<sup>st</sup> March 2015.

1.5.2 The main budget messages are the continued increase in cost of temporary accommodation and the continued increase in income from both waste & recycling and planning services.

1.5.3 The increase in temporary accommodation costs began in 2010 as can be seen from the chart below. The chart shows, over four years, the budgetary provision and the actual net spend on temporary accommodation:

1. The left hand set of bars represent the budget provided for each year,
2. The right hand set shows the actual expenditure in each year.



1.5.4 The increase in income from the waste & recycling service and the planning service are continuations of the increase in demand seen in those areas in 2013/14. The income is providing support for the overall level of fees and charges which has not delivered to target. This issue is set out in the Fees and Charges Report elsewhere on this agenda.

## 1.6 Review of Revenue Resources

1.6.1 Given at Appendix A to this report is a revised strategic revenue projection (revised SRP) that takes into account all of the changes set out in the following sections of this report.

### **The finance settlement**

1.6.2 As stated earlier in this report the DCLG is due to publish the provisional finance settlement for 2015/16 but at the time of writing this report no information has been received. The details in

this report are based on the notional figures provided as part of the 2014/15 settlement which set the provisional level of revenue support grant received by the council and the baseline level of business rates retained by the council as those given in the table below:

	<b>£,000</b>
Revenue Support Grant	2,251
Business Rates	2,983
<b>Total</b>	<b>5,234</b>

- 1.6.3 It is expected that the provisional finance settlement for 2015/16 will be announced before the meeting of Cabinet and it is intended that Officers give a verbal update to this report at the meeting.
- 1.6.4 The settlement figures include the central funding towards local council tax support (LCTS) that replaced council tax benefit from 1<sup>st</sup> April 2013. At its meeting on 12<sup>th</sup> December 2012 the Council approved the current scheme in operation in the borough and has reconsidered the scheme annually, most recently the scheme will be considered by the Council at its meeting on 10<sup>th</sup> December 2014.
- 1.6.5 The government funding for the scheme, as set up back in 2013/14, represented 90% of the government's predicted expenditure on council tax benefit. This was based on actual costs for the year 2012/13. By 2014/15 the funding for LCTS was no longer identified separately in the settlement figures.
- 1.6.6 Part of the LCTS funding related to the benefit paid to claimants in parish areas. This is because the local scheme affects parish precepts in the same way as it affects the Council's income from council tax. As in prior years, the effect was considered by the General Purposes Group when it set the Tax Base for 2015/16. The government has stated that it expects appropriate consideration of the funding of parish councils to be made by district councils when planning for overall funding levels. However it has not legislated for the payment of this funding on to parishes.
- 1.6.7 In previous years the Council has chosen to pass on the funding to parish councils. Resources totalling £110,631 were passed on in 2013/14. Resources totalling £96,802 were passed on in 2014/15. The reduction in the level of resource has been linked to the overall reduction in the level of the funding received by the Council through the finance settlement each year. On that basis the indicative reduction for 2015/16 would be 15.27% of the current year's distribution.

$$£96,802 * 15.27\% = £14,778.$$

Reducing the current year's resource by £14,778 would leave a balance of £82,024 to be distributed in 2015/16.

- 1.6.8 Individual parish council funding is distributed on the basis of predicted demand for the local council tax support in each parish as set out in the decision of General Purposes Group and the proposed distribution is given at **Appendix B**.
- 1.6.9 This estimate is the best available at this time. Following consultation with Strategic Leadership and Corporate Services Overview and Scrutiny Committee in January 2015 and the announcement of the confirmed financial settlement figures in February 2015 the Cabinet will have a second opportunity to consider this issue. However, it will be too late by then to notify parish councils of the outcome if they are to incorporate the figures into the calculation of their precept.
- 1.6.10 Parishes are required to notify the council of their precept requirement before the end of January 2015.

### **Council Tax**

- 1.6.11 The Council's 2014/15 council tax charge is £231.12 per annum for a band D property.
- 1.6.12 At the meeting on 10<sup>th</sup> September 2014 the Cabinet agreed a SRP for planning purposes that included an assumed 2.5% increase in council tax income. This represented a 1.99% increase in the council tax charge and a 0.5% increase in the tax base arising from new property.
- 1.6.13 In 2013 the Government announced support for a council tax freeze for the two years 2014/15 and 2015/16. This announcement offers a grant equivalent to a 1% increase for the two years. The Council did not accept the freeze grant in 2014/15 as it presents an increased financial risk to the future resources of the Council.
- 1.6.14 On 8<sup>th</sup> December 2014 the General Purposes Group approved a tax base of 56974.3 for the borough area. This is a 0.94% increase over the tax base for 2014/15. This actual tax base figure is higher than the tax base prediction that was used in the production of the September SRP.
- 1.6.15 A council tax increase of 1.99% will produce a band D charge of £235.72. This represents an increase of £4.60 per annum or 38

pence per month. This level of charge made on the tax base detailed above would generate council tax receipts of £13.4m for the council.

- 1.6.16 A decision on the level of council tax that the Cabinet would wish to recommend to the Council need not be taken at this time. Cabinet should note that the revised SRP given at Appendix A includes a 1.99% increase consistent with the increase set for planning purposes in September 2014.
- 1.6.17 Elsewhere on this agenda the Cabinet has considered a report on the collection fund adjustment. The recommendation of that report is to distribute approximately £1.8m across the major preceptors and this council. The share calculated for this council is £302,209 and this has been added to the resources available to the Council in the revised SRP set out at Appendix A.

#### **Income from Other Sources**

- 1.6.18 The estimated income for the council generated from other source is £13.9m for 2014/15. This represents all income and does not account for the cost of the services that generate this income. In some cases this income is a contribution to overall costs. From a small number of services the council generates a surplus from the activities. This surplus is used to support other service provision except in cases where legislation limits the use of a surplus.
- 1.6.19 This income is divided between:

<b>Income Type</b>	<b>£,000</b>
Grants and contributions	341
Charges to other organisations (incl. partnership)	4,591
Interest on investments	250
Rents (commercial and residential)	1,063
Fees and charges to service users	7,693
<b>Total</b>	<b>13,938</b>

- 1.6.20 The Cabinet approved the Commercialisation Strategy at its meeting in August 2014. This strategy proposed a target level of net increase in income of £1m over five years. The SRP attached assumes an equal annual increase in income generated of £0.2m. Cabinet will soon consider the business case for each of a series of proposals that will enable the Council to generate this income.
- 1.6.21 Elsewhere on this agenda the Cabinet will consider a report on future fees and charges. This report recommends increases in some fees and charges that will increase income budgets by £76,300 in 2015/16. Those increases have been included in the

revised SRP attached at Appendix A and any amendment to the recommendations in that report will affect the figures as shown.

- 1.6.22 Combining the resources available to this council from the revenue support grant, business rates income, council tax income, the collection fund adjustment and income from other sources gives estimated resources for the period of the revised SRP of £33.2m for 2015/16 as tabled below. The Cabinet should note that the level of resources available from revenue support grant estimated for the years 2016/17 and beyond assume an effect related to the future spending review 2015 announced by the Chancellor in March 2013. Although a projection is given, no actual detail is available on the rate at which the resources available to this council will reduce or whether the reduction will be seen through the revenue support grant or through another source of government funding.

	<b>2015/16 £,000</b>	<b>2016/17 £,000</b>	<b>2017/18 £,000</b>	<b>2018/19 £,000</b>	<b>2019/20 £,000</b>
Revenue Support Grant	2,251	1,463	922	420	0
Business Rates	2,983	3,043	3,104	3,166	3,229
Business Rates growth	42	52	62	72	82
Collection Fund Adjustment	302	0	0	0	0
Council Tax	13,430	13,766	14,110	14,462	14,824
Other Income	14,214	14,414	14,614	14,814	15,014
<b>Available Resources</b>	<b>33,222</b>	<b>32,738</b>	<b>32,812</b>	<b>32,934</b>	<b>33,149</b>

## 1.7 Review of Strategic Projection

- 1.7.1 When the Cabinet agreed the September SRP officers were set the task of continuing to review the budget pressures and identify additional savings to balance the budget.
- 1.7.2 Since that time there has been a series of meetings managed by the Chief Accountant in order for her to meet with each Head of Service and identify proposals that offer potential savings and efficiencies and these are considered later in this report.
- 1.7.3 No further amendments are proposed in relation to budget pressures and the revised SRP set out in Appendix A, taken in combination with the revised assessment of resources available to the Council, requires the provision of savings in 2015/16 of £0.42m compared to the £0.94m requirement set out in the Cabinet decision in September 2014. The values for each year of the five year projection are set out in the table below:

	<b>2014/15 £,000</b>	<b>2015/16 £,000</b>	<b>2016/17 £,000</b>	<b>2017/18 £,000</b>	<b>2018/19 £,000</b>
Available Resources	33,222	32,738	32,812	32,934	33,149
Projected Requirement	33,640	34,026	33,272	33,388	33,438
<b>Savings Target</b>	<b>418</b>	<b>1,288</b>	<b>460</b>	<b>454</b>	<b>289</b>

## 1.8 Review of Savings Proposals

1.8.1 Savings and efficiency data was not reported in detail to Cabinet in September 2014. The targets were set out and it was identified that some savings proposals existed, in the main these came from plans developed for the 2014/15 strategy. The September 2014 report suggested that, set against a need to find £0.96m in savings, plans existed to save £0.4m.

1.8.2 As stated previously, the revised SRP at Appendix A shows a need to save £0.42m in 2015/16 and attached at **Appendix C** is a more detailed analysis of savings. Along with the savings previously identified this list includes additional proposals that have been identified through meetings between the Council's Chief Accountant, Heads of Service and relevant Cabinet Members. The value of these proposals, set against the required need for savings in each of the five years considered by the revised SRP, are tabled below.

	<b>2014/15 £,000</b>	<b>2015/16 £,000</b>	<b>2016/17 £,000</b>	<b>2017/18 £,000</b>	<b>2018/19 £,000</b>
Savings requirement in SRP	418	1,288	460	454	289
Savings proposals	418	304	50	0	0
<b>Savings still required</b>	<b>0</b>	<b>984</b>	<b>410</b>	<b>454</b>	<b>289</b>

1.8.3 The savings requirement set out above assumes approval to the proposed fees and charges set out in a report elsewhere on this agenda. In addition the delivery of £0.2m from commercial activity in 2015/16 has been assumed. Should the resources delivered by either of these be amended, it will be necessary to identify additional savings from new ideas or, where possible, bring forward proposals currently identified for 2016/17 or later years.

## 1.9 Strategic Leadership and Corporate Services Overview and Scrutiny Committee – Budget Working Group

1.9.1 The budget working group has now met on three occasions since the Cabinet meeting in September 2014 when the Cabinet agreed the September SRP for planning and consultation purposes.

1.9.2 The working group has completed an indepth review of the provisional business plans and proposals that will be brought forward to achieve the objectives of the commercialisation strategy. This was completed so that the group could be confident that the assumptions built in to the medium term financial strategy are achievable.

- 1.9.3 The group has also considered a number of other aspects of the medium term financial strategy:
- a) the proposed fees and charges increases set out in a separate report elsewhere on this agenda;
  - b) the link between budgetary provision and the priorities set out in the draft strategic plan elsewhere on this agenda; and
  - c) the savings and efficiencies set out in Appendix C of this report;

- 1.9.4 In addition the group considered a reference from Audit Committee arising from the external auditor's report on the accounts. Two issues were raised in that report that the Audit Committee felt would benefit from seeking the views of the budget working group before consideration by the Audit Committee and by the Cabinet, they were:

- a) That the level of balances relative to net revenue expenditure, held by the Council is low in when compared to the Council's local authority family group.

While the budget working group recognised the statement as fact they also felt that it was not necessarily evidence of good financial management to hold excessive levels of balances. It also noted that, given the current financial climate, it would not be appropriate for the Council to raise its level of balances if this meant an additional rise in council tax rather or diverting resources from service provision.

- b) That the Council only recognises a single general fund balance and does not identify earmarked reserves for specific purposes.

The budget working group felt that there were appropriate elements of the Council's general balance that could be identified as earmarked reserves and felt that officers should seek approval of Cabinet to set up earmarked reserves when such action was truly appropriate. It is proposed later in this report that a small number of earmarked reserves should be created.

- 1.9.5 The group will report on its work to the January 2015 meeting of the Strategic Leadership and Corporate Services Overview and Scrutiny Committee. At that meeting the Committee will formally consider the Cabinet's decisions on issues relating to the budget strategy arising from various reports on this agenda.

## 1.10 New Homes Bonus

- 1.10.1 Along with the finance settlement, it is expected that the government will also announce the allocation of New Homes Bonus for the forthcoming year. This is the fifth year of the programme and the Council should receive an amount equivalent to last year's payment plus the new sum specifically for housing growth during the period October 2013 to October 2014.
- 1.10.2 The Chancellor has previously announced a review and top slice of NHB to support a £2bn growth fund. This matter was deferred and resources to support the growth fund were identified at a national level from other budgets. It remains appropriate to assume that the new homes bonus programme will be subject to a review of effectiveness in the next parliament and that the Council should remain prepared for a change in resources received from this programme.
- 1.10.3 Cabinet has previously considered the future use of NHB and agreed that resources should be set aside to support the Capital Programme and the level of future funding is considered in the Capital Budget Strategy report elsewhere on this agenda.

## 1.11 Balances

- 1.11.1 Given the detrimental factors that will continue to face local government Cabinet should be mindful of the level of resources and the potential need that the Council may have for those resources to remain financially stable, until the current economic situation improves.
- 1.11.2 The estimated level of general fund balance as at 31<sup>st</sup> March 2015 is £4.5m plus provisionally allocated sums of another £1.4m. There are no proposed uses in 2015/16 at this time and balances are assumed to remain stable. A statement of balances is set out in **Appendix D** to this report.
- 1.11.3 For 2014/15 the Council has set a minimum level of balances of £2m and the Cabinet have agreed to set a working balance of £2.3m below which it is not expected that the Cabinet will utilise balances. This means that balances in the sum of £2.2m remain available for use.
- 1.11.4 In paragraph 1.9.4 of this report it was identified that the budget working group had given consideration to the recommendations of the council's external auditor regarding the level of balances and earmarked reserves. At this time the council does not earmark reserves for specific purposes and this allows a greater flexibility

over the use of those resources. It does however mean that in cases where the council has made a specific decision to set aside resources this is not identified clearly when reviewing the statement of accounts or reports, such as this report, on financial matters.

- 1.11.5 At the request of the Audit Committee the budget working group has considered the issue and it is felt that, given the current financial pressures facing the Council it would be impossible to increase the level of reserves significantly and any such plan should not be part of the MTFS at this time. The budget working group did agree that the use of earmarked reserves would be beneficial in two circumstances:
- a) Where a decision has been made to set aside specific resources rather than general balances, such as is the case with new homes bonus receipts being set aside for the financing of capital expenditure; and
  - b) Where statutory or other decisions require specific resources to be held for a specific purpose, such as surpluses from trading accounts (i.e. building control) that are able to generate a surplus in a single year but must break even over a rolling period.
- 1.11.6 It is recommended that the following earmarked reserves are created for the current year so that they are identified in the statements on 31<sup>st</sup> March 2015 and carried forward:
- a) Capital support from revenue resources. This would incorporate all revenue resources set aside to support the capital programme. In the main this means new homes bonus receipts but can mean specific one off contributions made by managers to support specific services.
  - b) Local plan funding. This incorporates the specific resources previously set aside to produce the local plan and currently carried forward each year within general fund balances.
  - c) Trading account surpluses. This would incorporate surpluses and deficits generated by statutory trading accounts to ensure they break even in accordance with legislation, normally on a three year rolling basis.
- 1.11.7 The expected level of resources in those earmarked reserves is also set out in Appendix D to this report.

## 1.12 Consultation

- 1.12.1 This year's budget consultation was combined with the consultation on the new strategic plan. This was completed, in the main, through a series of roadshows. Officers and Cabinet Members have taken the roadshow to multiple locations throughout the borough during October and November. The results are set out in detail in the report on the Strategic Plan 2015 – 2020 elsewhere on this agenda.
- 1.12.2 The public response indicates that the greatest importance is placed on two priorities: clean and safe; and transport.
- 1.12.3 The clean and safe priority is the area with the highest level of revenue funding within the budget. This area has also provided the greatest level of efficiency savings in recent years due to initiatives like the current refuse contract and the in-house commercial waste service.
- 1.12.4 Transport infrastructure is not the direct responsibility of the council but there are revenue resources directed to public transport and parking management. In addition there council has agreed to set aside substantial capital resources for infrastructure and is developing a community infrastructure levy. Planned uses for these resources are linked to the local plan and include transport proposals.

## 1.13 Medium Term Financial Strategy and Strategic Plan

- 1.13.1 The medium term financial strategy (MTFS) is closely aligned to the strategic plan which is reported elsewhere on this agenda. In addition the MTFS must reflect the Cabinet's decisions arising from this report along with the finance settlement information that has not yet been published by the DCLG.
- 1.13.2 The element of the MTFS that relates to the Council's capital programme has been updated for the period 2015/16 to 2019/20 and is provided as an appendix to the Capital Budget Strategy report elsewhere on this agenda.
- 1.13.3 The element of the MTFS that relates to the Council's Revenue Budget Strategy has not been updated at this time. It will however be amended based on the various outstanding decisions on this agenda along with data from the Council's finance settlement once known. The complete document, both capital and revenue, will be reported to the Cabinet in February 2015 when consideration is given to the recommendations of Cabinet to Council on the budget and council tax levels.

## 1.14 Alternative Action and why not Recommended

1.14.1 The production of the budget is an element of the statutory process of setting the council tax each year. In addition the final document and budget is required to be robust and adequate under the Local Government Act 2003 and the Chief Financial Officer is required to give a statement to that fact. On this basis the actions outlined in this report must be considered and a balanced budget ultimately set by March 2015.

1.14.2 A number of the assumptions set out in this report remain uncertain and alternative options are possible. The main examples include:

- a) The finance settlement – As the DCLG has not yet provided the Council with the provisional settlement figures for 2015/16 the figures used in this report are the indicative figures provided to the Council a year ago. Although the Chancellor’s Autumn Statement suggests that there will be no significant financial impact on local government nationally the statement is not specific enough to confirm that this will be the case for this Council.
- b) The indices used to calculate future inflation and contractual commitment – These indices are continuously updated and a revised set of values could be developed, however the level of change likely to occur is not significant and it is proposed that current resources will be re-prioritised if the level of growth allowed in any particular budget area proves to be insufficient.
- c) Savings – The identification of significant and deliverable savings is becoming increasingly difficult. Careful and thorough monitoring of outcomes will need to continue during 2015/16.

## 1.15 Impact on Corporate Objectives

1.15.1 The budget strategy and the resultant medium term financial strategy involve assessing the level of resources available for the delivery of the Council’s key outcomes and is a means by which the Council directs financial resources. This report and the strategic plan report elsewhere on this agenda should be seen as complementary.

## 1.16 Risk Management

- 1.16.1 The development of the budget strategy follows a process from previous years. The process comprehensively reviews the full budget and brings to these reports the issues that the review identifies as significant risks. The work is supported by the quarterly budget monitoring reports to Cabinet and a review of the information contained in these reports is given in section 1.5 of this report. Material issues identified can result in changes to the SRP going forward but in the main the reports give strength to the ongoing assumptions made in the budget strategy each year.
- 1.16.2 All budget strategy reports are submitted to the Strategic Leadership and Corporate Services Overview and Scrutiny Committee and their work provides a further level of review. In 2012/13 the committee set up a budget working group to enable a more detailed consideration of the information used to develop the strategy. In 2014/15 the group has held three open meetings to consider and debate issues. All members of the council are invited to the meetings.
- 1.16.3 As part of the work on the MTFS a risk assessment at an operational level is produced. This risk assessment considers the main risk factors for each assumption used in developing the strategy and is submitted to Audit Committee each year for consideration. The views of the Audit Committee are reported to the Cabinet in February each year.

1.17 Other Implications

1. Financial	X
2. Staffing	X
3. Legal	X
4. Equality Impact Needs Assessment	X
5. Environmental/Sustainable Development	
6. Community Safety	
7. Human Rights Act	
8. Procurement	
9. Asset Management	

- 1.17.1 **Financial** – This report proposes options that will achieve a balanced budget for 2015/16 subject to the resolution of the assumptions identified in the report following the announcement of the provisional finance settlement. More detailed financial implications are set out in the body of the report.
- 1.17.2 **Staffing** – The budget includes the resources necessary to fund staffing levels and pay increments. In addition the report contains proposals that will result in organisational change.
- 1.17.3 **Legal** - This report intends to provide Cabinet with proposals that will enable the Council to set a balanced budget and a Council Tax for 2015/16 as it is statutorily obliged to do.
- 1.17.4 **EINA** - The budget strategy process requires the careful alignment of resources to the priority outcomes identified in the strategic plan. The appropriate alignment of resources means that impact on vulnerable and protected groups is minimised. The appropriate allocation of resources will support vulnerable groups through ensuring resources are available for the actions set out in the strategic plan.
- 1.18 Relevant Documents
- 1.18.1 Appendices
- Appendix A – Revised Strategic Revenue Projection 2015/16 Onwards
- Appendix B – Apportionment of LCTS Funding for 2015/16
- Appendix C – Savings Proposals 2015/16 Onwards
- Appendix D – Statement of General Fund Balance and Earmarked Reserves to 31<sup>st</sup> March 2015

**IS THIS A KEY DECISION REPORT?**

Yes

No

If yes, when did it first appear in the Forward Plan?

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This is a Key Decision because:      Budget Strategy Report

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Wards/Parishes affected:      All

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