

Southend-on-Sea Borough Council

Agenda
Item No.

Report of Corporate Management Team
To
Cabinet
On
20 January 2015

Report prepared by: Joe Chesterton
Head of Finance & Resources

Draft General Fund Revenue Budget 2015/16

All Scrutiny Committees – Executive Councillor: Councillor Ron Woodley

A Part 1 Public Agenda Item

1. Purpose of Report

1.1. To present for consideration a 2015/16 draft revenue budget.

2. Recommendations

That Cabinet;

2.1. **Endorse the 2015/16 draft revenue budget and any required commencement of consultation, statutory or otherwise;**

2.2. **Note that the 2015/16 draft revenue budget has been prepared on the basis of a Council Tax increase of 1.95% and the consequent rejection of the Government's Council Tax freeze grant offer for 2015/16;**

2.3. **Note that the 2015/16 draft revenue budget has been prepared using the provisional local government finance settlement and that the outcome from the final settlement will need to be factored into the final budget proposals for Budget Cabinet and Budget Council;**

2.4. **Note that the 2015/16 draft revenue budget has been prepared on the basis of using £1.888m 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;**

2.5. **Refer the 2015/16 draft revenue budget, as approved, for the views of all Scrutiny Committees to inform Budget Cabinet, which will then recommend the Budget and Council Tax to Budget Council;**

2.6. **Note the Schools budget position and that the recommendations from the Schools Forum on 14th January 2015, as set out in Appendix 14 and 14(i) are referred to People Scrutiny Committee and then to Budget Cabinet and Budget Council.**

2.7. Endorse the direction of travel for 2016/17 and beyond (Section 15);

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 draft 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, and so a report on this can also be found elsewhere on this agenda.
- 3.4. The high level decision-making timetable is shown below:

Schools Forum	3 December 2014 & 14 January 2015
Cabinet approves proposals for reference to Scrutiny Committees	20 January 2015
Cabinet approval (delegated from Council) for the 2015/16 Council Tax base of 54,591.12 equivalent Band D properties	20 January 2015
Scrutiny and Consultation Scrutiny Committees:- <ul style="list-style-type: none">- Place- People- Policy & Resources Business sector consultation	26 January 2015 28 January 2015 29 January 2015 20 January 2015
Precept announcements Leigh-on-Sea Town Council Essex Fire Authority Essex Police Authority	14 January 2015 11 February 2015 Police Commissioner by 1st March 2015 (Essex Police and Crime Panel 29 January 2015)

Cabinet recommends the Revenue Budget, Council Tax, Fees & Charges, Capital Programme and HRA to Council	12 February 2015
Council approves the revenue and capital budget, Council Tax and HRA	26 February 2015

3.5. This report presents the draft General Fund revenue budget for 2015/16 for reference to the Scrutiny Committees and as the basis for consultation with the business sector.

3.6. A fuller report including the updated four year Medium Term Financial Strategy and the statutory statement by the Chief Finance Officer on the robustness of the estimates and adequacy of reserves under s25 of the Local Government Act 2003, will be presented to the Budget Cabinet at its meeting on 12 February 2015 and to Budget Council at its meeting on 26 February 2015.

4. Government Funding – Grant and Finance Settlement

4.1. Government funding of its main grant (formerly Formula Grant) 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.

4.2. 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.

4.3. The key points arising from the settlement for Southend-on-Sea Borough Council are:

- (i) The provisional Settlement Funding Assessment (SFA) (a combination of actual RSG and estimated business rates income) for 2015/16 is £60.414m. This compares to an adjusted SFA of £70.912m in respect of 2014/15 (a reduction of £10.498m and equivalent to a 14.8% 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 Councils receive to avoid any cliff edge in funding for previous years' acceptance of the Council Tax freeze grant.
- (v) 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%).
- (vi) 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 include no less than £11.619m of NHS funds;
- (vii) The consultation on the provisional finance settlement ended on 15 January 2015. The actual timing of the final announcement has yet to be announced, but would normally follow shortly after the consultation period has ended. The provisional settlement does refer to February for the final settlement. A verbal update will be given to Cabinet on any further information surrounding the final finance settlement and any implication on the setting of the Budget;
- (viii) The provisional 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 reappportion 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;
- (ix) The Public Health service grant allocation for 2015/16 is £8.060 million exactly the same level as for 2014/15.

5. Government Funding – Dedicated Schools Grant (DSG)

- 5.1. The Dedicated Schools Grant (DSG) was introduced in 2006/07, as a 100% specific grant to fund the Schools Budget. It excludes post-16 funding (with the exception of Special Educational Needs) and other specific grants. The Schools Budget includes funding for all maintained schools in Southend-on-Sea. It also includes other costs relating to pupil's education, mainly comprising: independent school placements, outside the Borough, for pupils with special needs; private, voluntary and independent providers of nursery education; the Southend-on-Sea Pupil Referral Unit; education out of school; behaviour support services; the admissions service; and initiatives agreed by the Schools Forum.
- 5.2. 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.
- 5.3. The current estimated 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.

6. Schools Budget

- 6.1. The Schools Budget consists of delegated funding to schools and early years providers, the funding of some central services, and the funding related to individual children such as for children with special educational needs (SEN) also known as 'High Needs'.
- 6.2. The Schools Budget is funded from the DSG. In addition, funding for post 16 students in schools is received from the Education Funding Agency.
- 6.3. The Department for Education (DfE) announced on 18 December 2014 the funding details for 2015/16 which are summarised below:
- (i) Separation of the DSG budget between Schools Block, Early Years Block and High Needs Block.
 - (ii) Overall DSG funding will be protected based on the current 2014/15 funding per pupil albeit split between the various blocks.
 - (iii) The High Needs Block has been adjusted to reflect a small increase in allocations to allow for the full year impact of an increase in the number of high needs places from September 2014.
 - (iv) Schools will be protected by a Minimum Funding Guarantee (MFG) so as to lose no more than 1.5% per pupil compared to 2014/15.
 - (v) Schools will no longer be responsible for paying the Carbon Reduction Credits under the energy efficiency scheme and the DSG has been top sliced to reflect this.

6.4. The overall DSG to Southend-on-Sea for 2015/16 will be paid at:-

Schools Block	£112,477,000 (24,485 pupils @ £4,593.72 each)
Early Years Block	£6,579,000 (Provisional at 1,680 pupils @ £3,915.81 each)
High Needs Block	£16,421,000 (includes placement and top up funding)
2 year old funding	to be confirmed, will be based on participation in 2015/16.
NQT Funding	£37,000 to be delegated to schools
Total DSG 2014/15	£135,514,000

6.5. Decisions on the allocation of the DSG are effectively made by the Schools Forum, although their recommendations still need to be confirmed by the Council. The Schools Forum met on 3 December 2014 and 14 January 2015 to consider the Schools Budget. Subject to Cabinet approval, budget allocations to schools will be determined by the recommendations from the Forum.

6.6. Overall due to the cash flat settlement there is no increase in DSG funding per pupil in 2015/16.

6.7. 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.

6.8. As a percentage of their total budget (school formula plus pupil premium), the overall funding for schools will see an increase of circa 1% due to pupil number growth. The change in budget for individual schools will vary depending upon pupil numbers and free school meals registration, with some seeing a larger change than 1% and some less.

6.9. Following the meeting of the Schools Forum on 14 January 2015 a breakdown is provided as Appendix 13 and 13 (i), which shows the detailed breakdown of the 2015/16 School's budget, as recommended by the Schools Forum. The schools position for 2015/16 will now be submitted to the People Scrutiny Committee on 27 January 2015, through to Budget Cabinet on 12 February 2015, and then to the Budget Council on 26 February 2015 for final agreement of the Schools Budget, based on the recommendations from the Schools Forum and the comments from the Scrutiny Committee. Following this process, final budgets will be issued to schools.

7. Medium Term Financial Strategy (MTFS)

- 7.1. 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 need of updating as a result of the latest 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.
- 7.2. 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.
- 7.3. The MTFS for the next four year period 2015/16 to 2018/19 will, therefore, be presented as part of the budget proposals for Budget Cabinet on 12 February 2015 and Budget Council on 26 February 2015.

8. 2015/16 Budget Proposals

- 8.1. 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.
- 8.2. 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.
- 8.3. 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 draft 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 public budget consultation has also assisted in informing the compilation of the Council's budget.
- 8.4. The draft 2015/16 General Fund revenue base budget requirement before savings and pressures is £135.147 million and available funding, including Council Tax and an assessment of its required level, is £125.849 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

draft 2015/15 revenue budget of £125.849 million (2014/15 £133.381million). A high level budget summary of the position is set out at Appendix 1.

8.5. The draft 2015/16 revenue budgets for each Portfolio are set out in Appendices 2-8 and show the original budget and probable outturn for 2014/15 and the 2015/16 base budget before savings and pressures.

8.6. The budget identifies a number of pressures being faced by the Council, which need funding and these total £3.090 million. These are set out in detail in Appendices 9 and 10. The budget is then reduced by various savings proposals, which total £10.500 million set out fully in departmental order in Appendices 11 and 12. The net effect of both the Pressures and Savings is £7.410 million. The budget is then balanced by the use of £1.888 million from earmarked reserves 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.

8.7. 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 two 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 will produce annual revenue savings for both the Council and Schools budgets;
- Priory & 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 on this area elsewhere on the agenda;
- Economic Development - £50,000 pa for two years. This is to further enable one-off research and support for the promotion of the Town.

8.8. 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 to allow the smoothing of the budget gap are to be replenished in 2016/17 and 2017/18.

8.9. It is recommended that the draft budget is referred to all Scrutiny Committees and their comments considered by the Budget Cabinet on 12 February 2015 to enable the Budget Cabinet to make its recommendation on the 2015/16 budget to full Budget Council on 26 February 2015.

9. Staffing implications of budget savings proposals

9.1. 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.

9.2. Formal redundancy consultation with the recognised Trades Unions has commenced and all staff have been fully briefed on the implications of these proposals.

- 9.3. The staffing reductions will be managed in accordance with the Council's policies on Managing Organisational Change and Redundancy.
- 9.4. 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.
- 9.5. Volunteers for redundancy will also be sought in order to minimise the number of compulsory redundancies.
- 9.6. 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.

10. Corporate Priorities

- 10.1. The proposed revenue budget has regard to the Council's 2015/16 Corporate Priorities, which are attached at Appendix 14.

11. Public Budget Consultation

- 11.1. 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.
- 11.2. 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 2015/16.
- 11.3. 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 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.
- 11.4. 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.
- 11.5. 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%).

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

12. Equality Impact Assessments (EIA) – Making fair financial decisions

12.1. 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.

12.2. 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.

12.3. 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.

12.4. An overarching EIA is attached at Appendix 15.

13. Council Tax Base 2015/16 and Estimated Collection Fund Surplus/Deficit 2014/15

13.1. The Council has to formally determine the Council Tax Base (the number of Band D equivalent properties) for 2015/16 and any estimated Collection Fund balance at the end of 2014/15. The Council Tax Base for 2015/16 is as reported in a separate report on this agenda for approval as delegated by Council at 54,591.12 (equivalent Band D properties) including Leigh-on-Sea Town Council.

13.2. The tax base for Leigh-on-Sea Town Council has been calculated for 2015/16 as 8,442.91 Band D equivalents.

- 13.3. The Council Tax base for Southend-on-Sea has increased as a result of a combination of more properties on the list coupled with a slightly reduced impact of discounts and exemptions.
- 13.4. The estimated balance on the Collection Fund at the end of 2014/15 will be reported formally to the Budget Cabinet on 12 February 2015. The draft budget and Council Tax implications are currently based on a projected surplus of £1 million attributable to the Council.

14. Council Tax

- 14.1. The draft 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.
- 14.2. 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.
- 14.3. 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.
- 14.4. 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.
- 14.5. At this stage the precepts from the major precepting authorities (Fire and Police) are not yet finalised. Essex Police Authority through the Police Commissioner has by law to set its precept no later than 1st March 2015 (after consideration by its Police & Crime Panel on 29 January 2015). No indication has been given of the relevant precept level for 2015/16. Essex Fire Authority is due to set its precept on 11th February 2015 (after consideration by its Policy & Strategy Committee on 14th January 2015). Again no information on the potential precept level has been forthcoming. The precepts will form part of the formal Council Tax setting at Budget Council on 26 February 2015. As part of the draft budget, estimations have been made of the expected precept levels pending formal approval by the precepting authorities. Any variances from that contained in the draft budget are expected to be minimal and will be contained within the overall budget proposals that will be presented to Budget Council.

15. 2016/17 and Beyond

- 15.1. 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.
- 15.2. 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.
- 15.3. 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.
- 15.4. 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.
- 15.5. 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.
- 15.6. 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.

- 15.7. 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.
- 15.8. 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.
- 15.9. 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.
- 15.10. 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.
- 15.11. The programme of corporate work streams has helped to deliver savings of nearly £9million over the last three years.
- 15.12. 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 Government's anticipated spending review in 2015, that further savings in the order of £23m to £25m will be required from the Council's circa £125m annual 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.
- 15.13. 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.

16. Corporate Implications

16.1. Contribution to Council's Vision & Critical Priorities

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

16.2. Financial Implications

As set out in the body of the report.

16.3. Legal Implications

None at this stage.

16.4. People Implications

The draft budget will have an impact on staffing levels and the implications are set out in section 9 of this report.

16.5. Property Implications

None

16.6. 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.

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.

16.7. Equalities Impact Assessment

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

16.8. Risk Assessment

The budget proposals will be subject to a Director's review of risk and robustness. This will inform the Head of Finance & Resources' Section 25 statement on the robustness of estimates and adequacy of reserves to be reported to the Budget Cabinet on 12 February 2015 and Budget Council on 26 February 2015.

16.9. 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.

16.10. Community Safety Implications

Assessments have been carried out for all revenue proposals.

16.11. Environmental Impact

Assessments have been carried out for all revenue proposals.

17. Background Papers

17.1. The provisional finance settlement 2015/16, DCLG

17.2. Budget working papers are held in the Finance & Resources' Accountancy section.

17.3. Equality Impact Assessments

18. Appendices

Appendix 1	Summary of Draft 2015/16 General Fund Revenue Budget
Appendix 2	2015/16 Draft budget - Adult Social Care, Health and Housing
Appendix 3	2015/16 Draft budget – Children & Learning
Appendix 4	2015/16 Draft budget – Community Development
Appendix 5	2015/16 Draft budget – Enterprise, Tourism & Economic Development
Appendix 6	2015/16 Draft budget - Leader
Appendix 7	2015/16 Draft budget – Public Protection, Waste & Transport
Appendix 8	2015/16 Draft budget – Regulatory Services
Appendix 9	Schedule of Proposed Pressures
Appendix 10	Description of Proposed Pressures
Appendix 11	Schedule of Proposed Savings
Appendix 12	Description of Proposed Savings
Appendix 13	Schools Budget
Appendix 13(i)	Schools Budget
Appendix 14	Corporate Priorities 2015/16
Appendix 15	Equality Analyses supporting budget proposals