

# Southend-on-Sea Borough Council

Agenda  
Item No.

**7**

Report of Corporate Management Team  
to  
**Cabinet**  
On  
**12 February 2015**

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Head of Finance & Resources

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## General Fund Revenue Budget 2015/16

### All Scrutiny Committees

Executive Councillor: Councillor Ron Woodley

### *A Part 1 Public Agenda Item*

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#### 1. Purpose of Report

- 1.1 To present a 2015/16 General Fund revenue budget including schools and a proposal for the level of Council Tax for 2015/16.

#### 2. Recommendations

**That the Cabinet recommend to Council that it;**

**In respect of 2014/15;**

- (i) Note the forecast outturn of £133.381 million;**
- (ii) Approve the appropriation of the sums to earmarked reserves totalling £3.394 million, as set out in detail in Appendix 15;**
- (iii) Approve the appropriation of the sums from earmarked reserves totalling £15.112 million, as set out in detail in Appendix 15.**

**In respect of 2015/16 and later years;**

- (iv) Consider and acknowledge the Section 151 Officer's (Head of Finance and Resources) report on the robustness of the proposed budget, the adequacy of the Council's reserves and the Reserves Strategy as set out in Appendix 1;**
- (v) Approve a General Fund net revenue budget for 2015/16 of £126.093 million (Appendix 3) and any required commencement of consultation, statutory or otherwise;**

- (vi) Approve a Council Tax increase of 1.95% for the Southend-on-Sea element of the Council Tax for 2015/16 and the consequent rejection of the Government's Council Tax freeze grant offer for 2015/16;
- (vii) Note that the 2015/16 revenue budget has been prepared on the basis of using £1.888 million from earmarked reserves to allow for a smoothing of the budget gap across the next three financial years with a consequent replenishment of those reserves in 2016/17 and 2017/18;
- (viii) Note that the Council's preceptors Essex Police and Fire Authorities have yet to formally meet to agree their Council Tax levels for 2015/16 and the Leigh-on-Sea Town Council proposed precept of £361,694 and a consequential increase of 17.9% in their Council Tax;
- (ix) Approve that no Special Expenses be charged other than Leigh-on-Sea Town Council precept for 2015/16;
- (x) Approve the appropriation of the sums to earmarked reserves totalling £5.124 million, as set out in Appendix 15;
- (xi) Approve the appropriation of the sums from earmarked reserves totalling £7.013 million, as set out in Appendix 15;
- (xii) Approve the schools' budget and its relevant distribution as recommended by the Schools' Forum and as set out in Appendix 2;
- (xiii) Approve the pressures required of £3.090 million (Appendices 11 and 12) and the savings required of £10.500 million (Appendices 13 and 14) and the subsequent individual service cash limits for 2015/16, as contained in Appendices 3 to 10;
- (xiv) Endorse the direction of travel for 2016/17 and beyond (Section 11);
- (xv) Approve the revised Medium Term Financial Strategy up to 2018/19 (Appendix 16).

### **3. Council Budget Process**

- 3.1 The Council must set its revenue budget and Council Tax by 11 March of the preceding financial year. If, for whatever reason, the Council cannot agree a budget and Council Tax at Council on 26 February, Members should be aware that it is unlikely that the Council Tax bills could be sent out on time for the 1 April instalment (taking into account the necessary notice period and the time required to print the bills and accompanying leaflet).

- 3.2 It is also good practice to approve the capital programme and fees and charges at the same time as the revenue budget and reports elsewhere on this agenda deal with these matters. It should be noted that the revenue impact of both reports have been factored into the 2015/16 revenue budget proposed in this report.
- 3.3 The Housing Revenue Account (HRA) budget also needs to be agreed in a timely manner to ensure rent increases can be reflected from 1 April of each year. A separate report elsewhere on this agenda deals with Housing Rents, Charges and the HRA budget for 2015/16.
- 3.4 This report presents the proposed 2015/16 General Fund revenue budget of the Cabinet for recommendation to the Council at its meeting on 26 February 2015. It builds on the draft budget approved for consultation by the Cabinet at its meeting on 20 January 2015. It also now provides the latest position on the forecast outturn for 2014/15.
- 3.5 The Head of Finance and Resources' statutory statement on the robustness of the estimates and adequacy of reserves under s25 of the Local Government Act 2003 is included at Appendix 1. It should be considered by the Cabinet before recommending a budget to Council. It must also be considered by the Council before approving the budget and Council Tax.

#### **4. Forecast Outturn 2014/15**

- 4.1 The original budget for 2014/15 totalled £133.381 million and was to be met from available government grant and council tax and no use of revenue balances was anticipated.
- 4.2 Members have been supplied with projected outturn information throughout the year, based on forecasts and expectations of the Directors and their Budget Managers, and in light of corrective action that they have identified as being necessary. The latest forecast outturn for 2014/15 amounts to £133.381 million requiring no transfer to revenue balances, so as to reconcile back to available grant and council tax. This forecast outturn includes a net appropriation from earmarked reserves totalling £11.718 million, details of which are shown in Appendix 15.
- 4.3 The reasons behind the year end projected position have been reported to all Members through the monthly budget monitoring process. The actual figure for the end of 2014/15 will be considered as part of the out turn report for 2014/15, which will be presented to the Cabinet in June 2015.

## 5 Budget 2015/16

### Government Funding – Grant and Finance Settlement

- 5.1 Government funding through revenue support grant and top-up payments in respect of retained business rates is the main provider of funding for the Council's total general fund budget (excluding schools). As such it represents a significant factor in determining the Council's revenue budget. The provisional Local Government Finance Settlement for 2015/16 was issued by the Department for Communities and Local Government (DCLG) on 18 December 2014 and this represents the Government's one year spending plans for 2015/16 only. The final Local Government Settlement was announced on 3 February 2015.
- 5.2 The latest Finance Settlement maintains the key changes in the way that Local Government is now financed, which were introduced in April 2013. To recollect for Members the main changes arose from the launch of the Business Rates Retention (BRR) scheme as the principle form of local government funding. In previous years, the settlement announcement provided local authorities with their expected general revenue allocations for the following financial year. The settlement now provides authorities with a combination of provisional Revenue Support Grant (RSG) allocation and confirmation of Business Rates top up grant. The changes also saw the start of the localisation of council tax support, and therefore the inclusion of a fixed sum of grant to compensate local authorities for a notional 90% of the cost of the previous council tax benefit arrangements.
- 5.3 The key points arising from the settlement for Southend-on-Sea Borough Council are:-
- (i) The final Settlement Funding Assessment (SFA) (a combination of actual RSG and estimated business rates income) for 2015/16 is £60.659 million. This compares to an adjusted SFA of £70.912 million in respect of 2014/15 (a reduction of £10.253 million and equivalent to a 14.5% reduction);
  - (ii) The settlement is a one year settlement only for 2015/16;
  - (iii) Some capital and specific grants are provisional and yet to be announced in full;
  - (iv) A further Council Tax freeze grant has been confirmed and those Councils that freeze their Council Tax will benefit from the equivalent cash sum of a 1.0% Council Tax increase, before any adjustment for the local council tax support scheme. This grant is confirmed as payable for 1 year only and will be subject to the next government's deliberations in its first Spending Review in 2015. Funding is now merged into the on-going Local Government settlement that Council's receive to avoid any cliff edge in funding for previous years' acceptance of the Council Tax freeze grant;

- (iv) The 2015/16 referendum limit for Council Tax increases was announced at a level of 2% as part of the provisional settlement (2014/15 this was also set at 2%). This was also confirmed in the final settlement;
- (v) From 2015/16, funding to support social care and benefit health is being replaced by the Better Care Fund; a pooled budget between the Council and Southend Clinical Commissioning Group (CCG). The provisional settlement has indicated that the pooled budget from existing NHS and Council resources will be circa £12.7 million and include no less than £11.6 million of NHS funds;
- (vi) The consultation on the provisional finance settlement ended on 15 January 2015 and this informed the final settlement on 3 February 2015;
- (vii) The small business non-domestic rates (NNDR) poundage (multiplier) has been set at 48.0p, having been uplifted by a reduced rate of 2.0% compared to the previous Government arrangement of an uplift by RPI inflation for September 2014 of 3.2%. The associated non-domestic poundage has been set at 49.3p. Non-domestic rates are set nationally by the Government and collected locally by Councils (billing authorities). Under the new arrangements for the localisation of business rates a sum of 50% is returned to Government who then reapportion this sum back to Local Government as part of their main grant settlement. The remaining 50% is retained 49% by the Council and 1% is distributed to the Essex Fire Authority. The Council's actual income from business rates is therefore dependent upon the performance of the local economy, the success of any rating appeals and collection rates. The Police Authority receive their funding separately;
- (viii) The Public Health service grant allocation for 2015/16 is £8.060 million exactly the same level as for 2014/15.

### **Government Funding – Dedicated Schools Grant (DSG)**

- 5.4 The DSG is now mainly based on pupil numbers in the October before the beginning of each financial year, plus an estimate for the Early Years Block, plus an allocated High Needs Block, allowing an estimate of total grant to be made in order for local authorities to calculate individual school budgets in February.

- 5.5 The total DSG for 2015/16 is £135.5 million (2014/15 = £135.6 million). In practice the final DSG will exclude funding for the 12 Academies and is estimated to reduce to £91 million for maintained schools and high needs. In addition to funding from the DSG, schools will receive Pupil Premium grant, which will provide £1,300/£935 of funding per primary/secondary pupil (2014/15 = £1,300/£935 per pupil) who have been registered for free school meals in any of the past 6 years. Based on estimates the Pupil Premium will provide an additional £8 million for schools in Southend-on-Sea (both Maintained and Academy schools). This is compared to £7.9 million of Pupil Premium in 2014/15.
- 5.6 The Schools' Forum met on 14 January 2015 to consider its final recommendations for a balanced budget and confirmed their position as presented in the draft General Fund Revenue report presented to Cabinet on 20 January 2015. The final agreed position for Schools is as set out in Appendix 2.

### **General Fund Revenue Budget**

- 5.7 This Council budget has been prepared against the background of the Governments' spending plans through various Budget speeches, the Chancellor's Autumn Statement and the Local Government provisional finance settlement. The various Government announcements continue to see the most substantial contraction of available public sector funding, but particularly in Local Government, for many decades.
- 5.8 In addition, it continues to be based upon the Government's significant funding reform for Local Government that has been the most radical in generations. This introduced the localisation of business rates and the creation of a new local council tax support scheme as the new way in which Local Government is now funded. As a result of both the significant contraction of available funding and the financial reforms there is a consequent need to continue to find a significant level of revenue savings over the next four financial years at least on par with the last four year period.
- 5.9 There has been cross party Member involvement in identifying areas where savings can be targeted and made and the outcomes of Member discussions and the various workshops undertaken have helped to formulate the budget. Using this Member and portfolio holder input a detailed budget has been prepared by senior officers for the Cabinet to put forward that addresses the need for significant savings to be addressed and to set a balanced and robust budget. The previous public budget consultation has also assisted in informing the compilation of the Council's budget.
- 5.10 The draft General Fund Revenue budget for 2015/16 was considered by Cabinet on 20 January 2015. It was referred to Scrutiny Committees in late January 2015 for detailed Member consideration. The same draft budget was used to brief staff, consult with trade unions, the voluntary sector, the business sector and to brief the local press.

- 5.11 The 2015/16 General Fund revenue base budget requirement before savings and pressures is £135.391 million and available funding, including Council Tax and an assessment of its required level, is £126.093 million. After applying the required pressures of £3.090 million to the base budget there is a budget gap to find in 2015/16 of £12.388 million through departmental savings and earmarked reserves. By agreeing the proposed savings of £10.500 million and a contribution from earmarked reserves of £1.888 million this will result in a 2015/15 revenue budget of £126.093 million (2014/15 £133.381million). A high level budget summary of the position is set out at Appendix 3. The balancing of the budget by the use of £1.888 million from earmarked reserves is to allow for the smoothing of the budget gap over the next three financial years with a replenishment to the reserves for this sum over 2016/17 and 2017/18.
- 5.12 The 2015/16 revenue budgets for each Portfolio are set out in Appendices 4 to 10 and show the original budget and probable outturn for 2014/15 and the 2015/16 base budget before and after savings and pressures.
- 5.13 The various savings and pressure proposals, which total £10.500 million and £3.090 million respectively are set out fully in Departmental order in Appendices 11 to 14.
- 5.14 As part of the budget proposals, there are also some one-off growth items that are proposed to be funded for their temporary nature by the use of earmarked reserves. The three items of revenue growth are;
- Energy Efficiency Team - £100,000 pa for two years. To create an energy efficiency team to undertake investigation and feasibility studies into energy efficiency measures that are intended to produce annual revenue savings for both the Council and Schools budgets;
  - Priors & Delaware - £267,000 for 2015/16. £167k is to enable the continued investment into this Service for 2015/16 only whilst further analysis is undertaken to finalise the long term solution for both homes. A further £100k is required to undertake the two feasibility studies as identified in the report to Cabinet on 20 January 2015;
  - Economic Development - £50,000 pa for two years. This is to further enable one-off research and support for the promotion of the Town.
- 5.15 Members will note that the budget proposals now include the use of some earmarked reserves to fund the balancing of the 2015/16 budget and items of one-off project spending. The use of £1.888 million of reserves in 2015/16 is to allow the smoothing of the budget gap and are to be replenished in 2016/17 and 2017/18.

## **Appropriations for 2015/16**

- 5.16 The presentation of the budget reflects proposed net appropriations from earmarked reserves totalling £1.889 million for which separate approval is sought, full details of which are shown in Appendix 15.

## **Changes made since Draft Revenue Budget presented to Cabinet 20 January 2015**

- 5.17 The changes from the draft budget approved by the Cabinet on 20 January 2015 are:
- The allocation of service pressures and savings proposals to individual budgets;
  - The final allocation of inter-departmental recharges;
  - The allocation of the latest position on the Dedicated Schools Grant;
  - The overall budget has also continued to be amended for minor changes for accuracy;
  - The deletion of the proposed savings on the closure of toilets (PL4 and PL29) and their replacement with a proposed new saving (PL32) – Waste Collection contract gain share provision

- 5.18 All of these changes are cost neutral on the proposed budget.

## **Council Tax 2015/16 and Estimated Collection Fund Balance 2014/15**

- 5.19 The Council Tax Base for 2015/16 was approved by Cabinet on 20 January 2015 at 54,591.12 (equivalent Band D properties).
- 5.20 The estimated balance on the Collection Fund at the end of 2014/15 shows a projected surplus of £1 million attributable to the Council and which has been used in calculating the Council Tax, as statutorily required.
- 5.21 The proposed budget assumes a Council Tax increase at 1.95% on the Southend-on-Sea element of the total Council Tax. If this is accepted, the Council will therefore be formally rejecting the Coalition Governments latest Council Tax Freeze Grant offer. If the Council Tax Freeze Grant was to be accepted it would cost the Council circa £0.5 million per annum in its on-going budget and a permanent on-going reduction in its Council Tax base generating capacity. Consequently additional savings would need to be found across various Council services which would impact on all Council residents.
- 5.22 The Cabinet (and Scrutiny Committees) may wish to bear in mind that a 1% change in Southend-on-Sea Borough Council's element of the Council Tax is £11.34 per annum for a Band D property. This equates to an amount of circa £0.619 million in the revenue budget for each 1% change. Any increase whatsoever in the Council Tax for 2015/16 would not allow the Council to receive the Government's offer of a council tax freeze grant of £0.712 million.

- 5.23 The proposed Council Tax increase of 1.95% will mean a Band D level of £1,159.56 per annum on the Southend-on-Sea element of the Council Tax (2014/15 the Band D level is £1,137.42). This equates to an annual increase of £22.14 and a weekly increase of 42p.
- 5.24 The total Council Tax payable by tax payers consists of Southend-on-Sea Borough Council and the precepts for Essex Fire Authority, Essex Police & Crime Commission and, where applicable, Leigh-on-Sea Town Council. Their decisions on any Council Tax increase will not impact on Southend-on-Sea Borough Councils' position with the Council Tax Freeze Grant offer.

### **Precepts**

- 5.25 Leigh-on-Sea Town Council has proposed its precept for 2015/16 at £361,694 (2014/15 = £302,581). Based on their council tax base of 8,442.91, the Town Council element of the total Council Tax bill will increase from £36.34 to £42.84 at Band D, equivalent to an increase of 17.9% from 2014/15. This only applies to the area covered by the Town Council. The final decision will be made at a meeting of the Town Council on 11 February 2015.
- 5.26 At this stage the precepts from the major precepting authorities (Fire and Police) are not yet finalised.
- 5.27 Essex Police Authority through the Police Commissioner has to set its precept by 1st March 2015 (after consideration by its Police & Crime Panel on 29 January 2015). The latest position is that the Police & Crime Panel is proposing a Band D Council Tax at £147.15, which is a 1.996% increase.
- 5.28 Essex Fire Authority is due to set its precept on 11 February 2015. The current proposal is for a freeze in the precept and therefore is proposed to remain at the same level as for 2014/15 of £66.42.
- 5.29 The Council Tax report for Council on 26 February will report on the final Council Tax Band D level for both the Essex Police Authority and the Essex Fire Authority.

## Levies

- 5.31 The Council is required to pay relevant levying bodies, who have all now indicated their levy position for 2015/16. The final levies will be reported on in the Council Tax report for Council on 26 February. The current position for 2015/16 is identified in the table below:-

Levying Body	2014/15	2015/16	Percentage
	Probable	Estimate	increase
	Actual		
	£'000	£'000	%
Kent and Essex Inshore Fisheries and Conservation Authority	22	22	0.0
Flood Defence	162	170	4.94
Coroners Court	301	338	12.29
<b>Total</b>	<b>485</b>	<b>530</b>	

The Flood Defence levy is provisional, with the Environment Agency expected to issue final bills on 9 February 2015. The Coroners Court levy is provisional and will be finalised on 10 February 2015. The key reason for the significant increase in the Coroners court levy is due to an increase in their baseline costs for 2015/16 of 10.9%.

## 6. Medium Term Financial Strategy (MTFS)

- 6.1 The Medium Term Financial Strategy that was approved in February 2014 was for a four year period up to the financial year 2017/18. It is now in the need of updating as a result of the recent Local Government Finance Settlement, changes to the projections in the current financial planning figures and a review of our service delivery plans and recently refreshed corporate priorities.
- 6.2 It is good practice to update the rolling MTFS as part of setting the Council budget and Council Tax to ensure our financial planning is fully aligned and integrated.
- 6.3 The updated MTFS for the period 2015/16 to 2018/19 is attached at Appendix 16.
- 6.4 The MTFS shows a projected further budget gap of £32.4 million for the following three financial years, after allowing for the replenishment of £1.888 million to earmarked reserves following their proposed use in setting the 2015/16 budget, as follows:-

2016/17	£13.7 million
2017/18	£10.3 million
2018/19	£8.4 million
<b>£32.4 million</b>	

## **7. Staffing implications of 2015/16 budget savings proposals**

- 7.1 The saving proposals outlined in this report will delete 38.1 full time equivalent (fte) posts across the Council, of which 16.8 are currently vacant.
- 7.2 Formal redundancy consultation with the recognised Trades Unions has commenced and all staff have been fully briefed on the implications of these proposals.
- 7.3 The staffing reductions will be managed in accordance with the Council's policies on Managing Organisational Change and Redundancy.
- 7.4 The Council's Workforce Planning Panel will continue to control recruitment to vacant posts (permanent and temporary) and, wherever possible, staff identified as 'at risk' of redundancy will be redeployed through the Talent Pool. In addition, the Council will be working with other Essex authorities and partners in order to maximise redeployment opportunities across the county region.
- 7.5 Volunteers for redundancy will also be sought in order to minimise the number of compulsory redundancies.
- 7.6 A comprehensive package of support for all staff but particularly those directly affected by these proposals has been put into place. This includes coaching and counselling, as well as practical support with job applications and money management.

## **8. Corporate Priorities**

- 8.1 The proposed revenue budget has regard to the Council's 2015/16 Corporate Priorities, which are attached at Appendix 17.

## **9. Budget Consultation**

- 9.1 The media coverage of the public sector economic situation places a worthy expectation for local authorities to engage communities in the difficult decisions that will determine what services are delivered by the Council and how.
- 9.2 The most recent residents' perception survey was conducted from mid-June until the end of July 2013 to engage local residents, service users, staff, businesses and voluntary and community groups on their spending and budgetary priorities for 2014/15.
- 9.3 A postal survey was used in line with the LGA's guidance. 3,870 paper questionnaires were sent to the sampled addresses, with a reminder sent to non-responders in early July. In total, 1,119 usable completed questionnaires were returned, representing a response rate of 29%. Sampling and weighting were applied to ensure that the data is statistically valid.

9.4 In the second section of the questionnaire, respondents were reminded that all councils across the country are facing substantial cuts in grants from central government and it is clear that to balance the budget, tough choices will have to be made on spending. In this context, all respondents were asked, in the form of an open question, to indicate which one service should be protected from cuts and which one service should be cut or reduced.

9.5 Key Findings from the Residents Perception Survey;

The public service that residents most commonly state should be protected from cuts is the health service (18%), followed by the education services (15%) and elderly services (14%).

When asked to indicate which service should be cut or reduced if the Council had to do so, the most common answer given is nothing (11%). Beneath this, approaching one in ten residents state that benefits (8%) and councillor wages, benefits and expenses (8%) should be cut.

Residents were also presented with a list of seven possible approaches the Council could take in order to make further cost savings. For each one, residents were asked to state how strongly they support or oppose it on a five point scale (strongly support to strongly oppose).

The responses indicate that people are generally resistant to change. The most commonly favoured approaches to cost savings are:

- Make more of volunteers to deliver services (70%); and
- Make more services available online (67%).

9.6 The overall results and detailed comments from the consultation have continued to help inform the preparation of the 2015/16 draft revenue budget.

9.7 The draft budget approved at Cabinet on 20 January 2015 has been presented to all three Scrutiny Committees and at a meeting of the Business Sector. The feedback from each of these scrutiny bodies is as follows:-

- People Scrutiny Committee sought clarification on some of the proposed savings particularly Connexions service, Mental Health provision, Children's centres and Better Care Fund;
- Place Scrutiny Committee sought clarification and reconsideration of the proposed savings for toilet closures and car parking charges;
- Policy and Resources Scrutiny Committee sought clarification on the proposed savings for the Outlook magazine and moving to online agendas;
- The Business Sector meeting sought clarification on the increases proposed for car parking charges and the capital investment schemes that are being proposed.

## **10. Equality Impact Assessments – Making fair financial decisions**

- 10.1 Each department has produced a departmental equality analysis taking into consideration any equality and cohesion impacts that restructuring their service may have on staff and service users. The results were then challenged by an internal team of officers and then by the Corporate Management Team.
- 10.2 As before the aim will be to protect delivery of key frontline services as well as highlight greater opportunities for collaborative working with partners to deliver services. Staff, Councillors, Trade Unions, Service users and residents were consulted and engaged in the process. These include but were not limited to, Chief Executive briefing sessions, Departmental Management and Team meetings, workshops and resident engagement via the budget consultation process.
- 10.3 Recommendations made in departmental supporting action plans identify how each department will aim to address and mitigate any indirect differential impact on staff and services over the coming year.
- 10.4 An overarching EIA is attached at Appendix 18.

## **11. 2016/17 and Beyond**

- 11.1 In addressing the national economic situation and in the run up the forthcoming General Election all political parties have emphasised the need to look further at a four year programme of public sector spending restraint and reconfiguration. This has been reinforced in the Chancellor's annual autumn speech in December 2014 with further restriction placed on the Government's public spending plans up to 2019. The Chancellor also announced the need for a further significant public spending reduction in the period after the next election in 2015 with approximately half of this anticipated to come from welfare changes. The tightening and reduction of Government funding contributions to local government funding and the new Government's changes from April 2013 for the funding of Local Government, means that the current financial challenges for 2016/17 and beyond will continue. This needs to be seen as part of an extended period of financial retrenchment similar at least to the previous four years that Local Government has already encountered and that councils will need to consider a much longer spending reduction programme than previously identified by Central Government.
- 11.2 This report predominantly addresses, as we are required to do, a detailed budget for 2015/16 but it is also appropriate to identify the areas the Council should continue to explore in order to meet the budget constraints of future years and also tailor the services it provides and review its role within national policy and local circumstances.

- 11.3 Like all local authorities in England, Southend-on-Sea Borough Council is facing unprecedented financial challenges. The Council has, over a number of years, addressed significant funding gaps whilst also achieving improved efficiency and service delivery. In the current, and forecast, period of national financial stringency the scale of financial contraction is such as to challenge the scale, nature and purpose of the role of the Council.
- 11.4 Traditionally, and particularly over recent years, the nature of Council activity has seen an increase in the level of directly delivered services for the local populace and for local businesses and visitors. Many services have been delivered on a universal basis and free or at limited cost. As funding continues to reduce greater pressure is being placed upon the services provided by the Council and also the way in which these are delivered.
- 11.5 Since the beginning of the current national financial crisis the Council has striven to sustain its full range of services but it is increasingly likely that this approach will be unviable.
- 11.6 It is proposed that the Council will increasingly focus the delivery of its services in a targeted way, concentrating on delivering services to those residents who need the Council's help. The Council will also adopt this as an approach in tailoring the delivery of its many statutory services. To underpin this approach the Council will also reposition its role as one to help the community, its residents and businesses, to take personal control of as many factors affecting their lives as is possible.
- 11.7 The Council will adopt an increasing approach of working, and delivering services, in partnership with other agencies, the voluntary and commercial sectors, and the community itself. As part of this approach the Council will encourage the sustenance of community services in collaboration with the local communities, encouraging community capacity to operate in appropriate circumstances.
- 11.8 The Council will also seek to address critical issues such as equality, disadvantage, lack of attainment and poverty by working with communities themselves, seeking enhanced training and opportunity and by fostering and promoting the local economy and thereby enhancing opportunities for aspiration, attainment, household income and personal achievement.
- 11.9 The Council will also seek to explore innovative income generation opportunities that will assist with increasing the Council's revenue sources to assist with bridging the significant budget gap the Council has to deliver. In addition, there is the intention to look greater at commercial opportunities for services of the Council.

- 11.10 Given the financial challenge we have and are to continue to face for a number of years, a continued programme of corporate working will continue with this efficiency drive and to help support the identification of savings for future years. This will allow us to have a programme driving transformational change in the organisation and will allow a clear focus on delivery of the required significant savings that will be required over this period.
- 11.11 The programme of corporate work streams has helped to deliver savings of nearly £9million over the last three years.
- 11.12 Over the coming year it will be extremely important to consider future year potential savings proposals in anticipation of delivering tailored services for the community whilst addressing the known budget reductions required from our total budget and reflecting the estimated significant government grant reductions. It is currently anticipated in advance of the next Governments anticipated spending review in 2015, that further savings in the order of £23 million to £25 million will be required from the Council's circa £126m 2015/16 net budget for the two years 2016/17 to 2017/18. Clearly, the outcome of any spending review in 2015 could impact on these projections.
- 11.13 It is clear that the budget savings presented for 2015/16 cannot be repeated in successive years without the Council considering how it delivers services across the borough to avoid duplication of overheads, achieve economic delivery and still provide facilities and services valued by the community.

## **12. Corporate Implications**

### **12.1 Contribution to Council's Vision & Critical Priorities**

The budget strategy is an integral part of the Council's Corporate Service and Resources Planning Framework.

### **12.2 Financial Implications**

As set out in the body of the report.

### **12.3 Legal Implications**

None at this stage.

### **12.4 People Implications**

The proposed budget will have an impact on staffing levels and the implications are set out in section 7 of this report.

### **12.5 Property Implications**

None

## 12.6 Consultation

Consultation has taken place with the Chief Executive, Corporate Directors and their Heads of Service as part of the budget preparation process who are fully committed to working within the budget proposed. Members are being consulted through Cabinet, Scrutiny and Council but have also been involved through a range of Member workshops. The Business Sector has also been consulted. The feedback from the relevant Scrutiny sessions is identified in paragraph 9.7.

A Public budget consultation exercise was used to inform the budget proposals.

Formal consultation on redundancies in line with employment legislation is underway with the recognised Trades Unions, and all staff directly affected by the budget proposals have been briefed. Consultation with staff and unions will continue throughout the process.

Staff have been kept abreast of progress and opportunities for contributions through personal briefings by the Chief Executive and also through written briefings.

## 12.7 Equalities Impact Assessment

Assessments have been carried out for proposed savings in the 2015/16 revenue budget and an overarching EIA is attached as Appendix 18 to this report.

## 12.8 Risk Assessment

The budget proposals have been subject to a Director's review of risk and robustness. These have informed the Head of Finance & Resources' Section 25 statement of the 2003 Local Government Act on the robustness of estimates and adequacy of reserves as part of this report and the report to Budget Council on 26 February 2015.

## 12.9 Value for Money

The proposals set out in the report reflect the Council's drive to improve value for money and to deliver significant efficiencies in the way it operates.

## 12.10 Community Safety Implications

Assessments have been carried out for all revenue proposals.

## 12.11 Environmental Impact

Assessments have been carried out for all revenue proposals.

### **13. Background Papers**

The Local Government Finance Settlement 2015/16, DCLG

Budget working papers held by the Finance & Resources' Accountancy section.

Equality Impact Assessments

### **14. Appendices**

Appendix 1	S151 Officer's Statement on adequacy of balances and the robustness of the budget
Appendix 2	Schools Budget 2015/16
Appendix 3	Summary of 2015/16 General Fund Revenue Budget
Appendix 4	2015/16 budget - Adult Social Care, Health and Housing
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