

# Southend-on-Sea Borough Council

Agenda  
Item No.

Report of Corporate Management Team  
To  
Cabinet  
On  
19 January 2016

Report prepared by: Joe Chesterton  
Head of Finance & Resources

---

**Draft General Fund Revenue Budget 2016/17**  
**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 2016/17 draft revenue budget.

**2. Recommendations**

**That Cabinet;**

**2.1. Endorse the 2016/17 draft revenue budget and any required commencement of consultation, statutory or otherwise;**

**2.2. Note that the 2016/17 draft revenue budget has been prepared on the basis of a Council Tax increase of 1.99% and a new Adult Social Care precept of 2%;**

**2.3. Note that the 2016/17 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. Refer the 2016/17 draft revenue budget, as approved, for the views of all Scrutiny Committees, Business sector and Voluntary sector to inform Budget Cabinet, which will then recommend the Budget and Council Tax to Budget Council;**

**2.5. Note the Schools budget position and that the recommendations from the Schools Forum on 13th January 2016, as set out in Appendix 13 and 13(i) are referred to People Scrutiny Committee and then to Budget Cabinet and Budget Council.**

**2.6. Endorse the direction of travel for 2017/18 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 25 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 2016/17 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	2 December 2015 & 13 January 2016
Cabinet approves proposals for reference to Scrutiny Committees, Business and Voluntary sectors	19 January 2016
Cabinet approval (delegated from Council) for the 2016/17 Council Tax base of 55,701.27 equivalent Band D properties	19 January 2016
Scrutiny and Consultation Scrutiny Committees:- - Place - People - Policy & Resources  Business and Voluntary sector consultation	25 January 2016 26 January 2016 28 January 2016  19 January 2016
Precept announcements Leigh-on-Sea Town Council Essex Fire Authority Essex Police Authority	19 January 2016 17 February 2016 Police Commissioner by 1st March 2016 (Essex Police and Crime Panel 29 January 2016)

Cabinet recommends the Revenue Budget, Council Tax, Fees & Charges, Capital Programme and HRA to Council	11 February 2016
Council approves the revenue and capital budget, Council Tax and HRA	25 February 2016

3.5. This report presents the draft General Fund revenue budget for 2016/17 for reference to the Scrutiny Committees and as the basis for consultation with the business and voluntary sectors.

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 11 February 2016 and to Budget Council at its meeting on 25 February 2016.

#### **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 2016/17 was issued by the Department for Communities and Local Government (DCLG) on 17 December 2015 and this represents the Government's next four year spending plans.

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.

4.3. However, a key change to the settlement is the Government's recognition of the demand and demographic expenditure pressures on Adult Social Care and the ability for Local Authorities to now implement an Adult Social Care precept of up to 2% to support the growing expenditure on Council budgets in this area.

4.4. The provisional settlement sets out the Government's intention to roll the Care Act grant (£1.116m in 2015/16) into the RSG, along with some minor flood related grants.

4.5. 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 2016/17 is

£53.639m. This compares to an adjusted SFA of £61.803m in respect of 2015/16 (a reduction of £8.164m and equivalent to a 13% reduction);

- (ii) The RSG element for 2016/17 within the provisional SFA IS £21.338m. This compares to an adjusted RSG of £29.769m in respect of 2015/16 (a reduction of £8.431m and equivalent to a 28% reduction);
- (iii) The settlement provides indicative figures for a four year period (2016/17 to 2019/20), however this requires a sign off from the Council and the detail surrounding the offer is under consultation;
- (iv) Some capital and specific grants are provisional and yet to be announced in full;
- (v) No Council Tax freeze grant has been offered by the Government this year;
- (vi) The 2016/17 referendum limit for Council Tax increases has been announced at a level of 2% as part of the provisional settlement (2015/16 this was also set at 2%);
- (vii) For 2016/17, funding to support social care and benefit health is being continued through the Better Care Fund; a pooled budget between the Council and Southend Clinical Commissioning Group (CCG). The provisional settlement has not indicated what the terms of the Better Care Fund are for 2016/17 but that these are to be announced in January/February. At that point the Council will have a better understanding of the pooled budget from existing NHS and Council resources will be in comparison to 2015/16. The proposed budget assumes that the Council's share of the BCF will at least remain unchanged;
- (viii) The consultation on the provisional finance settlement ended on 15 January 2016. 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;
- (ix) The provisional small business non-domestic rates (NNDR) poundage (multiplier) has been set at 48.4p, having been uplifted 0.80% in accordance with the RPI inflation for September 2015. The associated non-domestic poundage has been set at 49.7p. 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;

- (x) The Public Health service grant allocation for 2016/17 is not yet known and the Department of Health has recently indicated that this will now be announced towards the end of January 2016.

## **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 2016/17 is £140.1million (2015/16 = £137.3million). In practice the final DSG will exclude funding for Academies and is estimated to reduce by at least £61 million to £79.1 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 17 December 2015 the funding details for 2016/17 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 2015/16 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 2015.

- (iv) Schools will be protected by a Minimum Funding Guarantee (MFG) so as to lose no more than 1.5% per pupil compared to 2015/16.

6.4. The overall DSG to Southend-on-Sea for 2016/17 will be paid at:-

Schools Block	£114,383,628 (24,900 pupils @ £4,593.72 each)
Early Years Block	£7,048,458 (Provisional at 1,800 FTE children @ £3,915.81 each)
High Needs Block	£16,869,426 (includes placement and top up funding)
2 year old funding	£1,811,375 (Provisional at 650 pupils @ £4.89 per hour)
NQT Funding	£36,000 to be delegated to schools

**Total DSG 2016/17    £140,148,887**

- 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 2 December 2015 and 13 January 2016 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 2016/17.
- 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 (2015/16 = £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).
- 6.8. As a percentage of their total budget, the overall funding for schools will see an increase of circa 2% due to pupil number growth. The change in budget for individual schools will vary depending upon pupil numbers and pupil funding factors such as free school meals registration, with some seeing a larger change than 2% and some less.
- 6.9. Following the meeting of the Schools Forum on 13 January 2016 a breakdown is provided as Appendix 13 and 13 (i), which shows the detailed breakdown of the 2016/17 School's budget, as recommended by the Schools Forum. The schools position for 2016/17 will now be submitted to the People Scrutiny Committee on 26 January 2016, through to Budget Cabinet on 11 February 2016, and then to the Budget Council on 25 February 2016 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 2015 was for a four year period up to the financial year 2018/19. 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 2016/17 to 2019/20 will, therefore, be presented as part of the budget proposals for Budget Cabinet on 11 February 2016 and Budget Council on 25 February 2016.

## **8. 2016/17 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. 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 All Members budget session undertaken on 18<sup>th</sup> November 2015 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 various budget consultation has also assisted in informing the compilation of the Council's budget.
- 8.4. The draft 2016/17 General Fund revenue base budget requirement before savings and pressures is £130.646 million and available funding, including Council Tax, Business rates and Government grant (excluding the Adult Social Care precept) is £121.915 million. After applying the required pressures of £1.355 million to the base budget there is a budget gap to find in 2016/17 of £10.086 million through departmental savings. By agreeing the proposed savings of £10.086 million (excluding Public Health savings of £0.381 million, as these savings are ring fenced against the Public Health grant allocation) this will result in a draft 2016/17 revenue budget of £121.915 million (2015/16 £126.093 million). A high level budget summary of the position is set out at Appendix 1.

- 8.5. The draft 2016/17 revenue budgets for each Portfolio are set out in Appendices 2-8 and show the original budget and probable outturn for 2015/16 and the 2016/17 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 £1.355 million. These are set out in detail in Appendices 9 and 10. The budget is then reduced by various savings proposals, which total £10.086 million set out fully in departmental order in Appendices 11 and 12. The net effect of both the Pressures and Savings is £8.731 million.
- 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 items of revenue growth are;
- Southend Pier - £150,000 for one year. This is to undertake a detailed feasibility study for options on replacing the ageing pier railway and determining an optimum outcome for the vacant platform area;
  - Economic Development - £50,000 pa for 2016/17 and 2017/18. This is to further enable one-off research and support for the promotion of the Town;
  - Pupil support for 11 plus coaching in School holidays - £25,000 for one year
- 8.8. Members will note that the budget proposals do not include the use of earmarked reserves to fund the balancing of the 2016/17 core budget but do allow for their use on the above items of one-off project spending. The use of £1.888 million of reserves in setting the 2015/16 budget to allow the smoothing of the budget gap were replenished as part of the closure of the 2014/15 accounts.
- 8.9. It is recommended that the draft budget is referred to all Scrutiny Committees and their comments considered by the Budget Cabinet on 11 February 2016 to enable the Budget Cabinet to make its recommendation on the 2016/17 budget to full Budget Council on 25 February 2016.

## **9. Staffing implications of budget savings proposals**

- 9.1 The saving proposals outlined in this report will delete 59.6 full time equivalent (fte) posts across the Council, of which 19.4 (33%) 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 Councils policies on the 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 have already been sought and will be further 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 2016/17 Corporate Priorities, which are attached at Appendix 14.

## **11. 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 Council continues to invite and receive feedback on its services from residents, businesses, voluntary sector and visitors, and has publicised the challenges of reduced funding and the impact this is likely to have next year and beyond. In addition the Leader of the Council has visited ( and continues to visit) a number of community groups to outline these challenges and to discuss where the Council needs to prioritise its resources in the future.
- 11.3. The overall results and comments from the consultation have continued to help inform the preparation of the 2016/17 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 2016/17 and Estimated Collection Fund Surplus/Deficit 2015/16**

13.1. The Council has to formally determine the Council Tax Base (the number of Band D equivalent properties) for 2016/17 and any estimated Collection Fund balance at the end of 2015/16. The Council Tax Base for 2016/17 is as reported in a separate report on this agenda for approval as delegated by Council at 55,701.27 (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 2016/17 as 8,645.94 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 an increased impact of discounts and exemptions arising from the agreed changes at Cabinet on 5<sup>th</sup> January 2016.

13.4. The estimated balance on the Collection Fund at the end of 2015/16 will be reported formally to the Budget Cabinet on 11 February 2016. The draft budget and Council Tax implications are currently based on the use of £1million of the projected surplus attributable to the Council.

**14. Council Tax (including Precepts)**

14.1. The draft budget assumes a Council Tax increase at 1.99% on the Southend-on-Sea element of the total Council Tax. There are no implications arising from this increase for a Council Tax freeze grant, as the Government has not offered one this year.

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 £11.60 per annum for a Band D property. This equates to an amount of circa £0.65 million in the revenue budget for each 1% change.

14.3. The proposed Council Tax increase of 1.99% will mean a Band D level of £1,182.60 per annum on the Southend-on-Sea element of the Council Tax (2015/16 the Band D level is £1,159.56). This equates to an annual increase of £23.04 and a weekly increase of 44p.

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, Adult Social Care and, where applicable, Leigh-on-Sea Town Council.

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 2016 (after consideration by its Police & Crime Panel on 29 January 2016). No indication has been given of the relevant precept level for 2016/17. Essex Fire Authority is due to set its precept on 17th February 2016 (after consideration by its Policy & Strategy

Committee on 13<sup>th</sup> January 2016). 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 25 February 2016. 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.

14.6. In addition, the draft budget also assumes a new Adult Social Care precept at a level of 2%. The ability to apply this precept has been introduced by the Government as part of this year's Local Government financial settlement. It has been introduced to assist with the increasing demand and demographic expenditure pressures from Adult Social Care that Local Government has been experiencing and are continuing to face. The proposed increase of 2% equates to an annual increase of £23.58 and a weekly increase of 45p. It is proposed that the Adult Social Care precept be used to support the service in two ways;

- The savings proposals at Appendices 11 and 12 include two proposals totalling £3m (PE1 and PE2) that will require significant service redesign. As such it will take some time until the full savings are realised. It is proposed that £0.713 million of the new precept is used to enable the transition and delivery of the savings over a two year period.
- To support the delivery of the service redesign, there is a need for some initial investment to enable old and new style services to be run side by side to enable a safe transition. These total £0.6 million and are as follows;
  - £150,000 - Overnight support for older people reducing the long term use of care;
  - £250,000 – Additional services to reduce admissions for residential care and high cost packages;
  - £200,000 – Mental Health Intensive Enablement.

14.7 Following these adjustments this will now result in a draft 2016/17 revenue budget of £123.228 million (2015/16 £126.093million).

## **15. 2017/18 and Beyond**

15.1. In addressing the national economic situation and following the Emergency Budget in July 2015 the Government has emphasised the need to look further at a four year programme of public sector spending restraint and reconfiguration. This was reinforced in the Chancellor's annual autumn speech/Spending review in December 2015 with further restriction placed on the Government's public spending plans up to 2020. 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 2017/18 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 2016/17 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 national fiscal situation 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. 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 arising from the Spending Review in late 2015, that further savings in the order of £26m to £28m will be required from the Council's circa £123m annual net budget for the three years 2017/18 to 2019/20.
- 15.12. It is clear that the budget savings presented for 2016/17 cannot be continually 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 Member workshop.

The Leader of the Council has undertaken a range of meetings with community and voluntary sector groups to outline the budget challenges the Council faces and listen to their ideas and areas of priority. Consultation with staff and unions will continue throughout the process. Briefings for local businesses and the voluntary sector have been undertaken to give them an opportunity to find out more about what is in the planned draft budget from the Leader and Chief Executive of the Council.

Staff have been kept abreast of progress and opportunities for contributions through personal briefings by the Chief Executive, a dedicated 'speak up' email suggestion inbox and through written briefings.

#### 16.7. Equalities Impact Assessment

Assessments have been carried out for proposed savings in the 2016/17 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 11 February 2016 and Budget Council on 25 February 2016.

#### 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 2016/17, 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 2016/17 General Fund Revenue Budget
Appendix 2	2016/17 Draft budget - Adult Social Care & Health
Appendix 3	2016/17 Draft budget – Children & Learning
Appendix 4	2016/17 Draft budget – Community & Organisational Development
Appendix 5	2016/17 Draft budget – Enterprise, Tourism & Economic Development
Appendix 6	2016/17 Draft budget - Leader
Appendix 7	2016/17 Draft budget – Public Protection, Waste & Transport
Appendix 8	2016/17 Draft budget – Housing & 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 2016/17
Appendix 15	Equality Analyses supporting budget proposals